

[] I asked [] out attached memo.
As I understand it, you no longer need an Admin.
Plan. to cover write-offs. Certification by the
Chief of SR Division under "Denied Area Funding"
procedure will now take care of it. ??? Would
you like to explain to [] ??? No more six-month
memorandum account - you can make certification
at beginning. []

[]

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

What's
this all
about?

[]

SECRET

JUN 13 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : RAFS Review of Administrative Plan for SA
Division Special Project AECOB

REFERENCE : Chief, RAFS memorandum to Deputy Director
(Support) dated 23 May 1956, Same Subject

1. Paragraph 4 of referenced memorandum suggests that the Comptroller's Accounting Policy and Procedure regarding "Accounting for Funds Furnished Agents Penetrating Denied Areas" be incorporated in Agency Regulations in order that the procedure is "... properly authorized and that all affected Agency components have knowledge of them."

2. With regard to the question of whether this procedure was properly authorized, it is noted that Agency Regulation 30-130 charges the Comptroller with the responsibility for, and provides him with the authority to establish Agency accounting policies, instructions and procedures. The Office of General Counsel's opinion, in answer to the Comptroller's transmittal to them of the memorandum to Comptroller from the Chief, Finance Division, dated 11 April 1955, approved by the Comptroller and concurred in by the Chief, Audit Staff, subjects: Accounting for Funds Furnished Agents Penetrating Denied Areas, is quoted in part for your information:

"This Office perceives no legal objection to the general objectives and procedures set forth in reference, which was forwarded to this Office for comment by your memorandum of 27 April 1955. We think this matter is one peculiarly within the confidential funds concept concerning 'objects of a confidential, extraordinary, or emergency nature' contemplated by Section 10(b) of the Central Intelligence Agency Act of 1949. We also think the procedures envisaged are consistent with the requirements of R 30-100, the general regulation concerning the utilization of confidential funds."

SECRET

SECRET

SUBJECT

**• PAFS Review of Administrative Plan for
SR Division Special Project ASCOB**

3. With regard to the question of adequacy of circulation of the procedure, it is noted that this policy and procedure was disseminated through the BB/P Area Divisions to field stations in April 1955 by memorandum from Chief, Finance Division (Tab A). Further, this policy and procedure is included as Paragraph 9 of the "Proposed Revision to Class A Accounting and Reporting Procedure - Field Handbook No. 30-1500-1" which was forwarded by the Comptroller's Office to Regulations Control Staff for coordination on 29 November 1955 (Tab B). The Deputy Director (Plans) concurred in the publication of this revision on 16 April 1956, subject to certain changes. The Deputy Director (Plans) recommended change to Paragraph 9 of the Proposed Revision of FHB 30-1500-1 is not substantive, and is quoted for your information:

"The last sentence of new sub-paragraph 3.b.(11)(b) should be revised to read: 'Clearance of amounts from this memorandum account should be accomplished upon receipt of a certification from the agent who operated in the denied area (or from the responsible case officer in the event the agent has refused to sign documentation for the Organization) that the funds were used ...'"

4. It would appear that the policy and procedure in question was properly authorized, and that its circulation, as accomplished and contemplated, is adequate. In view of the above, it does not appear that further action with reference to the Chief, PAFS, 23 May 1956 memorandum is necessary.

[
Special Support Assistant
to the
Deputy Director (Support)]

Attachments

SECRET