

ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM: ACFE	NO.
	DATE 13 August 1951

	TO	ROOM NO	DATE		OFFICER'S INITIALS
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This is my draft (C.Po) never acted on

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SOURCE METHOD EXEMPTION 2520
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

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NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 18 JUN 1980 REVIEWER: []

13 August, 1951

MEMORANDUM FOR: CPO

SUBJECT : Substantive Operational Control of DTPILLAR.

1. There is attached a proposed statement of the manner in which OPC control shall be effected over the substantive operations of DTPILLAR. If it meets with your approval, it will be appreciated if you will sign the attached paper for incorporation in the project file.

2. Project DTPILLAR was approved on 7 February 1951, without the stipulation of any conditions other than those set forth in the project itself. The DTPILLAR Financial Control Plan, dated 20 March 1951, was approved on 17 April 1951, by CPO on behalf of ADPC.

3. With respect to operational control, the Project states:

4f. Control by OPC will be exerted directly over the Executive Secretary, who will be a paid employee of this agency and over the three sponsors by contractual arrangement. However, exercise of this control will in practice, unless otherwise necessary, be limited; (1), to general policy guidance, to assurance that support is not given to activities which do not contribute to, or directly impair, the attainment of the ultimate aims of U. S. policy in the Far East; (2), to a periodic review of activities and accounts, to assure that results are obtained for funds expended, and to the submission of regular accounts as required by OPC. The OPC covert missions may be expected to participate in this review."

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Under "Risks" it is further stated, with respect to control:

Full control over the organization will rest with these persons and with the Executive Secretary, whose position as an employee of OPC, leaves him subject to direct control, and assures that any conflict arising between OPC and the Board will have no adverse effect upon the actual activities of the Board.

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(The title of Executive Secretary does not appear in the T/O of DTPILLAR, and the title, as used above, has been superseded by the title of President.)

4. The financial control plan deals with administrative controls (financial, procurement, personnel, and security), and touches substantive control only insofar as budget control affects substantive operations. With respect to budget control, the Financial Plan states in Paragraph 2 (Attachment I):

"Two budgets will be submitted at quarterly intervals by the DTPILLAR management. The first will consist of the projected expenses of DTPILLAR classified by program and object. In addition, a summary cash budget will be rendered analyzing by month DTPILLAR's overall cash requirements. The general budget will be utilized by FED (Far East Division), in planning the DTPILLAR program for the period under consideration while the cash budget will form the basis of the Financial Division's funding program."

5. It is understood that the purpose of the Covert Coordinating Committee in the formulation of the Financial Plan, was to limit control by the Covert Coordinating Committee of the Committee's operations to a financial review function, leaving control of the substantive aspects to OPC proper.

6. The "program" method, which is now undergoing consideration, is, it is believed, particularly adaptable to proprietary projects such as DTPILLAR, where the following conditions exist: (a), responsible private citizens have undertaken to direct the activities of the Project, lending to it their abilities and reputations, and are in a position not only to relieve OPC of a substantial burden, but at the same time, capable of bringing to the program a leadership and community support not otherwise available; (b), the nature of the activity itself requires, for security reasons, the greatest possible divorcement from governmental connections, and governmental methods of operation.

7. The desirable goal is the establishment of maximum autonomy in the Committee's operations, limited only by (a), the requirement that the operations be in accord with U. S. policy, and be supplementary and complementary to (rather than duplicate of), the overt propaganda activities of this Government; (b) requirements related to necessary coordination with covert activities in the same area; (c), the requirement that the financial administration be such as to permit proper accounting for funds expended.

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8. The attached draft is submitted in the form of a memorandum to the project file, rather than a project amendment in view of the fact that it is not believed to depart from the spirit of the project or of the Financial Plan (although from the actual practice adopted), and particularly in view of the fact that the restiveness of the CFA Executive Committee concerning controls applied by Headquarters to date, over the activities of the Committee, requires a most expeditious clarification of this problem.

9. It is believed that the administrative controls stipulated in the Financial Plan require revision. Reference in this connection is made to GPO's comment accompanying his approval of the Plan on behalf of ADPC:

"I am disturbed by the amount and nature of the direct administrative supervision, procedure, and inspection to be installed by or carried out by this Headquarters. DTPILLAR is a civilian, not governmental organization. It must be handled as such or it will be quickly branded as "unclean".

This problem is not, however, immediately related to the problem of substantive operations, and will be discussed in a subsequent memorandum.

[ACFE]

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Dist:

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DTDORIC	-	1
Chrono	-	1
Registry	-	2

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