

ADMINISTRATIVE - INTERNAL USE ONLY

DDI- 03526-84

ADDI CHRONO  
19 JUN 84

MEMORANDUM FOR: Associate Deputy Director for Intelligence

VIA : [redacted] STAT  
External Analysis Coordinator, DDI

FROM : [redacted] STAT  
Director of Global Issues

SUBJECT : Request for Additional External Contract Funding

1. Background.

Until January 1984, the progress of [redacted] STAT  
[redacted] contract [redacted] to conduct analyses of STAT  
foreign corporate accounting practices and financial performance STAT  
tracked quite closely with their original cost estimates. At that  
time, [redacted] research in the areas of international accounting and  
business practices had been completed and work began on the  
Phase I Report. During the drafting of this report, however,  
project costs began to exceed earlier estimates to a significant  
degree. Several reasons account for this increase:

- o Increased use of foreign national personnel from overseas offices with specialized expertise needed to conduct key technical analysis.
- o Increased scope of the contract necessary for a complete and thorough analysis. This increase included:
  - a more extensive examination of the effects of environmental factors on foreign accounting practices.
  - development of a chapter assessing the outlook for international standardization of accounting practices.
  - an essay on the accounting problems inherent in joint ventures.

Moreover, [redacted] now has a better understanding of the level of effort which will be required to complete the two financial analyses of the automobile and electronics companies for Phase III of the project. Accordingly, [redacted] has revised the estimate of the costs to complete the contract from [redacted] STAT  
STAT

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2. Action Requested.

Authorization to amend the original contract for the amount of [ ] is requested. Because the contract is entering the critical stage where these funds are needed, your earliest possible consideration of the request would be appreciated. The Phase I and II reports completed by [ ] have been outstanding. STAT

[ ] STAT

APPROVED:

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[ ]

Richard J. Kerr, A/DDI

19 JUN 1984

Date

STAT

*As long as scope -- second tier -- is our expansion and not that of contractor. STAT  
But [ ] a little steep. Are they setting up their own foreign operation? STAT*

[ ] STAT