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CIA CAREER SERVICE BOARD

33rd Meeting

Thursday, 10 June 1954

4:00 p.m.

DCI Conference Room

Administration Building

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CIA CAREER SERVICE BOARD

33rd Meeting

Thursday, 10 June 1954

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Administration Building

Present

Charles P. Cabell  
DDCI  
Guest

Lyman B. Kirkpatrick  
IG, Chairman

25X1A9a [REDACTED]  
DC/PP, Member

25X1A9a [REDACTED]  
DD/TR, Alt. for D/TR, Member

25X1A9a [REDACTED]  
COPS-DD/P, Alt. for DD/P, Member

25X1A9a [REDACTED]  
DAD/O, Member

25X1A9a [REDACTED]  
AD/CO, Member

George E. Meloon  
DAD/P  
Guest

Harrison G. Reynolds  
AD/P, Member

Lawrence K. White  
DD/A, Member

25X1A9a [REDACTED]  
SA/DD/I, Alt. for DD/I, Member

25X1A9a [REDACTED]  
Executive Secretary

25X1A9a [REDACTED]  
Secretariat

25X1A9a [REDACTED]  
Reporter

25X1A9a

By Invitation:

[REDACTED] Chairman, Insurance Task Force  
[REDACTED] Member, Insurance Task Force  
[REDACTED] Member, Insurance Task Force

\* Also Member, Insurance Task Force

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. . . The 33rd Meeting of the CIA Career Service Board convened at 4:00 p.m., Thursday, 10 June 1954, in the DCI Conference Room, Administration Building, with Mr. Lyman B. Kirkpatrick presiding . . .

MR. KIRKPATRICK: Gentlemen, shall we come to order?

We have two major Regulations to take up, but just so that we don't get too big a backlog of minutes of previous meetings, are there any corrections or comments on the minutes of the 31st Meeting, which were distributed last week? Any comments or corrections? They stand approved as submitted.

Any comments or corrections on the minutes of the 32nd Meeting? If not, they stand approved as submitted.

Item 3 is "The Career Staff of the Central Intelligence Agency." This is the Regulation which was discussed at length last week. There were certain editorial changes that Mr. [REDACTED] was instructed to make. I trust you have all had an opportunity to read it. Does anybody have any changes they would like to make at this time?

25X1A9a

25X1A9a

MR. [REDACTED] Yes, someplace here. It's paragraph 7.a.(1) at the bottom of page 8, and then your next paragraph at the top of page 9. I don't think they quite tie in, do they? You say, "Failure to apply for membership in the Career Staff at the end of the provisional period does not bar the individual's right to make future application." And on the next page you say, "The individual will be required to make application within 90 days of the date of the notification...." or reply stating why he isn't doing so.

25X1A9a

MR. [REDACTED]: That doesn't mean that later he couldn't also--

25X1A9a

MR. [REDACTED]: If he writes a long memo - then he can change his mind a year later and apply? Then couldn't we eliminate the reply stating why he doesn't want to do it?

MR. KIRKPATRICK: Eliminate it? Why?

25X1A9a

MR. [REDACTED]: I am thinking of the paper work involved.

MR. KIRKPATRICK: But we don't assume that there are going to be such a large number, and I think it is quite important that we know why they are not going to do it.

25X1A9a

MR. [REDACTED]: And that has no effect on their re-application later?

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MR. KIRKPATRICK: Last week the point was it would be individuals who for certain legitimate reasons would not join at one time but might join later, and you wouldn't want to prejudice their opportunities to join at that later period.

25X1A9a MR. [REDACTED]: But once having joined then their opportunity for getting out is extremely dim. Isn't that what was agreed to?

MR. KIRKPATRICK: That is right.

25X1A9a MR. [REDACTED]: I don't know whether this would be read as meaning that it would supercede the preceding paragraph, that if they wrote a memo they could take that back and apply later.

MR. KIRKPATRICK: Any other comments?

GENERAL CABELL: I have a point on the last sentence on page 9. I am still a little bit worried about this acting automatically on the people on duty 1 July 1954. This now states that the Board will determine whether or not an Examining Panel will be convened. I should think if we want to possibly utilize this occasion for eliminating any undesirables, we would want them to be caught up in the screening process. Therefore, we would have to lay on the screening process. But as it is written now, you only pinpoint a guy you want to get rid of, and then you have a Panel on him. So I should think you would want to have something like this, and I would suggest that the last sentence read: "Abbreviated reviews will be given by the Examining Panels to those applying who were on duty as of 1 July 1954 and had fulfilled the length of service required."

25X1A9a MR. [REDACTED]: Does this also imply, General, that the Panel will interview the individual?

GENERAL CABELL: It implies that abbreviated review will be given. Now what form that abbreviated review will take, will be up to the Board to determine in the light of the practicabilities of the matter.

25X1A9a [REDACTED]: I should think it would facilitate the work of the Selection Panel if there was unanimity, for example, on somebody that has been with us for five or six years, or something of that kind, but if there was no disagreement it would not be necessary to go through the motions because there would be only the formality of an Examining Panel in that case. There must be quite a number of people in the Agency who would be well-known to the members of the Selection Board.

25X1A9a MR. [REDACTED]: This is the paragraph I was instructed to draw on

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the basis of the policy that was agreed to, and my device for providing the screening, General, is, "After considering the recommendation of the head of the appropriate Career Service...." In other words, there would be a decentralization of the screening review to the various Career Service Boards, and if a Board recommended that there be no further review, then the Selection Board would consider that the review had been made by, let's say, the FI Board or the OO or ORR Board, and so on.

GENERAL CABELL: But somebody has to decide, under your formula there, that Joe Doaks, who has hereby applied for consideration, should not have his case reviewed either because he is going to be accepted or because he is going to be rejected. So it would look to me like you would want the review to take place, and that review would decide whether he was to be accepted or rejected, rather than to make your decision in advance, which sounds to me like this wording would require.

25X1A9a

MR. [REDACTED]: It is intended that each Career Board would make the recommendation, in passing this on to the Selection Board, as to whether there be a Panel convened or not, and that the Career Board would have reviewed each case before it sends it forward. That is the intent of that wording.

MR. MELOON: I think that is covered in (4)(a), the preceding paragraph.

25X1A9a

MR. [REDACTED] I think our concern has--

25X1A9a

MR. [REDACTED] There are about 3,000 persons eligible on 1 July.

25X1A9a

MR. [REDACTED] We're worried about keeping current.

MR. KIRKPATRICK: On the other hand, it's a Heaven-sent opportunity--

MR. MELOON: The Career Board, in (4)(a), has reviewed the application and forwards the application with the recommendation to the Selection Board.

MR. KIRKPATRICK: Well, George, my impression of what General Cabell is driving at is that he recognizes that review, and then he says - assume that the FI Career Board comes up with several 8-balls that they want to get out of the service, he thinks that should be reviewed by the Selection Board. Is that not right?

GENERAL CABELL: I think it should be reviewed by the Selection Board to determine that they are 8-balls.

MR. KIRKPATRICK: As far as the Agency as well as FI is concerned.

GENERAL CABELL: To find they are 8-balls in the process rather

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than have somebody tell them they are 8-balls - and the Board acting on them as individuals. I felt it would be easier for us to cushion the impact of any dismissals at that time.

MR. KIRKPATRICK: Then your last sentence would read: "After considering the recommendations of the appropriate Career Service, abbreviated reviews--

GENERAL CABELL: "--will be given by the Examining Panel to those applying - to those who are on duty as of 1 July 1954." And I introduce a new feature at this moment, "and have fulfilled the length of service required."

25X1A9a MR. [REDACTED] They can't apply until they have.

GENERAL CABELL: No, but as I get your formula here, all one has to do to qualify for this automatic or abbreviated review is to be on duty on 1 July 1954 - one day.

25X1A9a MR. [REDACTED] That is not what is intended.

GENERAL CABELL: But that is what it says.

25X1A9a MR. [REDACTED]: But they are not eligible to apply--

GENERAL CABELL: No, but it becomes automatic for them when they have served their 3 years.

25X1A9a MR. [REDACTED]: You could take care of that by adding the word "eligible" after "any" - "any eligible person."

GENERAL CABELL: I think you need to get the idea across that you are not talking about anybody becoming qualified just by being here one day.

25X1A9a MR. [REDACTED]: Yes, of course.

MR. KIRKPATRICK: Any further comment on that? Is that acceptable to the Board? Are there any further comments on this Regulation?

MR. REYNOLDS: Is this the appropriate time to bring up the conference that George and I had this morning? We went over to see a Mr. Glen Stahl at the Civil Service Commission, who gave us his personal opinion on our general Career Service setup. George can tell you Glen Stahl's background and then I can give you these notes that I have, and have him fill in on any technical matters which enter into it.

MR. MELOON: Well, Stahl is one of our foremost Government personnel officials. He was formerly with TVA and Personnel Director for the Federal Security Agency. His job for the past several years has been Executive

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Director of the Personnel Council. A year ago the Federal Personnel Council, as such, was dissolved, and the function is being performed by the Civil Service Commission at the present time, with Stahl in the capacity of Special Assistant to the Commissioner, carrying out the coordinating functions of the Personnel Directors in the various Agencies.

MR. REYNOLDS: I can give this to you with reasonable brevity. We explained to him the setup of the Career Service Boards in the DD/P complex, and his comments on that--when we came to the end--were that he liked "multiple groups" - he liked the way the system was set up. He thought it gave an opportunity for a screening in groups and that the recommendation of an operating division to a group that contained elements of other groups, was a sound process. He likes the 3-year period. He said that it was being discussed in the Civil Service Commission as the best medium - in their own Career Service program. And then he made a statement which I want to be sure is accurate, George, that if the Civil Service Commission's 3-year ruling goes through it probably would mean that people would be favored who are in that group, in the event of a reduction-in-force. Of course, it is possible, however, that the Commission would rule against it. Is that substantially correct?

MR. MELOON: Yes. Although the thinking of the Commission is somewhat similar to this proposed 3-year period, after or including the 1-year trial or probationary period the normal Government employee would have served his 1-year probationary period and then would serve the other two years as a trial period, and the Commission's reduction-in-force regulations, he indicated, would probably be amended so that any individual serving these next two years after completing their probationary period would be placed in a different sub-group than any other individual who had completed the 3-year trial period, and that would be done on the basis of the type of appointment they had. It would not affect us, however, because our appointments are absolute, they are separate appointments, and everyone is serving as a Group A employee. The distinction we would have would be a veteran and non-veteran, and any appointment action the Commission would take pursuant to putting their new plan or Regulation into effect, would not be applicable to this Agency.

MR. REYNOLDS: We reviewed this proposed Regulation [REDACTED] and he had a mild criticism to make, which I think we answered. He said that it

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looked to him as if there might be difficulty in moving between the service designations of Career Service. He felt there was a great fault in Government to have too much specialization. We attempted to correct that when we went over it--you remember, General?--by having other MOS's, other service designations, if they had skills other than the one in which they were presently engaged.

Then we went into promotion policy. He started talking about it, we didn't bring that subject up ourselves, and he said he thought that the general principle of promotion in Government was over-simplified, and that categories of occupations were the key to a promotion policy. In other words, as I heard him he followed approximately the pattern which we have set up in our own promotion policy. He said that in large groups, for example, he felt promotion should be within those large groups rather than in an attempt to search into a whole set of other groups, unless there was some special reason to do so, but that in a smaller group you might have to search in other places to get a competitive group. He liked the Career Board concept in promotion policy. He thought it was sound, which I stated before when I said he liked multiple groups.

Then we got into the Fitness Report. He said he thought as a tool for a narrative evaluation of a person, that it was all right, and he liked it. He said he particularly liked Section 5. But he said, "I would warn you that if you were so foolish as to attempt in any way to get either a numerical or alphabetical rating out of this report, you will run into endless difficulties, and you just can't do it." But he said that as a narrative evaluation it was all right - "You will be able to evaluate a person satisfactorily."

Is there anything else, George, that we need to mention on this?

25X1A9a

. . . Mr. [REDACTED] was called from the Meeting . . .

MR. MELOON: I do think we ought to stress that was his informal opinion and was not given as a representative of the Civil Service Commission, because the Commission has a unit headed by Mr. Ross Pollock to consider career development plans, and so forth, on any agency, and he did not want to be caught in between any proffered advice and Mr. Pollock's new field.

MR. REYNOLDS: He was very emphatic about that, and therefore his remarks should be considered as his personal opinion and not an expression of the policy of the Civil Service Commission in any sense of the word.

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MR. MELOON: He went on to say, however, that if we wanted an official expression of opinion he felt it would be the same as his, even though it came from a different office down there.

MR. WHITE: What were you talking about on the 3-year period the Civil Service Commission is working on? Is that going to be legislation?

MR. MELOON: Yes, sir.

MR. WHITE: When are they going to introduce it?

MR. MELOON: It's on the verge of being put in now.

MR. WHITE: It wouldn't be in this session of Congress.

MR. MELOON: No. It's the "career-indefinite" group. That is designed to not have too many "permanent" appointments in the event they later on want to reduce, they don't have too many people with permanent status. We gave some thought to it here for the past 2 or 3 years, on some type of temporary appointment, but we ran into the business that we would be required, if we offered temporary appointments during this 3-year period, to cover the individuals under a Social Security kind of system instead of Federal Retirement System, and therefore be required to report their names to the Bureau of Internal Revenue and then the Board, and we thought we better not dabble with that.

MR. KIRKPATRICK: Well, I gather, then, this gentleman thought the direction we were going was correct?

MR. REYNOLDS: That is correct. He thought we were going along all right.

MR. MELOON: He was quite pleased with it, as a matter of fact.

GENERAL CABELL: That gives us a little courage. Now, do we need to formalize that in any way?

MR. REYNOLDS: I don't believe we can, General, because it was just his personal opinion.

GENERAL CABELL: Do we need to take the next step, to go to Mr. Pollock and seek a formal opinion on this?

MR. MELOON: I wouldn't see why. We are not violating any Commission Regulation or going contrary to any regulation that they have in the thinking stage, and the thing that we have is the Performance Rating System, and we're asking for exemption from that.

GENERAL CABELL: The point is that what we got from him this morning is unuseable for us in any form because we can't quote him, so it

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just gives us courage that somebody from the outside said it's all right. Do we ever need to quote the fact that we have discussed this with the Civil Service Commission?

25X1A9a MR. [REDACTED] No.

MR. KIRKPATRICK: I don't see any purpose in it, frankly - the fact that we have consulted with them informally. I would hate to set the precedence of asking for their opinion in writing because then they might think it was their right--

25X1A9a MR. [REDACTED] There is no legal requirement for it.

MR. KIRKPATRICK: It's fine to be in harmony with them but I wouldn't like to see the Civil Service Commission getting the feeling that they have a control factor over the way we organize our Career Service.

Then I gather that this Regulation as it is now drafted, stands approved by the Board? Any dissent?

25X1A9a MR. [REDACTED] What action shall we take on it?

MR. KIRKPATRICK: Do you see any necessity of this going to the Director for formal approval?

GENERAL CABELL: Yes, I do. This is a major policy change in the organization. I laid a copy on his desk this morning, and he had planned to come here, and planned to read it before he came here, but both of those schemes got thrown out of the window. Congressman Kersten got in ahead of that. But the Director promised he would read this over the weekend. But I do think we ought to give him the option in this case of approving it before it is published.

25X1A9a MR. [REDACTED] If possible, since there are these time factors involved, it should be published prior to 1 July.

GENERAL CABELL: He promised to look at it over the weekend.

So, Kirk, I would suggest that you ask him, as Chairman of the Board, at the first meeting or your first opportunity, whether he approves this thing.

MR. KIRKPATRICK: I don't think I will suggest that he take it up to his reunion to read, though.

General, are you pressed for time? Would you care to hear the Insurance Task Force report, or would you prefer to go to the next Regulation?

GENERAL CABELL: I would prefer to sit in on that training

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Regulation and hear the talk about that, if you don't mind, and then I have to run.

MR. KIRKPATRICK: That is Item 6 on the agenda. Do we have any comments on this suggested Notice?

25X1A9a

MR. [REDACTED] I have one on the first sentence. I think I know what it was written for, but under this it would be possible for any individual whose services have been satisfactory, for somebody to determine that his reassignment to another component or another job is desirable. Who determines the desirability?

MR. REYNOLDS: That would be the Assistant Director for Personnel.

25X1A9a

[REDACTED] Well, if the AD for Personnel decided that one of my people should be reassigned, which he could do under this, I would strongly object.

MR. REYNOLDS: Would you object to it if it was after consultation with the head of the major component?

25X1A9a

[REDACTED] I would object unless I recommended that I couldn't use him and recommended that he be reassigned or for "shopping", but I wouldn't want anybody to reach down into my Office, for any kind of a reason, and say, "I want to assign [REDACTED] over to OO" or something of that kind.

25X1A9a

25X1A9a

MR. [REDACTED] I agree with that.

MR. KIRKPATRICK: Wasn't the purpose of this Notice basically to see if we can't salvage people?

MR. REYNOLDS: The purpose of this Notice is the step before the Agency Reassignment Board.

MR. WHITE: But the way it is written, it is all-inclusive, and it allows the action which [REDACTED] anticipates as a possibility, to be done without any consultation with [REDACTED] or any consultation with the gaining component.

25X1A9a

25X1A9a

MR. KIRKPATRICK: It seems to me the reverse is just about as dangerous. In other words, if it is determined that [REDACTED] has somebody whose reassignment is desirable, he might be trained for an assignment in Commo and after the training is completed you might not care to have him in Commo. STATSPEC

25X1A9a

MR. [REDACTED] I think that is the second problem. But I very definitely think if we are given somebody he ought to be with us for six months on a trial basis.

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MR. MELOON: These were surplus. So I would suggest that if we add to the title - "Retraining for Reassignment of Surplus Personnel" - it would meet the objection as voiced here.

MR. KIRKPATRICK: I don't think we want to call personnel "surplus". In the second place, I don't think we want to issue a Notice such as this. It will blow the morale of this place, which in certain places is not too high already, all to pieces.

25X1A9a

[REDACTED] I have a legitimate case in point here. We took an employee on when we were dealing with an interdepartmental advisory committee that had frequent communication problems. Then that job washed out. But we retrained her. But if it hadn't been possible to retrain her we would have had to say, "We will help you get a job someplace here." We would have had to throw her in your lap, and then this would have applied.

MR. REYNOLDS: What can you call them? "Unassigned personnel"?

MR. KIRKPATRICK: Either "available" or "unassigned". I think of surplus guns or surplus ships, but not "surplus personnel".

MR. REYNOLDS: "Available for reassignment." The whole purpose of this Regulation is to solve the problem which is known by all of us to be present within the Agency, and if we can take people who come back, say, into the DD/P complex and they have no place for them or we find that they are not being assigned, we say, "Now what are the capabilities of this person? Can he not be retrained for another position in the Agency?"

MR. KIRKPATRICK: I think the purpose that the Notice is pointed toward, Harry, is perfectly all right, but I raise the question of issuing an Agency-wide Notice on this particular subject. If it could be issued say at the Division Chief level, even though we recognize that knowledge of it will probably go a little further than that, it won't get a general, all-employee reaction which I think would be fairly unfavorable. Secondly, a Notice like this, to my mind, would attract individuals who aren't really doing too well in their jobs and who would like an opportunity such as this to try to move elsewhere. My point is I think if we can get the ground rules laid down so that it is known across the board how it is going to work, then issue it to all the supervisors who need to know of it, would accomplish the same purpose.

25X1A9a

[REDACTED] I ought to make it clear that when I said I objected to that first sentence I didn't mean that I objected to it as a

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statement of policy, but it doesn't say down here under "responsibilities" who initiates the action when persons are no longer required in a component because of reduced workload or other reasons.

25X1A9a MR. REYNOLDS: I would think that 2.a., with a few minor changes, answers your question on it, [REDACTED] It states there definitely that the AD/P would participate with the head of the Career Service and the Director of Training in establishing a training program which would be consistent with education, experience and potential of each individual concerned.

25X1A9a [REDACTED]: I don't object to that. That part is all right.

MR. REYNOLDS: In other words, there is no intention to do anything but improve morale and to hold on to good people who may have skills which are other than those they are presently using in the assignment they are in, and it's a form of holding on to a good man by giving him some retraining. That is what Matt and I went over in great detail prior to our discussing this with General Cabell.

25X1A9a MR. [REDACTED] We propose, Harry, . . . Inaudible . . . as needing this sort of person.

MR. REYNOLDS: I agree with you, John, that is not clear in here. No, it would be when you say, "I have a good man here but I have no place for him."

25X1A9a MR. [REDACTED]: I wasn't clear as to why you don't use the Reassignment Board procedure.

MR. REYNOLDS: I consider the Reassignment Board as pretty much of a "last resort".

25X1A9a MR. [REDACTED]: I don't see where you would need it if you have the power to put anybody into a position.

MR. REYNOLDS: But a Reassignment Board is a very difficult thing to get going.

25X1A9a MR. [REDACTED]: I don't like the "b." here, Harry, that follows. I mean, if I can get rid of deadwood because they don't work out, then that puts the burden on Dick to take action. I think it ought to be on a trial basis for six months, and if at the end of six months we don't want them then we should return them to you for further training.

MR. KIRKPATRICK: If you were following current Regulations you couldn't possibly get rid of somebody, because the current Regulations say you will write an Evaluation Report for that individual.

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25X1A9a MR. [REDACTED]: A temporary holding period of six months.

25X1A9a [REDACTED] Under this first sentence the AD for Personnel could give me a man regardless of how little I needed him or wanted him. This would give him that authority.

25X1A9a MR. [REDACTED] And he might be totally unsuitable for you.

MR. [REDACTED] Wouldn't you buy it on a "trial" basis?

MR. KIRKPATRICK: If carried on somebody else's T/O?

25X1A9a MR. [REDACTED] Return him to AD/Personnel for reassignment.

MR. KIRKPATRICK: How many times is this going to happen? This starts to look like a merry-go-round. I would say if he misses on his basic assignment and then is given an opportunity in another assignment and he misses on that, that he then is out of the Agency. Isn't that the intent?

MR. REYNOLDS: That is the intent. I think we are responsible for monitoring that.

MR. KIRKPATRICK: I am not disputing that for a moment.

MR. REYNOLDS: One thing we don't want to do is to follow a system that was set up for this man Webb that was quoted the other day at the AD's Meeting.

25X1A9a . . . Mr. [REDACTED] rejoined the Meeting . . .

MR. KIRKPATRICK: Dick, we are talking about Item 6 - Training for Reassignment.

25X1A9a MR. [REDACTED]: If he fails in his first assignment and is re-assigned, let's say to us, and he doesn't work out again, then what is the mechanism?

MR. REYNOLDS: By that time he will have had a couple of pretty bad Evaluation Reports and we will have to take the next action - in conjunction, I mean - it wouldn't fit in very well with the DD/A's power for us to take him over and put him in the pool and dispose of him, would it?

MR. WHITE: No.

MR. KIRKPATRICK: It seems to me the sense of the Board is that the policy enunciated in here of using training as a vehicle for better qualifying an individual whom we are attempting to reassign from a service where he has not proved to be satisfactory, for one reason or another,

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perhaps beyond his control--

MR. MELOON: We say in the very first line that his services have been satisfactory. We don't propose to use this device for people to shove their deadwood off on somebody else. I don't think we can be fooled on whether they are deadwood or not, particularly with that 7-point evaluation you are going to have to issue on an individual.

MR. KIRKPATRICK: Whether they can be fooled or not, the point I was getting at is that I don't think anybody on the Board basically disagrees with the policy laid down. There is just need of clarification for the procedures to be followed in it. In other words, I think all the Board wants is reassurance that the AD for Personnel is not going to arbitrarily pick up and push somebody on to an Office against their will.

25X1A9a MR. [REDACTED] I don't think it should be the policy that Personnel could give us anybody they want to.

MR. WHITE: Combine it with the present Reassignment Board - I mean, it's a forced reassignment, no matter how you slice it, and then you make a decision as to whether or not he needs some training before you do it. So it seems to me you don't need this plus the Reassignment Board. You could put them together.

MR. KIRKPATRICK: I got the distinct impression from Mr. Reynolds - was the mechanism to be able to do that without a Reassignment Board?

MR. REYNOLDS: I'd like to do it without putting him before a Reassignment Board. Maybe there is a point that Red makes there, that we could mold the two into one, but I don't think so. This is primarily concerned with training.

MR. WHITE: But the practical facts are - and I know of one or two incidents that I can cite, where two or three people that my Career Service Board considered and recommended for the Reassignment Board machinery have been to practically every course they've got, simply because they don't know what else to do with them.

MR. KIRKPATRICK: That is the point I brought up in the AD's meeting the other day.

MR. WHITE: And these people have "satisfactory" ratings. On paper they are "satisfactory." And I think that whatever the procedure is, we don't want to just use this training to further prolong the agony, even if somebody has to take one of those people, if I have to take him myself.

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I would rather face up to the problems than to go through a further training, unless it is a really bona fide case.

I also know of one other man that formerly belonged to Sheff Edwards who is looking for a job now, who is a very good man. I think he could probably be fitted without training. But I hope we don't lead ourselves into a trap here of just using training to prolong the business, and fail to face up to it. Most of these cases I frankly believe, personally, if they are really good and not marginal, they are going to be retrained on the job rather than in a formal training course.

MR. KIRKPATRICK: What you have just said, in effect, is that you are against the policies enunciated here because you think it is going to be used as a device for evading the issue.

MR. WHITE: I would like to see the Regulation issued so that it can't be used as a device to evade the issue.

GENERAL CABELL: Red, maybe I am wrong here, but I read this like Meloon does, that the 2nd line, which says, "...whose services have been satisfactory...." - that that eliminates this matter of being concerned about these deadwood people that you are talking about.

MR. WHITE: General, I can--and so can the Personnel people--cite you many, many instances, perhaps hundreds of them, in the past few years, where a man's record on paper down in the Personnel Office says he is "satisfactory", yet you can't find a job for him because nobody wants him. And when you get right down to the hard facts in the case, they don't want him because he really isn't satisfactory. I realize you have to face up to that problem, but what is in the man's personnel file in a number of these cases that we have on our hands now, doesn't reflect the true situation, and I think, George, you probably agree with that.

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MR. KIRKPATRICK: Well, couldn't we get rid of a little of the--to coin a word--"nebulosity" by getting back to [REDACTED] point and specifying two words in the first sentence - "reassignment" and "desirable"? Who desires the reassignment?

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[REDACTED] The head of the component.

MR. MELOON: There isn't any need for this Regulation if we are going to put that in. We're not going to get them placed anywhere, we're just going to have them running around the halls until they're retired.

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MR. [REDACTED]: It's not the head of the component. He knows

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he doesn't want him in his own shop. We're talking about the guy who is just good enough to stay on a job and go plodding along. That man should be fired for unsatisfactory performance. It's just that he is not good enough to keep in this outfit year after year after year. Those are the marginal people we are talking about, really.

MR. KIRKPATRICK: Then what are we going to do? Are you talking about the ones covered by this - the ones not good enough to keep in Training but that you would be delighted to have Commo have?

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MR. [REDACTED] I think the component--to get rid of him--is not in a position to say, "This man should be separated or moved elsewhere." All the component can say is, "This man is surplus to my needs."

MR. KIRKPATRICK: I agree with George that is meaningless, because nobody is going to specify a guy for reassignment unless there is something wrong with him.

MR. REYNOLDS: That is exactly right.

MR. WHITE: I think that is right, Kirk, and aren't we just prolonging the thing by going through this training period? If these people are satisfactory they could carry their weight in some job. Now this doesn't preclude training. I mean, if you have a man and through your Reassignment Board machinery you say "Component X must take this man" - now the head of Component X might say, "If I have to take him I want him to have certain courses that [REDACTED] is going to give him before I take him." I don't see why you don't combine the two, because I honest-to-goodness think this is just stretching it out.

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MR. KIRKPATRICK: I think the thing we should avoid at all costs is anything that could be construed as a perpetuation of mediocrity.

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MR. [REDACTED] I think that is exactly what this will do.

MR. MELOON: I don't agree with that at all. I think we have "x" number of people here at the present time who either have the label, because of some circumstances they are "surplus", and they are tabbed with this so-called "no-good" label, and we can't get anyone to take them, although their record shows they are good employees and have been promoted several times since they have been with the Agency. There isn't any way that we can get rid of that individual at the present time. Now this device at least proposes to give them a chance, and give the Agency a chance to weed out those people. Once they have been aimed at a specific assignment and given

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specific training for that job, then they are given a trial on the job, and if they fall down then we have got an excellent opportunity to lower the boom and get rid of them, if they don't measure up to that job. At the present time we cannot take one of those people on that surplus list and prefer charges or do anything else with them. They are just as good as you or I or anyone else around this table, based on their official record with this Agency, and we have to do something, and this is the only device that we can come up with. It gives those people a fair shake and the Agency a fair shake, and unless we do something like that they are going to be around for the next 25 years.

25X1A9a MR. [REDACTED] Doesn't Red's suggestion take care of that?

25X1A9a MR. [REDACTED] I think what we are asking for is that all parties concerned be considered, and that is what the Agency Reassignment Board is doing.

MR. KIRKPATRICK: We have one specific recommendation as to what should be done with this Notice, and that is Colonel White's recommendation that this be combined with the procedures of the Reassignment Board.

MR. REYNOLDS: I think we could try to combine the two. I think the suggestion has some merit. However, I would like to point out to Mr.

25X1A9a [REDACTED] that Matt Baird's concept of this is entirely different from yours. He feels about it as we do, and he does not look upon it as a continuation of mediocrity.

MR. KIRKPATRICK: "Perpetuation" of mediocrity.

MR. REYNOLDS: We should make those people useful to the Agency.

25X1A9a [REDACTED] I'd like to ask a question. How does an individual enter this area? How do you know when it is desirable to do this?

MR. MELOON: Well, we are working on a definition at the present time - of when a person gets on a surplus list. As far as we are concerned we are going to recommend that an individual who remains unassigned to a current T/O position for a period of at least 90 days, as far as we are concerned he is surplus to the needs of that organization; and we propose, at the end of that time, to have him assigned to a current position or put him on the surplus list.

25X1A9a MR. [REDACTED]: That is about what you said - that is virtually the head of the component declaring him surplus.

MR. MELOON: No, sir. We have people who have been in this

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suspended state for at least 18 months, some people around here not assigned to current T/O positions.

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[REDACTED] I would buy that.

GENERAL CABELL: Kirk, may I make a comment there? I don't quite get Red's point about it being part of the Reassignment Board. It makes little difference, as far as I can see, whether it's a part of that Regulation or a part of this one.

Red, you must have a feeling that there is something intrinsically wrong with this thing when you say it is just a device to put off a decision. What is intrinsically wrong? - whether it's published in a Regulation or by itself, or whether it be incorporated in the Reassignment Board Regulation.

MR. WHITE: General, quite frankly it wasn't until a few minutes ago when somebody called my attention to the fact that this was beamed at surplus personnel, that I even recognized that. It's not written that way at all. You can read into this a very noble aim, taking everybody in the Agency who is surplus and making sure that he is moved into other vacancies, and that he receives the training that he needs to go into those vacancies so as to benefit him personally, and I think that is the way the Regulation struck me when I first read it. Now that isn't the intent at all. So basically I don't think it is a good Regulation because I think it conveys the wrong impression as to the point you are trying to solve. Insofar as combining this with the Agency Reassignment Board machinery - we labored with that Reassignment Board machinery for sometime, and as far as I know we have made no test of it. I have put three people into the machinery and I don't know what has happened to it, but as far as I know we haven't used it at all. I think this is what we are talking about, we are talking about reassignment with or without training, and what I am proposing does not preclude training in any way whatever, it would merely state clearly the problem we are talking about and how we propose to go about solving it, and whoever is given the authority to decide that Mr. "X" is to be assigned to position "Y", if that decision is made and it is considered necessary that he have certain specific training before he goes into it - I am all for that; but I don't think this Regulation faces up to that, and I frankly am afraid that through this mechanism we will put people into training and keep them on for another six months or so, and that the end result will be exactly the same. I do have that fear.

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MR. [REDACTED]: With the exposure, in the meantime, to that much more activity, training, etc.

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MR. [REDACTED]: What we are really trying to say here is that when it is determined that a man shall be reassigned, that he shall be given the opportunity to get such training as he needs in order to perform his job properly.

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MR. [REDACTED]: That really doesn't need saying. That should go without saying..

MR. REYNOLDS: I'm afraid it does need saying.

MR. MELOON: It sure does. The reason we have not invoked the Reassignment Board procedure at the present time is the tremendous amount of work that goes behind it. We have six cases at the present time that we are about ready to haul before the Reassignment Board to work on. But in all fairness to the offices that we term as the "receiving offices" of those assigned individuals - we have even gone to the extent of having a security file check, a medical file check, and have asked an assessment on each of those individuals, beamed at a specific job that we feel the person can fill. And there is a tremendous amount of work behind that before we would want to come up here and jam somebody down your throat that is coming out of Commo or DD/P, or someplace else. But people should face up to their responsibility and give us an evaluation so that we can prefer charges and get rid of the person, rather than to bring him before the Reassignment Board. The only people we would propose under this thing are not these people - notwithstanding their files, Red, we've got to have something on them.

MR. WHITE: Well, George, you know the one case you and I have discussed. This fellow has had every course in the book. If I have to I'll take him in my Office, because there's no point in training him anymore. Somebody has to take him and give him an unsatisfactory efficiency report and get rid of him. And if the ones I have seen before my own Career Service Board, and I think I have given you three recommendations, are typical of the group we are talking about, then my fears are justified.

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MR. [REDACTED]: Can't you substitute for the Reassignment Board - that the AD for Personnel will cause the individual to be immediately re-assigned, after consultation--

MR. REYNOLDS: It's actually placing the two categories of people into one, for the Agency Reassignment Board procedure. I don't think that

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is impossible, but I had looked upon these as two, final categories and this group that will be covered by this Notice would be those who were easier to handle than someone who came before an Agency Reassignment Board. We know a lot of people who have been unassigned for a long time and in looking over their files there are indications they would have some usefulness.

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I have talked to three or four of them. [REDACTED] sent me a man the other day that I am very sure, with a certain amount of retraining, would be very valuable, and he has been surplus for a long time.

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MR. [REDACTED]: That raises the question whether the mechanism for bringing the person to other offices is good enough. I would like to speak to that for a moment. [ . . . Inaudible . . . ] As you know, the

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T/O was cut very drastically, and as soon as it became clear there were going to be several hundred people "surplus" in the [REDACTED] a great many of the parts of the outfit went to work, especially Personnel, to find out where these people could be used elsewhere in the outfit. The result was that a good many of them with considerable promise but no special experience along those lines, were almost immediately placed in a wide variety of jobs in the DD/I, and certainly in a wide variety of jobs in DD/P. Training has picked up a good many of those people, not because we were sold a bill of goods about them, but because they were actually desirable. That process has gone on for roughly a year and a half or more. I question whether

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out of all the "surplus" in the [REDACTED] there is any really outstanding man - where the Agency would really suffer if it were to lose his services - who has not been placed by the processes that already exist. The ones who are left are pretty good people who might have some service someplace but would not represent any serious loss to this Agency.

I believe another method which has not been sufficiently used in this Agency is the frank statement to the man, "Look, you're pretty good. We have no complaints against you. You have done your work satisfactorily. But the fact is that you have no real call for this business, and you would be doing yourself a favor, as well as the Agency, if you left." That has been done and it has succeeded in a number of cases, and I am sure it could be tried more often.

GENERAL CABELL: What happens when that man says, "I don't agree with you."

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MR. [REDACTED] It has worked in quite a number of cases for

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people you don't have serious complaints against but who are not good enough, and they have been persuaded of that and left, and at a time early enough in their careers so they wouldn't lose anything by leaving. I think that could be used more often.

MR. KIRKPATRICK: Harry, you have heard the views of the Board on this Notice, and you have heard Red's suggestion. What would you care to do with the Notice now?

MR. REYNOLDS: I think Red's suggestion has merit. I don't think we are going to get any further here with this Notice unless we investigate the possibility which Red suggests. I would therefore recommend--

MR. KIRKPATRICK: I would suggest that as one alternative; and the other, perhaps tightening up the language of this particular Notice to make it a little more specific.

25X1A9a [REDACTED] I would be satisfied with that.

MR. KIRKPATRICK: Because of the large amount of skepticism raised by the members of the Board.

MR. REYNOLDS: I think we will find that it will not fit in too well with the Agency Reassignment Board Notice. But if it is the wish of this Board that we make a restudy of this, we will proceed to do so.

MR. KIRKPATRICK: I would suggest, then, that that be followed.

25X1A9a Now I'd like to revert back to the Insurance Task Force report item on the agenda, seeing that we have had Mr. [REDACTED] sitting here on tenterhooks for the last hour.

. . . General Cabell retired from the Meeting . . .

25X1A9a MR. [REDACTED] I would like to say that I checked with legal counsel to see if it was proper for us to put on the record a monitored  
25X1A9a telephone conversation without the consent of both parties, and Mr. [REDACTED] said that it was perfectly okay providing this does not leak to the press.

25X1A9a MR. [REDACTED] I would like to do as I did before in the other and more complicated report, take you through it reading as little as possible. In order to bring you to the point where you can consider these final recommendations, I need to pick up four sentences shown here in the first section. At the last meeting that we were here, the Task Force proposed these four actions: (1) secure term life coverage on a better basis than now offered by WAEPA; (2) ask United Benefit Life of Omaha to

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25X1A make a firm offer on a better plan; (3) ask WAEPA to bid on it; and (4) ask the [REDACTED] to assess these two bids as such, and as against self-insurance.

You must have in mind that the Omaha Company named here is the sister company under the same ownership as is one of our hospitalization plans. These are the people we have been dealing with for six years in the hospitalization field. They know us and we know them.

Now, Omaha has now put forward a better plan than WAEPA. I propose to demonstrate it in a comparison of principle features. And you might note, in passing, their observation that had they underwritten the WAEPA Plan last year we would have gotten back \$135 thousand dollars in dividends.

25X1A As to that action of asking WAEPA to bid, WAEPA refused to bid, and the embodiment of their views is shown in the paper at the very back of the papers attached to the agenda, and I don't need to take you through it at this stage.

Now the [REDACTED] - you all remember them as our insurance consultants and actuaries - they lean to more research and to get more bids. That is the natural commercial tactic. We don't. We want to sign off commercially with Omaha, the Task Force does, for security reasons primarily, and the fact of their excellent handling of our claims in the past in the field of hospitalization, and their attitude, their willingness to tailor and give us anything we want, and show us the price for it.

25X1A I need to carefully take you through this second page dealing with the [REDACTED] attitude and view on self-insurance. They say:

"While we feel that self-insurance might be feasible, a very considerable amount of research would have to be done in order to satisfy ourselves (and you) that it is the preferable course to take in this instance. The unusual nature of the coverage, the potentiality of catastrophic loss, the facilities for claim administration, the legal aspects in establishing a self-insured system (questions relating to possible conflict with state insurance laws, development of a 'contract' or vehicle through which the benefits would be offered, etc.), the actuarial considerations (fixing a proper rate of contribution, handling of refunds to participants, establishment of contingency funds and reserves) all require careful study. We will, of course, be glad to carry out the parts of such a study as fall within the actuarial and insurance fields. However, we believe that heretofore the merits and shortcomings of self-insurance have been broadly discussed in our meetings, and we hesitate to embark on an exhaustive survey along these lines unless very serious consideration is being given to the self-insured route."

The Task Force agrees that they all require careful study. They go on to

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say they would be glad to carry it out if we wanted them to. I'll deal with that possibility in a moment.

Now, then, here it is - this is the Task Force Plan which Omaha is willing to underwrite, and I'll tell you the premium cost later. The heart of the plan is contained right here in the beginning, the establishment of classes of benefit as opposed to the inflexible requirement of WAEPA. Now I did an opinion poll in the past few days and asked 94 random people in OCD, DD/P, Personnel and DD/A, to answer two questions. The first question I won't touch here, but in this opinion poll 89 of the people--out of 94--if they wanted insurance coverage today, would be required to buy \$12 thousand of term and \$15 thousand accidental death, which is the essence of the WAEPA coverage. They would be required to because of their salary. 69 of the 94 want less than WAEPA requires. In other words, this flexible schedule fits the varying needs of the Agency. The only requirement I put on these people in doing the poll was to pick a young man.

Now, the contract terms. This a., b., and c., I put in here because this is the probable wording that will go into the insurance contract if you will buy this Omaha deal, and I'll take you through that because it is the heart of the whole business here. (Reading) "The minimum benefit for which a member is eligible may not be less than selection of class coverage. However, ...." and this is where we meet WAEPA - "...instead of the above, under this plan the member earning \$3200 or less annually may select Class 2 benefits...." - which, you see, is the WAEPA minimum for \$6 thousand - "...and the member earning \$3201 annually, or more, may select up to and inclusive of Class 5 benefits...." In other words, initially he can buy anything he wants to, initially, with a minimum retention requirement of one year. That is to avoid the fellow taking an air trip and he buys Omaha for the period of the air trip and then drops it. Of course, in that process he selects against the company, which they won't permit, and rightly so.

Now, then, (reading): "Members initially selecting insurance benefits on the basis of the class coverage nearest the individual's annual base wage are eligible to advance to the next highest class if an upward change in the employment grade alters the eligibility...." "...or by medical examination at any time, to any class, above that presently held." There is no selection against that process because of the protection of the medical examination.

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Now the rest will go a little faster, I think. This next is just a re-statement of the previous, so we can skip it. Eligibility - it's exactly the same as WAEPA except with WAEPA's disadvantageous phrasing which contains the implication - overseas service. Omaha will offer this term coverage to anyone in the Agency with no implication of overseas service or any other requirement. Accidental death coverage is important here. The fellow who buys WAEPA has to take \$7500 or \$15 thousand, and most of these on this opinion poll will have to take \$15 thousand under WAEPA, and hence pay for it. We propose, and Omaha agrees, to put a double indemnity on a straight d.i. basis - a straight double indemnity - twice salary. Now if he wants more than double the face amount he can secure it by raising his term coverage, by a medical examination. The important feature there is he doesn't pay for more than he needs - again, in the d.i. as well as the term.

Exclusion: Omaha will give us a better deal than WAEPA, although WAEPA is pretty damn good. As you see, WAEPA requires that the coverage be limited to a passenger in a recognized Government-licensed plane, a plane for carrying passengers. Omaha will cover on any kind of aircraft.

Conversion: the same as WAEPA.

MR. KIRKPATRICK: What do you mean - it covers for any aircraft? It says, "except as a passenger".

25X1A9a MR. [REDACTED]: That is the way he worded it. As a passenger he is covered in any kind of aircraft. This is a peculiar way that the actuary

25X1A9a wrote it. Do you agree with that, [REDACTED]

25X1A [REDACTED] Yes, sir. That is fine. This is an exclusion so it's a double negative. It's a double negative, Kirk.

25X1A9a MR. [REDACTED]: It's the way they do it.

25X1A9a MR. [REDACTED] Picking up again - conversion is the same as WAEPA.

Premium waiver - we get it and WAEPA doesn't give it. Payment of benefits - any kind of cut-out or security arrangements we want with Omaha, and not

25X1A9a so broad with WAEPA, even though [REDACTED] could lay on a cover operation - you've got it anyway in the guarantee here.

Dividends, and this is the second most important point, and it needs to be read because you will touch in here on the question of self-insurance, to a degree. So, they will give us back all of the premiums after having taken out the Company retention, the incurred claims, the conversion costs, if any, the contingency reserve, which we get cash for,

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for disposition by the master policy holder in any way we want. And the retention, which is what Omaha gets, is 12.2% at initial laying on of the contract. There is the total target of self-insurance. So, have that figure in mind - the total target. If you pay \$3.75 for a month of certain coverage - 12.2% maximum, the 12.2% is for Omaha, and that is the total target of self-insurance. That is all you could possibly eliminate. And

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██████████ advises us that probably if we had self-insurance--

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MR. ██████████ And that includes taxes.

MR. ██████████ Their taxes and their overhead.

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MR. ██████████: It includes Federal and State taxes. So they are really only keeping 10 percent for themselves.

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MR. ██████████: 5% of the gross premium comes to the Agency.

Now this is the third and last important feature - the pay-off.

Now there are two plans here. The first one is what is called in this game a "flat-level premium". There is no change, unless you get a bad experience. A flat rate of 53 cents. The other one is the translation of the Omaha plan against the WAEPA step-up system. Now I would like, unless you wish otherwise, to take you through only one, the first one, because that is the one the Task Force is recommending - the flat-level premium. In my opinion poll 79 out of 94 want this one - the "a"; and the others I think are crazy. So, note, under Omaha for coverage at the flat-level 53 cents per \$1000 of face amount per month - get these comparisons with the monthly difference on the extreme right. I had to use the WAEPA dollars, you see - the face amount dollars and accidental death dollars in order to make a comparison. Now if a fellow buys less than six thousand, or less than twelve, of course his monthly outgo is substantially less, but if he buys these particular face amounts why then he saves as shown on the right-hand side there.

Now we will skip the next page, page 7 - that is just a technical piece of business.

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MR. ██████████: May I ask you one question? Is this just, say, around \$90 a year? 12 times \$7.50 - about \$90?

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MR. ██████████ That is right.

MR. ██████████ I neglected to say to you that the Omaha coverage is larger, however.

MR. KIRKPATRICK: About a third of commercial life insurance.

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MR. [REDACTED]: I don't need but a minute more, or a minute and a half.

I want to take you through the summary of the advantages of Omaha. Larger total term coverage - \$15,000 versus \$12,000 - with flexibility of choice by the member initially and there on. In particular, the member may relate his coverage to salary if desired, but in no event does he secure less than WAEPA now offers, if he desires so to avail himself. Of great importance is the fact that a member does not have to buy and pay for more insurance than he really needs, as is the requirement under WAEPA. Omaha removes the important overseas service limitations of WAEPA. Omaha relates the accidental death coverage to salary, and the person who doesn't want \$15,000 need not take nor pay for it. The air-flight exclusion is superior, as noted. The premium waiver we get, and don't have in WAEPA. Omaha security is practically--well, I'll call it 100 percent. They will do anything we want. Omaha contracts for dividends based on annual experience, where WAEPA does not so contract. Omaha's attitude couldn't possibly be improved. Omaha is cheaper under a level premium or step-up plan. This is most important, of course, for a young man with a family when he earns less and his responsibilities are heaviest, and his coverage needs are greatest. The Omaha plan offers this contrast. Under WAEPA we are subject to the whims, desires and persuasions of others in their association, plus their own unilateral decisions. In addition we get no benefit from our own experience and get no flexibility to suit our needs. Omaha is completely cooperative and flexible to tailoring to suit us.

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MR. [REDACTED]: On point "b" up here, what are the important overseas limitations?

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MR. [REDACTED]: People are eligible who have the expectation to go overseas some day.

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MR. [REDACTED]: The words are these: Any United States citizen member of the Agency, paid directly or indirectly, in whole or in part, from appropriated funds, who may go overseas at some future time.

Now, the recommendations: (1) that the Agency avoid any life insurance plan on a self-insurance basis, at this time; (2) that AD Personnel assume responsibility for closely following the proposed life coverage features in the Government Plan and report developments; (3) that the Agency accept the Omaha proposal as shown under the level-premium basis and direct that DD/A and General Counsel complete the contract; (4) that AD Personnel

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take charge of an information campaign to the employees on the Omaha Plan and also assume responsibility for the self-insurance study, if it is approved; and (5) that the Insurance Task Force now go out of business in respect to life insurance.

25X1A9a MR. [REDACTED]: It sounds good.

MR. KIRKPATRICK: What happens to WAEPA? Does WAEPA go out of business if our people drop out?

25X1A9a MR. [REDACTED]: They will suffer. They will cry.

MR. [REDACTED]: They will give a squawk, though, Kirk.

MR. KIRKPATRICK: Will they attempt any action against the Agency per se?

25X1A9a MR. [REDACTED]: What do you think?

MR. [REDACTED]: No, definitely not.

MR. [REDACTED]: Have you seen the income statement? They wouldn't give this to us and they wouldn't give it to [REDACTED] so we went to the Insurance Commissioner and they showed it to us. Their earnings over the years are shown. I pulled these figures out of a complete [REDACTED] balance sheet. 25X1A

MR. KIRKPATRICK: Why is there such a variation in their excess of income over expense? They go from a quarter of a million dollars down to \$37,000.00.

25X1A9a MR. [REDACTED]: It would be for claims, but within the last couple of years they bought a building, and we understand they paid for the building out of that year's profits.

25X1A9a MR. [REDACTED]: They are trying to soak up their surplus.

MR. KIRKPATRICK: How about Omaha's financial solvency?

25X1A9a MR. [REDACTED]: [REDACTED] passes them. They are the largest hospitali-  
25X1A zation company in the world, and this is a sister company to that. They are very substantial in the field of life coverage. Joe, do you want to comment on whether they're 7th or 8th--

25X1A9a MR. [REDACTED]: They are among the first 50 out of 600 companies in life, and with their other assets through Mutual of Omaha - which is the largest of its type in the world - they own several hundred million of assets.

25X1A9a MR. [REDACTED]: We asked [REDACTED] that question.

25X1A MR. KIRKPATRICK: Any other questions on that Insurance Task

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Force report? Is it the will of the Board this be approved as submitted?

25X1A9a MR. [REDACTED]: So moved.

MR. REYNOLDS: Seconded.

MR. KIRKPATRICK: I also would like to move that a formal note of thanks be issued by the Board to the Task Force members, including the usual statements to go into their records, with our very great thanks for a long task arduously pursued.

25X1A9a MR. [REDACTED]: The really complex one is yet to come, the hospitalization. I have written most of the stuff on it and the Task Force is considering the writing now, and all that is due is a matter of composition and some dealings with Omaha on betterment of their own plan. Both Omaha and GEHA have many deficiencies.

25X1A9a MR. [REDACTED]: When will that be?

25X1A9a MR. [REDACTED]: Not until we're ready to offer something. When the General Counsel can wrap up this activity they will send their actuary from Omaha. John does it in 15 minutes.

25X1A9a MR. [REDACTED]: Is there any question of installing this?

25X1A9a MR. [REDACTED]: When you're writing an insurance contract it's going to take a little while, because they get pretty complicated.

25X1A9a MR. [REDACTED]: The big problem is the installation in the Agency.

25X1A9a . . . Messrs. [REDACTED] retired from the Meeting . . .

MR. KIRKPATRICK: Gentlemen, we have one item on the agenda still remaining.

25X1A9a MR. [REDACTED] Are you going to lash us tonight in considering that?

MR. REYNOLDS: If you decide to adjourn, I'm going to be away the next two Thursdays, and the third Thursday is 1 July, and if I'm not here I want to go on record as saying that that Regulation as written is entirely satisfactory to me as the AD/P.

MR. KIRKPATRICK: I would think so. You drafted it.

MR. REYNOLDS: And I have gone over it with General Cabell in great detail.

MR. KIRKPATRICK: Are you leaving Monday?

MR. REYNOLDS: No, I am leaving at 11:00 o'clock next Thursday morning.

MR. KIRKPATRICK: Then why can't we schedule a meeting before you

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25X1A9a go? I think that would be preferable. Mr. [REDACTED] what free morning is it that you have?

25X1A9a MR. [REDACTED] That disappeared.

MR. KIRKPATRICK: Any preferences by the Board?

MR. WHITE: Monday is a bad day.

MR. KIRKPATRICK: What about Tuesday? What do we have on Tuesday? We have an IAC in the morning. Does anybody object to Tuesday afternoon at 4:00 o'clock? All right, Tuesday afternoon at 4:00 o'clock will be the next meeting, and this will be Item 1 on the agenda.

Any new business anybody has to bring up this afternoon? If not, we stand adjourned.

. . . The Meeting adjourned at 5:20 p.m. . . .

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