

ODS

ENTIRE DOCUMENT

BEST COPY

AVAILABLE

**(EXTREMELY)
BAD**

ORIGINALS

Security Information

17 August 1953

MEMORANDUM FOR THE RECORD

**SUBJECT: Meetings of the Steering Group of
the CIA Career Service Board**

Meeting of 13 July 1953

Present: Kirkpatrick, Baird, [redacted] Helms, [redacted]
[redacted], White, [redacted]

25X1

25X1

25X1

1. The Chairman of the Professional Selection Panel appeared before the Steering Group and presented a review of the Panel's Case No. 49 in which the decision of the Panel had been appealed by the Deputy Director (Intelligence). The Steering Group agreed that the individual concerned should be permitted to continue his trial-service employment with the Agency, but that he should be given careful indoctrination and attention by his supervisors until his case is again reviewed by the Panel prior to the expiration of his trial-service period.

2. At the request of the DD/P member, a proposed use of a Rotation Loan Slot was returned to DD/P without action.

3. The Steering Group discussed and accomplished changes in the original list of Executive Positions which serves as the basis for the Executive Inventory, and re-affirmed procedures for developing the Executive Inventory. It also agreed to hold special meetings for incumbents of Executive Positions to acquaint them first hand with the procedures.

4. It was agreed that the Personnel Director should be asked to attend the meetings of the CIA Career Service Board.

5. The DD/A member reviewed for the Steering Group the measures which have been established within the DD/A complex to determine the suitability of applicants for employment with the Agency. These procedures were approved by the Steering Group, and its Chairman indicated that the Professional Selection Panel would no longer be concerned with the suitability of applicants.

Meetings of 23 July 1953 and 27 July 1953

Two special meetings were held on 23 and 27 July 1953. The purpose of these meetings was to permit the Chairman, CIA Career Service Board, to provide incumbents of Executive Positions with information concerning the objectives and methods for establishing the CIA Executive Inventory.

SECRET

S-E-C-R-E-T
Security Information

Meeting of 10 August 1953

25X1

Present: Kirkpatrick, [redacted] Maloon, [redacted]
Sheldon, [redacted] (Reporter)

25X1

25X1

1. The Chairman announced the establishment of a panel of women to examine the career advancement problems of professional and non-professional women throughout the Agency. [redacted] of the Office of Training is Chairman of the panel. Mr. Kirkpatrick indicated that the Panel requires detailed personnel statistics in order to accomplish its mission. It was agreed by the Steering Group that the Personnel Office would provide the Panel with these statistics, but that the members of the Panel would be cautioned concerning the dissemination of information contained therein.

25X1

25X1

2. The Steering Group agreed as to the desirability of establishing Agency-wide standard criteria with respect to promotions, including time-in-grade requirements. The representative of the Personnel Office was requested to prepare proposed regulations with respect to promotion policy. The representative of the Office of Training was requested to submit proposals concerning the problem of promoting people while in training status.

3. The Chairman indicated a general concern with respect to the low morale evidenced by Junior Officers and Junior Officer ~~Trainees~~ and indicated that he may establish a panel of such officers to review the problems which contributed to their low morale.

4. The Steering Group discussed a memorandum from the Chairman, Professional Selection Panel, entitled "Proposed Selection Procedure," dated 5 August 1953, with two papers attached. The proposals of the Panel were approved in principle with the following exceptions:

a. Provisions should be made for a special Panel of Examiners to examine trial-service employees who, during their trial-service periods, are in extended training status or are assigned overseas.

b. [redacted] indicated that the Acting DD/A questioned the use of Panels of Examiners because of the possible lack of uniformity among different review groups. Discussion indicated that Colonel White's queries could probably be satisfied.

BEST COPY
POOR ORIG.
-IMU-

25X1

~~S-E-C-R-E-T~~
Security Information

c. It should be emphasized that Office Career Service Boards must review all available information from all Agency sources which bear on the cases of selection for Career Service which they consider.

It was agreed to place the subject on the agenda for the CIA Career Service Board's next meeting in the event that some member of that Board wishes to discuss it in full session.

5. The Chairman announced that a foundation may be established to assist CIA personnel who experience personal hardships for reasons beyond their control.

- 3 -

~~S-E-C-R-E-T~~



SECRET

TAB A

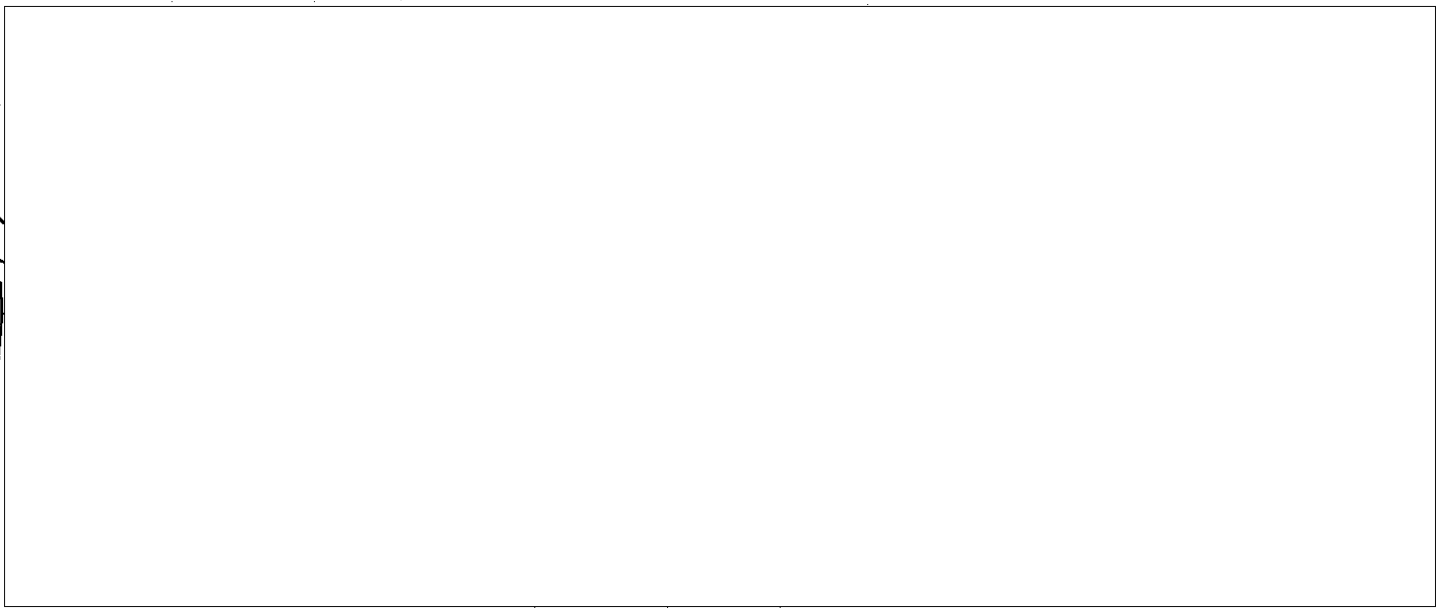
13 August 1953

OGC

SUBJECT: Discussion of Medical Care for Headquarters Personnel being made Comparable to that Available for Overseas Personnel in Certain Fields and under Controlled Circumstances

FOIAB5

All TDY employees overseas actually included



OGC

FOIAB5

3. These provisions were substantially adopted from corresponding provisions in the Foreign Service Act of 1946 for the purpose of authorizing expenditures necessary for an effective overseas program. It is important in examining the problem of relative benefits of headquarters and field personnel to recognize the fact that a more liberal interpretation is placed on "illness or injury incurred in line of duty" in paragraph C above than is permitted for service-connected injuries or disabilities under the Employees Compensation Act. This provision is an extension of the latter Act, not a replacement.



6. Headquarters personnel also undergo a complete physical examination when entering upon duty and, at the request of the Agency, or, for adequate reasons at their own request, can undergo further examinations. Inoculations and vaccinations are not administered to headquarters personnel in the absence of foreign travel.

SECRET

OGC

Security Information

Tab A (Cont'd)

7. Up to this point under current legislation there is little difference between the medical benefits available to headquarters and overseas personnel.

The ostensible superior benefits received by overseas personnel, however, are dictated by the hazards of environment rather than the position, title, or work assignment of the employee. Headquarters personnel of CIA could hardly claim that the hazards of their environment are any greater than those of an employee of any other agency operating in the United States. Furthermore, the career aspects of the service are not likely to be augmented by giving the same benefits to all and sundry irrespective of place of assignment. Otherwise, there is little incentive to undertake assignments subjecting one to additional health hazards.

8. Outside of the purely career and physical health aspects of attempting to bring about uniformity in medical benefits for headquarters and overseas personnel, other factors militate against such an approach.

a. No civilian agency of the government has instituted medical care for its personnel assigned in the U. S. not provided for in existing legislation and it would be highly questionable for this Agency to do so without legislation.

b. The mere statement of an employee on assignment at headquarters that he has made himself available for a "Career Service Program" is insufficient to justify additional benefits. These benefits should only accrue when concrete undertakings are implemented, i.e., by acceptance of a foreign assignment.

c. Existing legislation for medical benefits for personnel while abroad is not applicable upon the return of the employee to the U. S. for assignment unless subsequent illness is connected to the foreign service. Service overseas does not permit continuing benefits to accrue to an employee when returned to headquarters.

d. Headquarters personnel have available group health or private insurance plans in which they can elect to participate which are denied for various reasons to Agency personnel abroad. Further, it is the responsibility of the individual to exercise reasonable care in the protection of his health under normal stateside conditions. This is in keeping with our traditions and the political atmosphere of the moment.

e. Any attempt to secure superior benefits for headquarters personnel by legislation on whatever theory, would undoubtedly encounter the opposition of the Bureau of the Budget and the Civil Service Commission as special group legislation. It would be difficult to support the thesis that headquarters personnel deserve such special legislation. Even if these hurdles were surmounted, opposition in the Congress could be reasonably expected.

SECRET
Security Information

-2-

Security Information

Tab A (Cont'd)

9. From the above it is concluded that:

a. Medical benefits of overseas personnel should substantially parallel those enjoyed by the Foreign Service of the Department of State with hardship cases being resolved on an ad hoc basis. (This policy will also avoid any basis for resentment on the part of employees of what is our most used host agency abroad.)

b. Medical benefits of headquarters personnel should conform in all basic essentials to those enjoyed by employees of other agencies of the Government where no foreign service is involved.

10. It is recommended that:

No action be taken to obtain legislation extending the provisions of medical care applicable to overseas personnel to headquarters assigned personnel. (An exception is made in the case of headquarters personnel on TDY overseas. This matter is handled in a separate paper.)

SECRET
Security Information

OGC

Page Denied

Security Information

TAB B

Missing Persons Act:

The Act was a wartime statute recently extended until 1 February 1954. The basic purpose of the Act was to establish basic authority and prescribe orderly procedures to provide for the pay and allowances of Government employees (including military personnel) who were missing in action, prisoners of war interned in neutral countries, etc. The Act permitted continuance of pay and allowances under certain circumstances and further provided for orderly review of cases, granting the heads of the departments concerned the authority either to continue the case or to make a determination of death. The authority conveyed in the Act permitted proper payment of amounts to allottees or dependents and, upon finding a death, permitted payment of death gratuities and death benefits. Since the Act has an expiration date, efforts by other departments to continue the Act should be monitored to assure that continuing protection is provided for employees of CIA.

Recommendation: That the Office of the General Counsel be assigned continuing responsibility on this matter to monitor action by other departments in the Congress and, if necessary, to prepare legislation for CIA. That Office should report periodically to the Career Service Board on recent developments and coordinate any proposed legislation for CIA throughout the Agency. This group recommends that, if possible, permanent government-wide legislation be supported and, only if necessary, should CIA attempt to get legislation solely for CIA.

SECRET
Security Information

Security Information

TAB C

This item has been listed in the memorandum of 25 June 1953 as "Application of the principles of the United States Employees' Compensation Act to dependents of employees engaged in hazardous duties who are themselves exposed to hazard." It is believed that this subject should be considered as raising the general question of medical benefits for dependents of employees who are assigned abroad. It is not believed that the limitation of the hazardous duty is pertinent since it is subject to construction in many different ways.

25X1

a. An example of the problem involved here would be helpful. In the event an employee of CIA, while stationed at [redacted] contracts malaria, which disease is endemic to the area, CIA could pay for hospitalization costs, medical care, and transportation costs to the nearest hospital [redacted]

Also, at its option, CIA could process the case to the Bureau of Employees' Compensation. If continuing disability were involved the case could be processed to the Bureau of Employees' Compensation. However, if the wife of that employee also contracted malaria, CIA legally could not reimburse the employee for any of the costs involved.

[redacted] At that time the Bureau of the Budget requested deletion of dependents on the grounds that no other civilian agency of the Government had such authority and the Bureau of the Budget could not support CIA's position. It is true, of course, that there exists some precedent for medical care of dependents in the military services. Generally, statutory authority for dependents' care in the military is based on permissive statutes which the various services have construed in different ways at different times. Facilities and space available are sometimes used by the services as criteria for medical care of dependents.

d. The hypothetical case above does not indicate merely an academic problem since a great number of cases of similar nature have occurred in the brief history of CIA. On the one hand it could be argued that since CIA sends the employee abroad and pays for the transportation of his dependents abroad, CIA should assume similar responsibilities for the dependents as are assumed for the employee since the hardship on the employee is just as real in either case. On the other hand, it could be argued that CIA sends the employee abroad and the matter of sending the dependents is a question of privilege, with the Government paying the expenses of transportation if the employee desires his dependents with him. Having exercised his choice of having his dependents with him, the risks of illness or injury to the dependents have been assumed.

SECRET

Security Information

Security Information

TAB C (Cont'd)

Recommendation: Taking into consideration all factors, it is recommended that CIA adopt as a goal, the provision of medical care, hospitalization, and transportation costs in connection therewith, for dependents of CIA employees adopting the same standards for eligibility for such benefits as are applicable in the case of CIA employees under Public Law 110. This would require legislation.

SECRET

Security Information

Information

TAB D

13 August 1953

Statement on Death Gratuity

Problem: To determine the advisability of including a Death Gratuity among benefits provided under career service.

Definition: The term "Death Gratuity" applies to those death benefits, non-contributory in type, which are designed to care for burial expenses or provide financial benefits to survivors prior to estate settlement.

Facts: In the case of death resulting from injury or disease, the Federal Employees Compensation Act of September 7, 1916, as amended, provides for payment to the representatives of the deceased employee an amount not to exceed \$400 for the payment of funeral and burial expenses.

Military benefits to beneficiaries of commissioned officers on account of active military service include burial payments in the event of death, and six months' pay in the case of death.

Discussion: Efficient administration of an Agency sponsored insurance program will offset need for a death gratuity benefit. The current review of an insurance program will develop related facts.

Certain normal conditions of service in this Agency tend to delay the estate settlement process due to fundamental security considerations. This condition of service supports the idea of a gratuity. A reasonable amount would be 3 or 4 months' pay effective immediately on certification of death by appropriate Agency authority.

However, to date, full death gratuity benefits (burial expenses and six months' salary payment to beneficiaries) are provided only under military career systems. Such a precedent tends to rule against inclusion of this benefit in legislations supporting a civil career service.

Legislation is considered essential to administration of a Death Gratuity.

Guidance: Policy guidance on inclusion of career service death gratuity benefits is requested.

SECRET

Security Information

TAB E

13 August 1953

LEGISLATIVE TASK FORCE

PROBLEM: To establish terms of reference for consideration of liberalization of retirement benefits

ASSUMPTION: "Liberalization" means making terms of retirement more favorable to employee

FACTS: 1. Government retirement systems are controlled primarily by five factors:

Required age on retirement
 Years of service completed on retirement
 Pay percentage required to be deposited
 Base period used for computing retirement
 Computation factor (percentage of base-period pay allowed for each year of service in computing annual rate of retirement pay)

For example:

	<u>Civil Service</u>	<u>Foreign Service</u>	<u>FBI</u>	<u>Military</u>
Age	62	50	50	None
Years	15	20	20	20
Deposits	6%	?	?	None
Base Period	Any 5-yr	Last 3-yr	Any 5-yr	Any 6-mo
Factor	1.5%	2%	2%	2.5%

2. Factors are subject to modification by:

Interrelationship (e.g., CS requires 30 years to retire at 60, only 15 to retire at 62)
 Ceilings (e.g., no credit for more than 30 years)
 Special applications (e.g., disability, discontinued service)
 Atypical conditions (e.g., hazardous-service posts)

SECRET

Security Information

BEST COPY
 FROM ORIG.
 -IMU-

Security Information

TKB E
(Cont'd)

DISCUSSION: It is clear that retirement terms can be made more favorable in two ways:

Changing normal factors
Widening modifications

CONCLUSIONS: It is suggested that the task force consider the following questions as its terms of reference for this phase of its work (disability considerations excluded):

1. Should required age be lowered? If so, with or without reduction of pay scale proportionate to years under specified age?
2. Should years of required service be lowered? Absolutely or tied to various required ages?
3. Should required deposits be decreased?
4. Should base-period average be subject to correction if pay for grades in which base period was served is later increased (i.e., should retired personnel share in any protection against dollar-shrinkage granted still-active personnel)?
5. Should non-deposited portion of non-disability retirement pay also be exempt from income tax?
6. Should computation factor be increased?
7. Should special conditions such as hazardous service, hardship service, outside-activity restrictions, required long-term commitments, or quasi-military requirements (e.g., 24-hour duty, subject to special code analogous to AW) effect one or more of the following:

Lowering of retirement age
Awarding of bonus service-years
Increasing computation factor

-2-

SECRET
Security Information

Security Information

TAB E
(Cont'd)

SAMPLE PLAN: The following suggests one possible solution, to be accomplished by amendments of the present Civil Service Retirement Law rather than specific legislation for this Agency, that should not require extra-Agency inspection or ruling as is the case with the existing special provision regarding employees engaged in investigations. Changes would be made by modifying existing factors in certain cases rather than by changing the normal factors.

a. Years-of-service factor - For each year of service abroad, the employee would receive credit for one and one-half years of service for the purposes of computing years of service under the retirement act. For each year of service in places stated by the President to be unhealthful in accord with Section 853 of the Foreign Service Act, the employee would receive credit for two years of service.

b. Retirement-age factor - Each year of service abroad would lower the voluntary retirement age six months. Each year of service at an unhealthful post would lower the voluntary retirement age eight months. Reducing for either cause would not reduce the amount of annuity received, as now occurs in the case of voluntary retirement between the ages of 60 and 55.

List Examples

-3-

SECRET
Security Information

Security Information

TAB F

13 August 1953

Appropriate and Adequate Leave System: The principal item causing difficulties is the lack of accumulation of leave for an employee stationed abroad which he can take when returned to the United States for leave purposes. The Foreign Service basically has the same leave system as all other Government agencies, including CIA. However, superimposed on that system is provision for accumulating one week for each four months of service abroad, which leave can be used when the employee returns to the U. S. for the purpose of taking leave. The leave cannot be used for any other purposes and is not considered in making lump sum payments for accumulated leave.

There has been some effort by the Department of Defense to secure similar leave benefits for its components. However, no final action has been taken anywhere in Government to obtain similar home leave for anyone other than the Department of State.

Recommendation: That General Counsel's Office prepare appropriate legislation and be assigned the responsibility for continuing efforts to secure, introduce, and obtain passage of this bill. If CIA comes up with a package Career Service bill, this item should be included. However, if a long delay is anticipated, it is recommended that this specific item be acted upon.

SECRET
Security Information

TAB G

13 August 1953

SUBJECT: Educational Allowances to Employees
Serving Overseas

1. A staff study forwarded to the ADD/A 21 July 1953 by the Personnel Director states that "The Agency has no formal policy nor consistent practice concerning payment of the costs of education for the school-age dependents of overseas personnel."

2. Referring to a legal opinion on a particular case arising in SE Division it is stated in the study that "... The legal opinion emphasizes that there exists no specific authority for the type of expenditure under discussion, that authorization for such disbursements would be contingent upon the Director's approval, that it would require a determination that such an expenditure is essential for the carrying out of Agency functions, and that the term 'function' refers to extraordinary functions of the Agency and has no relationship to the normal administrative or operating problems which confront the ordinary agency.

3. (a) The Military Services have authority to pay tuition costs of dependents of their military and civilian employees at foreign military posts.

(b) The State Department has been unsuccessful over a long period of years in obtaining Congressional authorization for payment of educational costs for dependents of overseas employees. (Note: Although not clear here, the study elsewhere suggests this applies equally to all State Department "career services" i.e., FS, FSS, FSR and "employees".)

SECRET

Security Information

- 2 -

(c) Other Federal Agencies, like State Department, are not authorized to pay educational costs for dependents of overseas employees. (Note: 1. The study does not state specifically whether FHS, C&CS, etc., are in the latter category.)

2. It should be ascertained whether the Forest Service, National Park Service, Indian Bureau, Atomic Energy Commission, etc., are authorized to pay educational costs for dependents of certain domestic employees, and if so, why.)

5. Post differentials are based on a variety of "hardship" factors but are paid as a percentage of the employee's salary without regard to the presence of dependents, if any.

6. The Bureau of the Budget has sponsored a committee (State, MSA, Defense, CSC) to draft an "Overseas Civilian Service Act" to consolidate and revise the laws relating to overseas and territorial civilian employees. A sixth draft provides in pertinent part:

"(h) An education allowance or grant as follows:

(1) An allowance to assist an employee

(a) to provide for the elementary and secondary education of his minor dependents, including costs of tuition, board and room, correspondence courses and related costs;

(b) to transport his minor dependents, whenever adequate elementary and secondary educational facilities are not available at the post at which he is serving, to and from the nearest locality where such facilities are available."

It is represented as present feeling in the committee that only a portion of the costs should be paid, possibly that portion in excess of normal public school costs in this country.

7. The staff study recommends:

(a) Agency support of the general legislation, supra.

(b) Agency should not sponsor interim legislation for CIA alone (no bill, no hearings, no reports on the general legislation yet).

SECRET

Security Information

Tab G (Cont'd)

- 3 -

(c) Agency, meanwhile,

1. Consider educational requirements of dependents in making assignments;
2. Pay educational "benefits" only when and in the measure of excessive costs arising directly and necessarily out of cover requirements.

(d) When authorized, the amount of payment to be determined for each post as the amount in excess of normal cost by comparison with a standard to be established as representative of the normal cost in this country per child and educational level.

(e) When authorized, allowance should be made for each child of educational age.

(f) All cases of educational benefits being received be reviewed by the Personnel Office for compliance with these "requirements" and by General Counsel for legality.

(g) That the Personnel Director be made responsible for authorizing "requests" for educational benefits in accordance with these criteria and for determining a standard cost of educating a child in this country.

8. It is suggested to the task force that:

(a) An allowance for education of minor dependents of employees is a legitimate goal for this Agency.

(b) Some legislative precedent exists (military services).

25X1.

(c) Any allowance should extend to minor dependents, not merely to children.

(e) Enabling legislation should be so constructed that any such allowance would not be taxable as income.

(f) Factors considered in computing allowance should be:

1. Generally equivalent curriculum;

SECRET

Security Information

Tab G (Cont'd)

Security Information

- 4 -

2. Tuition, board and room, correspondence courses and related costs; and
3. Transportation to and from the nearest locality where generally equivalent curriculum is available.

(g) The Agency should support the general legislation if timely.

(h) In the absence of the general legislation the Agency should include in any comprehensive legislative program of its own a provision for educational benefits.

(i) The stated purpose of any such allowance should be to "assist" the employee to provide for education, etc.

(j) Educational "benefits" arising directly and necessarily out of cover requirements are not benefits at all and are no more "allowances" to an individual employee than is his office, desk, pencils, etc.

see Staff Study

SECRET
Security Information

Security Information

TAB I

13 August 1953

Pay: At this point it is sufficient to list various alternatives open to CIA in approaching the problem of pay scales. These alternatives could be listed as follows:

- ✓ a. Retain the present GS scale, CPC scale, and Wage-Board scale.
- b. Adopt an entire new schedule of pay scales, possibly basing it on the Foreign Service pay scale.
- c. Adopt a procedure which would tie pay scales to the cost of living index.
- d. Assimilate present grades to military grades and adopt military pay scales.

As a matter of background information, CIA is specifically exempted from the Classification Act applicable to Government generally. The stated purpose for this exemption was on the grounds of security. In written statements to the Bureau of the Budget and the Civil Service Commission, the Director advised that, as a matter of policy, CIA intends to comply with the provisions of the Classification Act insofar as possible. At the very least, in order to deviate from that stated purpose, it is believed that there would be required extensive justification to the Bureau of the Budget. It can be argued that legislation would be at least desirable, if not necessary.

At this time there will be no detailed discussion of allowances. There is a great deal to be said for following present allowance schedules established by other agencies, principally, the Department of State and the Civil Service Commission. Administratively, they have the machinery for determining the proper amounts of such allowances, and it would seem to be costly and inefficient for CIA to duplicate such machinery. Depending on the type of pay schedules which eventually are to be adopted would be the type of allowances to be considered.

Over the years there has been considerable discussion concerning the basic concept of personnel classification. There are some who argue that the Classification Act of 1949, which is based on an evaluation of responsibility of the job, is inadequate to meet the peculiar needs of CIA, with particular reference to rotating employees from the United States to overseas posts and return. It has been believed by many that that classification should be made of the individual and that, having qualified for a certain grade or rank, he

SECRET

Security Information

Security Information

(Cont'd)

should then carry that rank on his shoulder, no matter what the position to which he is assigned. Some have argued even that such assignments should be made without regard to the classification of the position. Some of the alternatives open in this connection can be listed as follows:

- a. Retention of the present system.
- b. Retain the present system but permit a certain percentage of the established T/O's to be filled by individuals holding higher grades than the positions.
- c. The conferring of grade or rank on the individual as such with demotion to come only for cause.
- d. Retention of the present system insofar as classification of jobs is concerned, including retention of the GS ratings, combined with the clear-cut concept of retention of that rank or grade by the individual except for cause.

In considering all of the above alternatives, it is believed basic that there should be a clear-cut statement and recognition of the needs of CIA, in order best to determine which system would fulfill those requirements. No recommendations for changes of the present system should be based on generalizations that some other system would be more desirable or more flexible.

Recommendation: No over-all recommendation is made at this point on this subject. The Task Force does recommend specifically that CIA retain the present GS scale, CPC scale, and Wage-Board systems in view of the many advantages accruing to such widely used scales.

*All Foreign Service in grades
last page of Tab 5*

-2-

SECRET
Security Information

~~SECRET~~
Security Information

TAB K

13 August 1953

Statement on Incentive Awards

FOIAB5

Problem: To determine legislative requirements in support of an incentive awards program.

OGC

Facts:

Under a career service, incentive awards are, and will continue to be desirable in obtaining agency management improvements through employee participation.

Discussion:

During the 82nd Congress, consideration was given to combining provisions of the Classification Act of 1949 covering superior accomplishment and efficiency awards with suggestion awards provided for under Public Law 600. A desirable feature was the standardization of incentive awards systems for the Federal Service.

To date, no standardized incentive awards system has been approved for the Federal Service.

Conclusion:

Present legislative authority for the Agency incentive awards system is adequate.

It is suggested that the General Counsel monitor proposed legislation on this subject and make recommendations on Agency participation.

~~SECRET~~
Security Information

Security Information

TAB L

13 August 1953

Personnel Evaluation: In a career system, a regular procedure for obtaining personnel evaluations constitutes one of the principal bases for such personnel actions as promotions, in-grade pay advancement, and separations. Personnel evaluations are indispensable to any systematic program of career planning and development of individual officers and employees.

CIA is included under the Performance Rating Act of 1950 (Public Law 873, 81st Congress) which requires Federal agencies--except those specifically exempted--to establish performance rating programs for evaluating the work performance of employees. The Act provides that "no officer or employee of any department shall be given a performance rating, regardless of the name given to such rating, and no such rating shall be used as a basis for any action, except under a performance rating plan approved by the Civil Service Commission as conforming with the requirements of this Act."

In the past, the General Counsel, the Deputy Director (Administration), and the Career Service Committee have all agreed that the provisions of the Act could not be harmonized with the security requirements of CIA. The main issue involved is the mandate given the Civil Service Commission to inspect Agency administration of whatever plan of evaluation is adopted. The Commission construes that as requiring it to make internal audits within agencies covered by the Act. Although the Commission has never made such an investigation, there is a constant possibility that it may do so at a future date, as long as CIA remains covered by the Act.

The present Agency Personnel Evaluation Report system does not conform to all of the requirements outlined in the Performance Rating Act. When the Career Service Committee approved the present system, it was felt that the kind of rating system contemplated by the Performance Rating Act did not meet the Agency's career service program objectives. Although additional experience may point out the need for revision, the Agency's present evaluation procedures represent a system which was specifically developed in response to our requirements.

In going along on its own to set up an evaluation system which does not have Civil Service Commission approval, the CIA is in a somewhat vulnerable position.

SECRET
Security Information

Security Information

243 1
(Cont'd)

Recommendation: That the General Counsel be asked to include in the Agency's legislative program a request that CIA be exempted from the Performance Rating Act of 1950. In order to have sufficient flexibility to establish evaluation programs which are responsive to Agency requirements, present and future, it is further recommended that no specific provisions regarding evaluation methods be written into law.

-2-

SECRET
Security Information

~~S-E-C-R-E-T~~
Security Information

TAB M

13 August 1953

Hardship Posts

1. The personnel of CIA serve in many different geographic locations throughout the world. It is recognized that some of these locations are more unsatisfactory than others in terms of such factors as health, sanitation, standard of living, climate, and recreational and educational facilities. In a career service, it is recognized that a career officer may be called upon to take his share of duty at less desirable posts as well as those more desirable. Some locations have been classified as hardship posts by the Department of State. It is believed that the Agency should continue to recognize the existence of different types of hardship posts and should make adequate special allowances for service in such posts by means of specific benefits, privileges or emoluments. The degree of reward or compensation may be adjusted to the degree of hardship experienced in the post. Compensation for service in such posts might be made through such adjustments as:

- a. Shortened tours of duty.
- b. Increased credit toward retirement.
- c. Special provisions for home leave.
- d. Special monetary allowances.

2. The Department of State has developed yardsticks or criteria to be applied to any given post in order to determine the degree of hardship experienced by personnel who serve there.

3. In many instances, CIA personnel and State personnel serve in the same geographic locations. It is believed that the State Department criteria are generally satisfactory, and that the results of the application of these criteria are adequate for CIA needs. These same criteria may be applied by CIA at those posts which the Department of State has not evaluated, and the results would be satisfactory for Agency purposes.

4. The Agency has adequate authority to provide CIA personnel with adequate special privileges and allowances at hardship posts, regardless of considerations of cover. There is an exception to this conclusion, namely, special accelerated retirement privileges adjusted to degree of hardship. It has been agreed that special retirement privileges will be reviewed by the Task Force but as a part of its recommendations with respect to a complete retirement plan for the Agency.

~~S-E-C-R-E-T~~

~~S-E-C-R-E-T~~
Security Information

5. In summary, the CIA has an acceptable method for determining the hardship experienced at foreign posts. It also has authority to either alleviate or compensate for hardship experienced at such posts with possibly one exception, which will be covered in other recommendations of the Task Force. It may be concluded that, in general, CIA needs no special legislation to solve the problems created by the existence of hardship posts.

- 2 -

~~S-E-C-R-E-T~~

Security Information

TAB N

13 August 1953

Twenty-Four Hour Duty Concept: There have been many misconceptions concerning this particular point. Some have felt that the concept implies ability to order civilian employees of CIA to be available at all times, day or night, to go to any place where ordered. Others have felt that the purpose to be served by adopting such a concept would be to confer additional benefits in the medical field. Still others have believed that such a concept is necessary for people considered as career intelligence officers dedicated to their profession. An incidental point involved here would be the possible elimination of overtime and night differentials.

There will not be considered here the medical benefits aspects of this problem, since that is more properly included in Tab A. The matter of elimination of overtime and night differentials, it is believed, more properly could be considered under the general classification of pay and classification. That leaves the more nebulous concept of having Careerists available at all times to respond to the needs of service. This, it is suggested, could very possibly be the subject of legislation in any package career service program for CIA. In writing such a bill, it would seem highly desirable to place obligations on Careerists, as it would provide a quid pro quo for the benefits to be conferred. It is suggested that so long as CIA people are civilians that the principal effect of any such legislation would be statutory recognition of the obligations assumed by the Careerists. However, no legally enforceable action could be taken. It can be argued that penalties could be provided for failure to follow orders, but this may be going too far at this time.

Recommendation: It is recommended that legislation be drafted to establish the concept that a Careerist is subject to orders at all times; such obligations would include response to the needs of CIA for duty at any time, duty at any place and for any type of duty.

SECRET
Security Information

OGC

Page Denied

S-E-C-R-E-T
Security Information

5. It is recommended that a Board (perhaps the about-to-be-established Selection Board) be made responsible for final review and recommendations to the Director concerning all proposed separations of career employees. This review should include voluntary as well as in-voluntary separations and should follow essentially the same principles as those proposed for the selection of career employees. In other words, both the entering and the leaving processes would be handled, as a responsibility of the Director, in essentially the same way and with reference to essentially the same principles.

6. This Board would be advisory to the Director and it would recommend to the Director, in each case, the final selection of individuals for "Career Status" or their separation from "Career Status". The appointment action or separation action would be signed by the Director and authenticated by the Personnel Director. The Board would have stature comparable to a military selection board or to the Board of Examiners of the Foreign Service.

7. While the framework of the procedures for accomplishing these objectives should be spelled out in the legislation, the decisions resulting from these procedures must be subject to no repeat no review outside of the CIA unless they be subject to review only by the National Security Council.

*or a Presidentially appointed Appeals Board
of security cleared CIA Alumni. see para 2a
Tab P*

~~S-E-C-R-E-T~~
Security Information

TAB P

13 August 1953

Reduction in Force and Appeals

1. It is the intent of CIA to carry out established Federal policies in the conduct of its personnel affairs. However, for security reasons, the Director must have authority to conduct the personnel affairs of the Agency without such affairs being subject to review by officials or organizations outside of the intelligence family.

2. In order to carry out the above intent, the Agency would establish principles and procedures to:

a. Provide a mechanism to accomplish equitable and orderly reductions in its personnel force as required. This mechanism would recognize the basic principles of Veteran's Preference in the Federal Government. The collaboration of the Civil Service Commission should be sought in arriving at an appropriate RIF formula. The formula would be established by statute and may or may not coincide exactly with current provisions of the Veteran's Preference Act, depending on the peculiar needs of CIA. CIA would administer its RIF program and might make periodic non-statistical reports to the Civil Service Commission. Individual cases would not be reviewed by the Civil Service Commission but might be reviewed by a civilian board, perhaps under the National Security Council.

b. Provide a mechanism for the orderly and equitable consideration and processing of individual adverse actions within the Agency. Such a mechanism would recognize established principles pertinent to civilian Federal personnel including Veterans. The Director's decision concerning adverse actions including separations shall be final. This principle should be modified only if a review by NSC or some secure board is adopted.

c. Provide a mechanism for the orderly and equitable consideration of all appeals initiated by Agency personnel according to the present appeal rights employed by Federal civilian personnel including Veterans. This mechanism should limit such appeals to consideration within the Agency and the Director's decision on all matters including Fair Employment, Loyalty, etc., shall be final unless only review by NSC or some secure board is adopted.

S-E-C-R-E-T

~~S-E-C-R-E-T~~
Security Information

3. If it is found desirable to provide some outside review of the Director's decision on personnel affairs, such review should be centered in one place within the intelligence family. Consideration should be given to the establishment of an appropriate board for this purpose. The members of the board might be appointed by the NSC and be composed of outstanding persons of unquestionable integrity who possess a broad understanding of the Agency's activities and personnel affairs.

- 2 -

~~S-E-C-R-E-T~~

Security Information

13 August 1953

TAB 5

Statement on Establishment of a Reserve

Problem: To examine factors relative to an Agency personnel reserve program.

Facts: Personnel reserve programs have proved effective in augmenting the military, public health and foreign services during periods of national emergency and for services requiring special skills and knowledge.

Augmentation of the Agency mission in periods of national emergency and Agency requirements for certain specialized skills or knowledge can be accomplished through a reserve program.

In any consideration of a personnel management system identifying the individual rather than the position, limitations by statute on the number of individuals in the system dictate establishment of a reserve.

Discussion: A successful reserve program is conditioned or built on assurances that individuals in that reserve receive adequate and scheduled training and that the Agency has first priority on an individual's services. The reservist, in turn, should have re-employment rights to the maximum degree possible.

While a reserve program can be made applicable to any personnel management system, experience in operation of the Foreign Service Reserve is appropriate to this discussion:

Foreign Service Reserve officers are appointed or assigned by the Secretary of State for non-consecutive periods of not more than four years each. Reserve officers may be assigned either from other Government agencies, subject to the approval of the head of that agency, or appointed from private life. They must have outstanding qualifications of a specialized character. They may be transferred from one post to another by the Secretary as the interests of the service require. They are appointed or assigned to any one of six classes corresponding to those of Foreign Service officers appropriate to their age, qualifications, and experience.

SECRET

Security Information

- 2 -

While on active duty they receive the same pay, allowances, privileges, and benefits accorded to Foreign Service officers and may, whenever the Secretary of State deems it necessary, serve in a diplomatic or consular capacity after being commissioned by the President, by and with the advice and consent of the Senate. Normally, Reserve officers, due to their specialist background, are attaches and specialize in economic, cultural, agricultural, or other types of work requiring experience and special training. They participate in the Civil Service Retirement System.

The significance of reinstatement rights under a reserve program is made clear by the following quotation from The Foreign Service Act of 1946:

Sec. 528.

met
"Upon the termination of the assignment of a Reserve officer assigned from any Government agency, such person shall be entitled to reinstatement in the Government agency by which he is regularly employed in the same position he occupied at the time of assignment, or in a corresponding or higher position. Upon reinstatement he shall receive the within-grade salary advancements he would have been entitled to receive had he remained in the position in which he is regularly employed under subsection (d), section 7, of the Classification Act of 1923, as amended, or any corresponding provision of law applicable to the position in which he is serving. A certificate of the Secretary that such person has not the standards required for the efficient conduct of the work the Foreign Service shall satisfy any requirements as to the holding of minimum ratings as a prerequisite to the receipt of such salary advancements."

Conclusions:

Precedent has established the need for legislation to insure adequate and equitable administration of a reserve program.

Establishment of a personnel reserve is considered to be in the interest of all Agency components.

Legislation to establish a reserve program is recommended.

SECRET
Security Information

EXCERPTS FROM THE FOREIGN SERVICE ACT OF 1946: TAB 8 (Cont'd)
Part C - Foreign Service Reserve Officers

Establishment of Reserve

Sec. 521.

"In accordance with the terms of this Act and under such regulations as the Secretary shall prescribe, there shall be organized and maintained a Foreign Service Reserve, referred to hereafter as the Reserve."

Appointments and Assignments to the Reserve

Sec. 522.

"Whenever the services of a person who is a citizen of the United States and who has been such for at least five years are required by the Service, the Secretary may

(1) appoint as a Reserve officer for nonconsecutive periods of not more than four years each, a person not in the employ of the Government whom the Board of the Foreign Service shall deem to have outstanding qualifications of a specialized character; and

(2) assign as a Reserve officer for nonconsecutive periods of not more than four years each a person regularly employed in any Government agency, subject, in the case of an employee of a Government agency other than the Department of State, to the consent of the head of the agency concerned."

Appointment or Assignment to a Class

Sec. 523.

"A Reserve officer, appointed or assigned to active duty, shall be appointed or assigned to a class and not to a particular post, and such an officer may be assigned to posts and may be transferred from one post to another by order of the Secretary as the interests of the Service may require. The class to which he shall be appointed or assigned shall depend on his age, qualifications, and experience."

Commissions

Sec. 524.

"Whenever the Secretary shall deem it in the interests of the Service that a Reserve officer shall serve in a diplomatic or consular capacity, he may recommend to the President that such officer be commissioned as a diplomatic or consular officer or both. The President may, by and with the advice and consent of the Senate, commission such officer as a diplomatic or consular officer or both, and all official acts of such an

SECRET

Security Information

Part 5 (Cont'd)

officer while serving under a diplomatic or consular commission shall be performed under his commission as a diplomatic or consular officer. In all other cases, appropriate rank and status, analogous to that of Foreign Service officers engaged in work of comparable importance shall be provided to permit Reserve officers to carry out their duties effectively."

Active Duty

Sec. 525.

"The Secretary shall by regulation define the period during which a Reserve officer shall be considered as being on active duty.

Benefits

Sec. 526.

"A Reserve officer shall, except as otherwise provided in regulations which the Secretary may prescribe, receive all the allowances, privileges, and benefits which Foreign Service officers are entitled to receive in accordance with the provisions of title IV."

Reappointment or Reassignment of Reserve Officers

Sec. 527.

"A person who has served as a Reserve officer may not be reappointed or reassigned to active duty until the expiration of a period of time equal to his preceding tour of duty or until the expiration of a year, whichever is the shorter."

Reinstatement of Reserve Officers

Sec. 528.

"Upon the termination of the assignment of a Reserve officer assigned from any Government agency, such person shall be entitled to reinstatement in the Government agency by which he is regularly employed in the same position he occupied at the time of assignment, or in a corresponding or higher position. Upon reinstatement he shall receive the within-grade salary advancement he would have been entitled to receive had he remained in the position in which he is regularly employed under subsection (d), section 7, of the Classification Act of 1923, as amended, or any corresponding provision of law applicable to the position in which he is serving. A certificate of the Secretary that such person has met the standards required for the efficient conduct of the work, the Foreign Service shall satisfy any requirements as to the holding of minimum ratings as a prerequisite to the receipt of such salary advancements."

Title VI - Personnel Administration

Protection of Foreign Service Reserve Officers

Tab. 3 (Cont'd)

Sec. 624.

"Any Reserve officer may receive promotions from one class to a next higher class in accordance with regulations prescribed by the Secretary."

**In-Class Promotions of Foreign Service Officers
and Reserve Officers**

Sec. 625.

"Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Foreign Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. The Secretary is authorized to grant to a Foreign Service officer or a Reserve officer, in any class, additional increases in salary within the salary range established for the class in which he is serving, based upon especially meritorious service."

SECRET

Security Information

Security Information

TAB T

13 August 1953

Obligations: It has been suggested that in considering any over-all legislation relating to Career Service, CIA should incorporate certain prohibitions directed at activities of employees. The Foreign Service Act of 1946 provides excellent examples. It is believed that if a general Career Service Program is presented to Congress some of these items should be included, both because of their desirability and to demonstrate that CIA employees are not entirely free of restrictions. This, in turn, would provide some justification for the benefits to be conveyed. Examples from the Foreign Service Act, paraphrased to meet CIA purposes, are as follows:

1. An officer or employee of CIA shall not wear any uniform except such as may be authorized by law, or such as a military command may require civilians to wear in a theater of military operations, or as may be authorized by the Director.
2. An officer or employee of CIA shall not ask nor, except as authorized by the Director, receive for himself or any other person any present, emolument, pecuniary favor, office, or title from any foreign government.
3. An officer or employee of CIA shall not transact or be interested in any business nor engage for profit in any profession in the country to which he is assigned abroad in his own name, or in the name of the Agency, or any other person, except as authorized by the Director.
4. An officer or employee of CIA shall not correspond in regard to the public affairs of any foreign government except with the proper officers of the United States or as authorized by the Director.
5. An officer or employee of CIA shall not recommend any person for employment in any position of trust or profit under the government of a country to which he is assigned abroad, except as authorized by the Director.
6. In carrying out the provisions of this Act or any other Act relating to CIA, no political test shall be required and none shall be taken into consideration, nor shall there be any discrimination against any person on account of race, creed or color.

SECRET

Security Information

Security Information

Recommendation: It would seem inappropriate to present only provisions to the Congress, and, therefore, it is recommended that the above provisions be incorporated in any general legislation relating to CIA which is to be presented to the Congress.

Special Note: While not properly to be considered as a prohibition, it has been suggested that other items be considered for inclusion in any package bill for a CIA Career Service.

1. Positive statement that a Careerist accepts the obligation to serve anywhere in the United States or abroad. (This ties into the 24-hour duty concept.)

yes

2. Establishing by statute that a Careerist cannot resign except for good cause established to the satisfaction of the DCI or his designee (presumably this would be a board.) While possibly undesirable to establish penalties, it is indisputable that the distinction between "resignation" and simply "quitting" is important when placed in the record.

no

3. Establishing citizenship as prerequisite for Career Service.

yes

4. Statutorily subjecting employees to CIA conditions of employment including authorized Security Regulations. (In explanation of this point there should be a detailed statement of factual situation wherein lives of CIA people are circumscribed in many particulars.)

relating to intelligence sources methods

SECRET
Security Information

TAB U

13 August 1953

SUBJECT : Relief for Personal Hardship

1. In considering the question of what relief should be extended for personal hardship, it is necessary first to determine whether the problem presented permits examination of cause or is limited to effect, *vis.*, hardship. It is suggested that reason as well as public policy require consideration of the causes of "hardship" and that those classes of hardship not reasonably or directly arising out of employment by CIA do not merit relief from appropriated funds and, hence, may not be provided for in any legislative program recommended by this Task Force.

2. Examination of many (but by no means all) "hardship" cases on file in Office of the General Counsel would indicate that most satisfy the criterion suggested above, *i.e.*, where employment is the proximate or direct cause of the hardship, and would be afforded relief under one or another of the specific categories currently before you for consideration. This is to say that most so-called hardship cases will be eliminated, or can be, by action taken on specific topics such as leave system, medical care, educational allowances, death gratuity, etc.

3. There are other cases of "hardship" which merit relief but which do not indicate necessity for legislation. These find their beginnings in impractical administrative policies or ill-conceived orders of administrative officials. (A common source of hardship would appear to have been eliminated by adoption of the policy of providing quarters to personnel stationed overseas.)

4. One kind of personal hardship which exists is that which occurs when an employe violates the terms of his life insurance policy by flying on unscheduled aircraft, carrying firearms, participating in a riot or insurrection, etc., in the course of his employment. Although this Task Force has decided to make no recommendation regarding insurance in deference to the previously appointed Insurance Task Force, it is suggested that this decision be reconsidered in light of the problem, the long period of time which probably will elapse before the Insurance Task Force can evolve a program, and the recommendations which follow.

5. Regarding relief for personal hardship, it is recommended that

ILLEGIB



~~SECRET~~
Security Information

Tab U (Cont'd)

bad judgment, misfortune or accident and which does not reasonably or directly arise out of employment by CIA.

- b. Direct relief through appropriated funds should be afforded for "hardship" reasonably or directly arising out of employment by CIA.
- c. Recommendations of the Task Force with regard to leave system, medical care, etc., after careful contemplation of the duties and obligations of the Career Service, should eliminate all "hardships" under "b." supra and for which legislative authority is a prerequisite.
- d. An aid society (cf. Air Force Aid Society, Navy League, Army Relief Society, etc.) would be an appropriate vehicle for grants or loans of non-appropriated funds for relief of personal hardships of the kind suggested in "a." supra.

SECRET
Security Information

Security Information

TAB W

13 August 1953

Organization & Structure

PROBLEM: To establish terms of reference for considering legislative provisions on organization, specific positions, and Congressional (or other non-Agency) inspection.

DISCUSSION: Preliminary review indicates that these matters should be considered under two heads: I, provisions that in themselves may be desirable; and, II, provisions that may need to be accepted as concomitants to desired benefits for which legislation is necessary. Points are outlined as questions to be answered by the task force. Underlying the Group I questions is the assumption that the proposed legislation will be directed specifically, if not exclusively, to this Agency, while Group II questions are developed from the possibility that legislative proposals may broaden provisions as to Government service in general, with incidental benefits to this Agency. Therefore, if the answer to Question 1 is affirmative, the answers to the remaining questions in Group I, combined with the conclusions of the task force on other phases of its problem, will make consideration of Group II largely unnecessary. Group I questions, except for Question 2, are not elsewhere considered by this task force and are approached independently of other sections of the task force's mission; Group II questions are based directly on other phases of the task force's mission.

I. Provisions possibly in themselves desirable

1. Is it desirable to translate the provisions of into legislative terms so as to provide a system of service peculiar to CIA? If so, which of the following three alternatives is desirable?

a. To provide for a single "intelligence service," roughly on the analogy of States Foreign Service as to legislation, to include all individuals in the career-employee category of 2, a, (1), or

b. To provide two or more "intelligence services," whose requirements, restrictions, and benefits will respond to what may be found to be essential differences in the needs of the various portions of the Agency? or

SECRET

Security Information

Security Information

TAB W(Cont.)

25X1

a. To provide for a single "intelligence service" meeting certain specific needs and simultaneously to provide for obligations and benefits of the career employees, as defined in [] who will remain on the Career Staff but outside the "intelligence service"?

2. Should this task force recommend that legislative provisions be made, analogous to those in the Foreign Service Act of 1946, to translate into a CIA law such of its recommendations as are approved concerning a specific grade system, terms of appointment, obligations of the service, promotion, terminations for unsatisfactory performance or misconduct, and retirement and other benefits?

3. Should legislative provisions be made for a particular number of officers in the "intelligence service(s)"? in each grade thereof? Could authority to increase or decrease numbers of positions, and to exercise such other supervision or inspection of the legislatively established system as must be done from without the Agency be delegated to the NSC? to a standing committee of the Congress similar to the existing Atomic Energy Committee?

4. Should legislative provision be made for Agency positions additional to those of the Director and Deputy Director now provided by law? For example, for the Deputies for Administration, Intelligence, and Plans? For (a) director(s) of the "intelligence service(s)"? For (an) inspector(s) general and board(s) of examiners for the "intelligence service(s)"? If such legislative provision is made for additional positions, should provision also be made that any or all of these positions shall be filled by officers of the "intelligence service(s)"?

5. Should legislative provision be made whereby CIA officers holding military reserve commissions may, when serving outside the U.S., receive automatic point credits or receive opportunities to gain such point credits equivalent to those they would have received while serving in the U. S.?

6. Should legislative provision be made whereby CIA officers serving overseas under conditions equivalent to military service should receive selective service credit and veterans' benefits equivalent to those that would have resulted had their service been in fact in the armed forces?

II. Concomitant provisions

7. What concomitant legislative provisions on organizational matters and inspection by extra-agency bodies would need to be accepted in case of legislative provision for:

SECRET
Security Information

Security Information

TOP SECRET

- a. Liberalization of retirement benefits for all or some Agency employees on grounds of hazardous duty or other exceptional situations?
- b. Special arrangements on death benefits, dependent care, etc.?
- c. Establishment of an Agency reserve?
- d. Subjection of all or some Agency employees to a special code of conditions of employment (24-hour duty, long-term commitments, imposed assignments, etc.)?
- e. Any other arrangements suggested by this task force?

SECRET
Security Information