

~~CONFIDENTIAL~~

SUBJECT: Meeting with OPM Representatives on 9 October 1987 to discuss MOU on Retirement Administration

- The Agency's intent to administer FERS and CSRS..."to the extent permitted by law and not expressly excluded by this memorandum or any subsequent memorandum of understanding."

I said that this change was made to reflect the fact that the Agency would still look to OPM to carry out certain functions for us. I mentioned specifically employees who transferred to other government agencies. I said that OPM would have to handle certain categories of resignees. There was some discussion about what the Agency would be doing with regard to resignees. I indicated that we would spell those out in the subordinate memorandum on retirement operations. We were re-visiting some of these issues and would identify the types of cases that OPM would continue to administer in a subsequent memorandum. The Agency was trying to assess the security implications of turning over administration of some resignees to OPM.

Mr. Titus and other OPM representatives sought and was given our assurance that we would not ask OPM to do normal retirement processing and related pay activities for our active employees.

- Consistency of CIA policies and procedures with OPM's administration of CSRS and FERS.

I said that language regarding the DCI's need to protect sources and methods was added in case the Agency had to do something different from the normal retirement processing to accommodate a cover or security consideration. I indicated that this was standard language used by the Agency and did not indicate that we would provide any different entitlement to our employees. Mr. Titus and Mr. Manniear asked for an example of such a situation. [redacted] Alec and I provided some general examples, which the OPM representatives did not find totally satisfying. They were concerned that we would establish a procedure different from theirs that they would have to use if we turned some aspect of retirement administration back over to them. I assured them that these exceptions to their procedures would be rare.

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Mr. Titus asked if OPM could be notified if we were not going to follow one of their procedures and some explanation provided as to why we were not. He was referring to major departures from accepted procedures. I indicated that such notification might be possible although we probably would not be able to provide an exact reason. He also asked that the wording regarding the DCI's prerogative also be used in conjunction with the text covering other restrictions elsewhere in the MOU.

- Payment of OPM for functions and duties performed for us.

I explained that we had deleted this reference because our legal counsel indicated that its Agency should not be required to pay for services that OPM provided to the rest of the government. After some discussion, it was apparent that the OPM draft had not intended to convey this meaning. We agreed to insert the following introductory phrase in the sentence: "To the extent provided for in Title 5..." to cover our concerns.

- Internal inspections and audit reports related to disbursements from the Fund.

I indicated that we had changed the wording to bring it more in conformance with the language of the law. Mr. Titus found the new wording too restrictive. He felt that the new wording would only allow OPM to review summaries of payments that were determined and not how the amount of payment was determined. After some discussion, he asked if we could insert the words "and entitlement determinations" after the words "disbursements" in the sentence discussed. I indicated that I did not think that it would be a problem to make this insertion.

- Complying with all reasonable audit recommendations.

It was agreed that the reference to "subject to security restrictions" would be changed to language used elsewhere in the text reflecting the DCI's requirement to protect sources, methods, etc.

C O N F I D E N T I A L

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- Providing statistical reports on CSRS, financial and administrative activities related to disbursements from the fund.

I said that the earlier text was too broad and the use of the expression "operational" in our vernacular meant something other than OPM intended. The OPM representatives did not object to the change or the addition of the statement regarding the Director's need to protect sources and methods.

- Establishment of new procedures "related to the administration of FERS and CSRS."

No objections were raised to this change.

2. It was agreed that we would prepare another draft with the proposed changes and submit it to OPM next week. The draft would allow us to resolve any lingering problems before we submitted the MOU to the appropriate officials in each organization for signature. Mr. Titus asked if the appropriate agency official could sign first, since it was our MOU. I said that I did not think that this would be a problem. Once the basic MOU was signed, work would proceed on MOUs covering financial transactions, retirement administration activities, and audits.

3. We briefly discussed the disposition of the "lockup" cases. I indicated our intention was to review all of the material in "lockup" over the next six months and determine which material should be returned to the Agency and which could be turned over to OPM. OPM would administer those cases that we turned over and we would administer those that we kept. The Agency goal was to eliminate the "lockup" by the end of the six-month period. I said that we had two annuitants with retirement administration experience who would be reviewing the material on our behalf. The OPM representatives raised the question about material at Boyers and we said that would also be disposed of.

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C O N F I D E N T I A L

MEMORANDUM FOR THE RECORD

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Attendees

OPM

- Frank Titus
- John Webster
- Dan Green
- Woody Kerr
- Andi Minniear
- Moses Johnson
- Ken Glass
- Robert Loring



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1. The meeting began with an explanation by [redacted] that we had modified their version of the MOU to take into account some areas of CIA concern. Copies of their draft MOU with the areas of change highlighted, as well as our revised version, were distributed. Before any substantive discussion of the changes could begin, the meeting was interrupted by a fire drill. When the meeting resumed, we reviewed each of our revisions, explaining why the changes were made. The following points were discussed:

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- Delegation of authority to approve subordinate memoranda and the D/PERS role in the approval process.

The OPM representatives raised no particular objection to this change. I explained that the Director of Personnel had the responsibility for administering the Agency's retirement program, and all activities affecting this responsibility needed to be consistent with his policies. John Webster asked who he should meet with regarding the subordinate MOU on financial transactions. I identified [redacted] as the appropriate Agency officials.

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I mentioned that someone other than the DCI probably would sign its basic MOU for the Agency, possibly the Executive Director. Frank Titus raised no objection to this possibility, but wondered if references to the DCI in the text would have to be changed to EXDIR. He also suggested that the words "or his designee" be inserted after the Director of Personnel in the methodology section.