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10 FEB 1954

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MEMORANDUM FOR: Mr. SUBJECT : Civil Service Commission/Central Intelligence Agency
Interagency Agreement

1. This is in response to your memorandum of 23 March on outplacement. Before answering your specific question about current consideration of an interagency agreement, let me give you some historical background.
2. Prior to a general revision of the Civil Service Rules by Executive Order 10577, issued in 1954, an employee in an excepted service such as ours could acquire competitive civil service status if (1) he qualified on an appropriate civil service examination, (2) he was within reach for appointment from the register, and (3) his agency requested that his name be certified to it for appointment. A number of overt employees acquired civil service status through this procedure in the years immediately following World War II. However, security and cover considerations did not permit employees in the Clandestine Services the same freedom in filing in civil service examinations or, if they did file and qualify, the Agency could not acknowledge their employment by requesting their certification. This created a disparity in the treatment of employees which grew critical, at least in the minds of those affected, and for a time the Agency discontinued the practice of requesting certification of any employee so that he could obtain competitive civil service status.
3. The acquisition and possession of competitive civil service status has no significance for an Agency employee as long as he is employed by the Agency. There are no distinctions in the rights, privileges, benefits, and obligations of the employee who has civil service status and those of the employee given a regular staff appointment under the Agency's statute. The possession of civil service status takes on great importance to the employee who desires to leave the Agency and enter some other Federal position which is in the competitive civil service. At the time the Agency discontinued the practice of requesting certifications, the possession of civil service status was viewed as a "hunting license" which facilitated the departure of employees-- and this at a time when the Agency was rapidly expanding and attempting to hold attrition to a minimum. (I believe that there may have been occasional instances when an employee was certified to us because he was reached on a civil service register and was converted to competitive status but these would have been relatively few in number.)
4. In 1954, the Civil Service Rules underwent major revisions. One of the changes made was to delete the previous provision for the acquisition of competitive civil service status by employees serving in excepted positions. A new provision was added which permits the Civil Service Commission to enter into "interchange agreements" with excepted agencies having personnel systems

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SUBJECT: CSC/CIA Interagency Agreement

which meet Civil Service Commission standards of "merit." One of these standards is compliance with the provisions of the Veterans Preference Act which among other things requires preferential consideration of veterans in appointment.

5. I won't go into all of the reasons why we as an Agency have believed that complying with the Veterans Preference rules is too high a price to pay in order to obtain civil service status for employees who are leaving our service. It has been carefully thought out on more than one occasion and this has been the conclusion.

6. We have met with Civil Service officials on several occasions to determine whether there was any possibility of obtaining their approval to our "exchange agreement" which would make appropriate exceptions respecting the restrictions inherent in veterans preference and have been advised that such approval would not be granted.

7. We believe it would be desirable to find some means short of the examination-register-certification route for former Agency employees to acquire career civil service status. At such time as it appears possible to set up a system other than the "exchange agreement", we shall be glad to pursue this question again.

[Redacted Signature]

Ernest D. Echols
Director of Personnel

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OD/Pers/[Redacted] :smh (10 April 1964)

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