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CENTRAL INTELLIGENCE AGENCY

• ROUTINE

Intelligence Information Cable

COUNTRY SOUTH VIETNAM

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DATE OF INFO. DECEMBER 1965

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SUBJECT

DEEPLY ROOTED CORRUPT PRACTICES IN THE
MINISTRY OF ECONOMY

PLACE & DATE ACQ. VIETNAM, SAIGON (30 DECEMBER 1965)

REF

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1. THERE ARE NUMEROUS INSTANCES IN THE MINISTRY OF ECONOMY WHERE CORRUPTION IS INSTITUTIONALIZED. IT HAS BEEN A RULE THAT FOR EACH U.S. DOLLAR GRANTED IN IMPORT LICENSES THE MINISTRY OFFICIAL HANDLING THE DEAL GETS FIVE PIASTERS TAKE-OFF FROM THE PERSON RECEIVING THE LICENSE. NO BARGAINING IS REQUIRED, SINCE THIS IS CONSIDERED A STRAIGHT FEE.

2. A SIMILAR 'RULE' EXISTS REGARDING ALL MINISTRY OFFICIALS IN CHARGE OF DISTRIBUTION OF SCARCE IMPORTS TO CHINESE MERCHANTS, EACH OFFICIAL RECEIVES A FIXED MONTHLY BRIBE OF 30,000 PIASTERS FROM THE CHINESE MERCHANTS' ASSOCIATION.

This information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794 the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

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THIS IS SO STANDARD THAT IT HAS COME TO BE CONSIDERED AS PART
 OF THEIR SALARY AND HAS CONTINUED NOW FOR OVER ELEVEN YEARS.
 THERE IS NO BARGAINING ON THIS ITEM EITHER AND IT IS, THEREFORE,
 VERY DIFFICULT TO CONTROL. THE OFFICIALS RECEIVE THE MONEY
 ANONYMOUSLY. THERE ARE ABOUT FIFTY SUCH KEY POSITIONS IN THE
 MINISTRY AND THEY ARE OCCUPIED BY MEN WHO HAVE SOME DEGREE OF
 INFLUENCE WITH HIGHER GOVERNMENT OFFICIALS.

3. FIELD DISSEM -- STATE USMACV USIS USOM 2ND AIR DIV
 9TH FLD STA CINCPAC ARPAC PACFLT PACAF.

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