

PROPOSED CHANGE TO 7.2(a) OF THE CONFIDENTIAL FUNDS REGULATIONS

No reimbursement will normally be allowed for the expenses of entertaining officers or employees of the United States Government exclusively. However, where such persons necessarily are present or incidental to the contacting of other individuals or the procurement of confidential information or special services, such expenses may be allowed. In rare instances, if it is deemed operationally essential to entertain United States Government Officials exclusively, ~~approval of~~ such expenses may be authorized by the Assistant Director concerned. This type of expense must be rigidly controlled; therefore, the authorization to approve such expenses is not redelegable. A planned operation which authorizes an individual or individuals to undertake extensive entertainment of United States Government Officials must be authorized by the DCI and approval of expenses under the authorization must be that of the Assistant Director concerned. For entertainment luncheons within the continental United States there shall be deducted \$1.00 for each CIA employee present. ~~The official presenting the claim for reimbursement shall make appropriate deductions on the voucher for each CIA official entertained.~~ This deduction does not apply where a planned banquet is held in honor of Foreign Government Officials with CIA Officials present. Each Assistant Director concerned may authorize a similar policy outside the continental United States where deemed appropriate.

*PCR*