

SECRET

NOTIFICATION OF PROJECT APPROVAL

PROJECT: DTPILLAR		
ACTION	AREA	
NEW PROJECT	DIVISION IO	
X AMENDMENT NO. 4		
RENEWAL	BRANCH DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 2828 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007	
TERMINATION		
MEMO REQUEST		
AUTHORIZATION		
APPROVING AUTHORITY DCI	AMOUNT 20 June 1958 See below.	FISCAL YEAR See below.

CONDITIONS OF APPROVAL

Ref: By Memo, Chief, IOD to DCI, via DD/P and DD/S, ER-10-4833,
subject: Project DTPILLAR, Amendment No. 4.

The project fiscal year has been changed for cover purposes from
1 July through 30 June to 1 August through 31 July. DCI approval of subject
memo authorizes the funding of a "13th month" in the amount of [] out
of FY 1958 funds, to cover the period of transition. This does not alter the
monthly level of operation in any way, nor does it authorize any expenditures
which do not conform with the regular approved program for the operation.
Thereafter, the Agency's annual budgetary allocation for this project will be
committed on the basis of the project's fiscal year.

PP/OPS/PP REF. NO. JUN 5177	SIGNATURE PP/PRD/PP. [SIGNED]	DATE 24 JUN 1958
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DISTRIBUTION											
1	DD/P	1	SSA-DD/S	1	COVERT BUDGET BRANCH	1	AREA DIVISION CHIEF OF ADMIN.	1	PP/OPS/PR	2	PP/OPS/PP

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PP STAFF COORDINATION

PROJECT: **DTPILLAR**

X	AMENDMENT NO. 4	DIVISION 10
	RENEWAL	BRANCH 1
	TERMINATION	DESK

STAFF CONCURRENCE				MEMORANDUM ATTACHED		
ORGANIZATIONAL ELEMENT	SIGNATURE	COPY NO.	DATE	YES	NO	DATE
SSA-DD/S <u>1/</u>	[Signature]	2	6/12/58			
PP/FRD/RB	[Signature]	3	6/12/58			
PP/C-FRD	[Signature]	1	6/12/58			

RECOMMEND APPROVAL

CPP	SIGNATURE [Signature]	DATE 13 June 1958
A/DD/P/P	SIGNATURE [Signature]	DATE

(This space reserved for comments of SSA-DD/S; CPP; A/DD/P/P.)

1/ Availability of funds from Agency FY1958 savings

[Handwritten initials]

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11 JUN 1958

ER 10-4833

MEMORANDUM FOR: Director of Central Intelligence
Via: Deputy Director (Plans)
SUBJECT: Project DTPILLAR - Amendment No. 4

1. This memorandum contains a recommendation for approval by the Director of Central Intelligence. Such recommendation is contained in paragraph 3.

2. Background

a. DTPILLAR is a wholly owned and controlled Agency facility, established and continuously operative since April 1951. Its objective is to assist in the development of capabilities and attitudes in consonance with U. S. policy objectives.

b. Under date of 22 October 1957, the President of DTPILLAR wrote IO Division stressing the importance of changing the fiscal year of the project as an important contribution to its cover and security. As a result of subsequent discussions and correspondence, the Comptroller recommended that if the fiscal year period of DTPILLAR be changed, that the period 1 August - 31 July be used. The recommendation was adopted and the Administrative Plan was amended 24 January 1958 to reflect it.

c. In order to make the change of fiscal year a reality, and to allow DTPILLAR to prepare its annual budget in accordance with its new fiscal year, thus keeping its highly complex budget problems to a minimum, it will become necessary to consider July, 1958, as the thirteenth (13th) month to be funded out of FY-1958 funds. This will be a one-time budgetary adjustment.

d. Pursuant to a request of the Comptroller for a legal opinion on the propriety of funding the expenses during July 1958 from FY-1958 funds, the Office of the General Counsel agrees that this is a proper course of action (copy attached).

e. However, it is necessary to generate additional authority in the amount of [] (one month's maximum expenses), increasing the FY-1958 authorization of the project from [] to []. Such approval is subject to the availability of funds from total Agency program savings, at the discretion of the Comptroller.

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SECRET

OGC 8-0700a

14 May 1958

MEMORANDUM FOR: Comptroller

SUBJECT: Project DTPILLAR - Change of Fiscal Year to 1 August - 31 July beginning 1 August 1958.

- REFERENCE:
- (a) Memorandum from Comptroller to General Counsel, dated 8 April 1958, Subject: Project DTPILLAR - Proposed Change in Fiscal Year.
 - (b) Memorandum from Chief, IO Division to Chief, Budget Division, dated 1 November 1957, Subject: Change in Fiscal Year . . . (DTPILLAR).
 - (c) Unsigned memorandum from Mr. Ivy, Project Representative, to Mr. Klum, dated 22 October 1957, Subject: Change in Dates of Fiscal Year.
 - (d) Memorandum from Comptroller to Chief, IO Division, dated 12 November 1957, Subject: Change in Fiscal Year for . . . (DTPILLAR).

1. Upon approval in principle by Headquarters of a change in Fiscal Year from 1 July - 30 June to 1 August - 31 July, Project DTPILLAR, a proprietary, adopted the change at their annual conference in November 1957, to be effective 1 August 1958. It is stated that no consideration was given, however, to the financing of the Project's operations during the month July 1958. This one month period, July 1958, is characterized in reference (a) as the "transition period" for accomplishing the fiscal year change-over. Our consideration is now requested of the question "whether the Project's operations conducted on a 1 August - 31 July fiscal year basis, including financing thereof from appropriated funds derived through the Agency's budget for the period 1 July - 30 June, may be considered acceptable by all parties concerned for administrative and budgetary purposes." It is requested further that we provide you with an opinion of the legal implications involved for administrative guidance." Our review of the problem has revealed no legal obstacles ~~are~~ ~~as~~ to the desired change and indicates at least two possible approaches to the question of the provision of funds during the "transition period," July 1958.

2. With regard to the administration and budgetary considerations of an executive agency, the basic legal restrictions on the obligation and expenditure of appropriated funds are found in sections 665, 712a and 712b of Title 31, and section 11, Title 41, United States Code. It is there provided in pertinent part:

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3. Proposal

It is recommended that the Director of Central Intelligence approve an increase of \$560,000 FY-1958 funds for project DTPILLAR in order to effect the transition between the current and proposed fiscal year for the project. This will increase the FY-1958 total authorization from \$6.8 million to \$7.360 million.

[]
[]

Chief
International Organizations Division

Attachment: As stated

Concur in the Recommendation:

for comptroller []
181 []
General Counsel

12 JUN 1958
Date

11 June 58
Date

for /s/ Richard Helms
Deputy Director (Plans)

Jun 13 1958
Date

/s/ L. K. White
Deputy Director (Support)

Jun 13 1958
Date

The recommendation in paragraph 3 is approved.

(Signed) A. W. Dulles
Allen W. Dulles
Director

20 JUN 1958
Date

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"s 665. Appropriations - Expenditures or contract obligations in excess of funds prohibited

"(a) No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

The foregoing section 665 of Title 31 is to be construed with section 11, Title 41.

"11. No contracts or purchases unless authorized or under adequate appropriation

"No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, Navy, and Air Force, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year."

Section 712, Title 31 relates to balances of appropriations. It is there provided in part:

"s 712a. Balances of appropriations; expenditures

"Except as otherwise provided by law, all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year."

"s 712b. Same; carried over to "Payment of certified claims" fund; appropriations inapplicable to surplus

"Unless a longer period of availability for expenditure is specifically provided in an appropriation or other law, on July 1 in each year the unexpended balances of all appropriations which shall have remained upon the books of the Government for two fiscal years following the fiscal year or years for which appropriated shall lapse . . ."

3. The general rule enunciated by the Comptroller General (35 Comp. Gen. 319 at 321) for legally obligating a fiscal year appropriation is that the supplies or services are required to serve a bona fide need of the fiscal

SECRET

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year in which the need arises, and ordinarily where a contract is entered into during one fiscal year and the services contracted for are not performed or required until the succeeding fiscal year the appropriation current at the time the services are rendered is properly chargeable with the cost. 21 Comp. Gen. 1159; 27 id. 764; B-114619, of April 17, 1953; B-123964, of August 23, 1955.

(a) The question is inherent in the considerations presented whether we are brought in violation of any of the cited provisions by changing the fiscal year of a proprietary organization to a period other than that established for federal agencies. We think not. In the instant case the services are not contracted for in one year and performed in the succeeding year, but rather, due to the present programming of activities on the new fiscal year basis, the activities extend into the succeeding fiscal year. The services provided are not severable by month or by part of the year. They are established on a program basis extending through the year. In consequence, as previously indicated, it is our opinion that we are not in violation of any of the cited provisions. In our sponsorship of such an activity we are contracting, in the sense of Division and Project Review Committee (PRC) approval of programs and activities, for a continuing service. The budgeting is on an annual program and activity basis. As a service overlapping normal federal fiscal years it is similar in effect to the leasing of telephone equipment or the provision of other services or facilities of a continuing nature, the billings for which overlap fiscal years. Even though Agency fiscal controls require periodic accountings of individual items of expenditure, and in consequence we might consider the programming severable by months or by period, such controls are sanctioned by our own regulations and are not imposed by outside authority.

(b) No question is perceived with regard to the propriety of the change of the project fiscal year from 1 July - 30 June to 1 August - 31 July or such other period as might have recommended itself. That change is not in question. It was dictated and approved in accordance with operational security considerations.

4. With regard to the funding of the "transition period" it is our understanding that budgetary approval of Project 1959 fiscal programming (1 August - 31 July) was granted specifically with regard to the new Project fiscal year. This being the case, it is felt that considerations such as attempting to weather the "transition period" on funds remaining from those approved for use in fiscal 1958 (1 July - 30 June) are of little avail. In keeping with Agency Regulation 230-100 "Agency Activities Approval System and Review of Operating Budgets" and R 230-110 "Project Review Committee", it is determined that funds necessary for the additional month would require PRC approval.

C]
Assistant General Counsel

cc: Chief, IO Division

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(When Filled In)

PROJECT FINANCIAL DATA		PROJECT CRYPTONYM MYRILLAN			
		FISCAL PERIOD COVERED 1 July 1957 THRU 31 July 1958			
*MAY NOT EXCEED SECRET CLASSIFICATION					
RESPONSIBLE STAFF OR DIVISION IO		CASE OFFICER			
A. PERSONNEL REQUIREMENTS					
Indicate number and type of personnel required and estimated total compensation for salary, allowances, travel and related employee benefits. Include everyone paid from project.					
TYPE	NUMBER		ESTIMATED COMPENSATION		
	U. S. PERSONNEL	FOREIGN NATIONAL	BASE SALARY	ALL OTHER	TOTAL
STAFF EMPLOYEES					
STAFF AGENTS	5		\$62,337	[]	[]
CAREER AGENTS					
CONTRACT AGENTS					
CONTRACT CONSULTANTS					
DETAILED PERSONNEL					
FIELD AGENTS					
MILITARY					
ALL OTHER					
TOTAL A.	5		\$62,337	[]	[]
B. SUPPLIES, MATERIEL AND EQUIPMENT					
Indicate amount required in applicable spaces. Attach complete supporting list for each.					
COMMO	CHEMICAL	QUARTERMASTER SUPPLIES	OTHER SUPPLIES		
\$	\$	\$	\$		
MEDICAL	ORDNANCE	SPECIAL DEVICES	OTHER EQUIPMENT		
\$	\$	\$	\$		
TOTAL B.					
C. OTHER OPERATIONAL EXPENSES					
Indicate volume and nature of expenses such as (1) maintenance of two operational houses abroad (2) spot purchase of information, etc.					
TOTAL C.					
D. SUBSIDY OR PROPRIETARY PAYMENTS					
If funds are to be turned over to individuals or groups in large lump sums to be expended by the individuals or groups at their discretion to accomplish an agreed-upon objective, explain the type of financial accounts, factual verification or statements, if any, other than a receipt for the lump sum, which will be obtained.					
Annual budget review and audit, comprehensive monthly financial statements in detail approved activities review, and a receipt is obtained for each remittance					
Administrative - (excluding "A" above)		[]	Program		[]
Capital Outlay		[]	Contingency		[]
(*Contingency spending subject to terms of Main. Plan)					
TOTAL D.	[]				
TOTAL FUND REQUIREMENTS (A + B + C + D)	[]				

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(When Filled In)

E. FUNDING REQUIREMENTS

APPROXIMATE DATES AND AMOUNTS OF MONEY REQUIRED

BTPIIIAR is reimbursed on a monthly basis for actual expenditures through []

FORM REQUIRED

U. S. DOLLARS

FOREIGN (SPECIFY)

NEGOTIABLE INSTRUMENTS (SPECIFY)

SPECIAL SECURITY REQUIREMENTS OR METHODS OF TRANSMISSION

F. SPECIAL REQUIREMENTS

(Within security limitations, list any other facts or circumstances which will enable Special Support Staff to lend adequate logistical support to this project. Indicate specificationally the "RUSH" or "TIME" factors involved.)

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NOTIFICATION OF PROJECT APPROVAL

PROJECT: **DTPILLAA, Liquidation Reserve Funds**

ACTION		AREA
	NEW PROJECT	DIVISION 10
X	AMENDMENT NO. (not numbered)	
	RENEWAL	BRANCH 2
	TERMINATION	DESK
X	MEMO REQUEST	

AUTHORIZATION

APPROVING AUTHORITY DCL, 28 June 1956	AMOUNT C]	FISCAL YEAR 1956
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CONDITIONS OF APPROVAL

* **Increase DTPILLAA Liquidation Reserve Fund from \$650,000 to**
[] and increase FY 1956 project authorization from
[] to []. Funds are to be made available by the
Office of the Comptroller from Agency savings.

223

PP/OPS/PP REF. NO. JUN 3285	SIGNATURE PP/ops/PP. []	DATE 2 July 1956
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DISTRIBUTION

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PRC No. DD/P-272-56

ER 8-4077

JUN 27 1956

MEMORANDUM FOR: Director of Central Intelligence

VIA: Comptroller
Deputy Director (Plans)
Deputy Director (Support)

SUBJECT: DTPILLAR Liquidation Reserve Fund

This memorandum contains a recommendation submitted for DCI approval. Such recommendation is contained in paragraph 3.

1. In accordance with the Administrative Plan for Project DTPILLAR a liquidation reserve in the amount of [] was established in 1954 by authority of the Director of Central Intelligence to provide sufficient funds to meet "all actual or contingent liabilities which would exist in the event unforeseen circumstances necessitated the abrupt termination of CIA's underwriting of the DTPILLAR program." At the time the subject fund was established at its present level of [] in 1954, the year's expenditures totaled []. Since that time, expenditures have steadily increased each fiscal year, totaling [] for FY-1956 with [] budgeted for FY-1957.

2. We have requested that the project reevaluate its liquidation reserve requirements. After careful consideration, the project has submitted a schedule which would increase the liquidation reserve to []. However, in view of the recent increase in the revolving fund, I feel that the necessity for an increase of this magnitude is less pressing.

3. Therefore, it is requested that the subject fund be increased by [], bringing it to a total of []

4. It is understood

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- 2 -

4. It is understood that (a) this reserve can be made available to the project only after an official action of the Executive Committee of DTPILLAR placing that organization in liquidation; and that (b) physical custody of the reserve shall be so established that access to it shall be only by joint action of an authorized executive of the organization through which DTPILLAR is funded and an authorized CIA representative.

18/C []

Chief

International Organizations Division

*If approved, funds will be made available by the Office of the Comptroller for Project DTPILLAR from Agency savings for FY 1956.

*CONCUR:

SIGNED []
for Comptroller

6/27/56

Date

SIGNED Richard Helms
for Deputy Director (Plans)

27 June '56

Date

SIGNED []
Assistant Deputy Director (Support)

27 June '56

Date

The recommendation in paragraph 3 is approved.

SIGNED A. W. DULLES
Allen W. Dulles
Director

28 June '56

Date

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