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SSG 63-1179

MEMORANDUM FOR: Deputy Director (Plans)  
Special Support Assistant for the DD/S

SUBJECT : Second Revised Administrative Plan, Covert  
Action Staff Proprietary Project DTPILLAR

## I. Objective and Instrumentality

1. The objective of DTPILLAR is to promote the development of Asian nations along democratic anti-Communist lines by providing the organizational instruments, the knowledge, and resources through which required leadership and influence may develop. Its overt mission, as stated in the California articles of incorporation, and its covert mission, as stated in the basic Agency directive are included in the Administrative Plan, paragraphs 33 and 34.

## II. Background

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2. In April 1951, the Agency initiated Project DTPILLAR to aid in the creation of private action institutions and groups in Asia which would provide expanding opportunities for Asians and thus counteract the appeal of Communism. DTPILLAR has won widespread recognition and acceptance in Asia and is now conducting programs through resident representatives in every major Asian nation from Japan through Afghanistan, except Burma and Indonesia.

## III. Need for a Second Revised Administrative Plan

3. There are three reasons for a new Administrative Plan for this project.

First, in the interests of administrative order, to incorporate the three amendments approved since the present Plan was approved 13 September 1957.

Second, also in the interests of administrative order, to incorporate into the Plan, as appendices, three basic documents which control Agency relationships to DTPILLAR, Agency Station relationships to DTPILLAR field offices, and Agency regulations which relate to security of DTPILLAR.

Third, to enable DTPILLAR to improve and make its financial structure more foundation-like. The problems of maintaining cover and security of DTPILLAR have increased. The present Plan tends to treat the operation as a normal government instrumentality. Two innovations are included in the revised Plan which will assist DTPILLAR to conduct itself as a "privately owned and privately financed organization". These innovations are: (a) the provision of a Sinking Fund for the actual and contingent liability of

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"annual leave pay" and "termination pay" (paragraph 9); and (b) liberalization of the provisions under which DTPILLAR may encumber balances on hand at the close of fiscal years (paragraph 10).

IV. Approvals

4. Project DTPILLAR has been appropriately renewed for each fiscal year. The project was approved for  for FY 1960,  for FY 1961  for FY 1962 and  for FY 1963.

V. Recommendation

5. The attached Plan has been concurred in by all interested Staffs and Divisions and is recommended for your approval.

Chief, Support Staff, CA

**Attachment:**

DTPILLAR Revised Admin Plan



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Second Revised Administrative Plan  
Covert Action Staff Proprietary Project  
DTPILLAR

I Organization

1 DTPILLAR is an ostensible eleemosynary organization, incorporated under the laws of the State of California. The DTPILLAR Board of Trustees, composed of prominent U.S. citizens, meets quarterly. An Executive Committee, composed of Trustees, is elected by the Trustees. The Executive Committee meets as required and is empowered by the Board of Trustees to act in its behalf in certain management functions and to carry out instructions of the Board of Trustees. The functions of the Board of Trustees, the Executive Committee, and the President are stated in the by-laws of the corporation. All Trustees are approved by CA Staff prior to election in accordance with charter and by-laws of the corporation. CA Staff must provide prior approval to the election or appointment of Executive Committee members and key staff officers. The President of DTPILLAR is selected by CA Staff in consultation with the Executive Committee. The President of DTPILLAR is an ex officio member of the Board of Trustees and the Executive Committee. The President of DTPILLAR directs the operations and management of DTPILLAR within a framework of policy, financial and security controls provided by the Agency.

II. Program Presentation

2. On or about 1 January of each year, CA Staff shall advise DTPILLAR of a planning figure within which DTPILLAR shall submit its proposed budget for the next fiscal year. On or about 1 April of each year, a comprehensive program for the fiscal year, which shall run from 1 August to 31 July, shall be submitted by DTPILLAR, together with a more general projection for the subsequent fiscal year. This program, which shall be submitted in conjunction with DTPILLAR's annual budget, shall describe the activities contemplated and the objectives to be accomplished. Such descriptive data shall be submitted in sufficient detail to enable the Agency to evaluate the proposed program, and shall include, but not be limited to, personnel, programs, program support, and administrative requirements.

3. CA Staff shall review the program submitted by DTPILLAR for consistency with foreign and domestic policies, and for consistency with the mission of DTPILLAR, and may, after consultation with DTPILLAR, eliminate, modify, adjust or change the emphasis of the activities contemplated by DTPILLAR. After its review, CA Staff shall present the program, with appropriate recommendations for approval. The annual program as approved by the Agency shall be

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binding on DTPILLAR within the limits of the budget approved for that program except as authorized in paragraph 8. CA Staff shall inform DTPILLAR when the budget has been approved and secure written acknowledgment thereof from its President.

### III. Basic Budget

4. DTPILLAR shall submit annually, on or about 1 April of each year, a budget request covering all components of Project DTPILLAR for the subsequent fiscal year. The budget request shall reflect the amount of funds needed from the Agency, plus a listing of anticipated income from non-Agency sources, and it shall show actual and proposed expenditures on an over-all basis for the immediate past, the current, and the subsequent fiscal years, or by such other periods as may be required by the Agency, by major activities and/or categories, by summary and by detailed sub-classification for each country, and within the total for each category on an account basis.

The budget request submitted by DTPILLAR shall contain at least the following presentations:

- (a) The summary of actual and proposed expenditures by major activities covering the immediate past, the current, and the subsequent fiscal years;
- (b) Comparative statements of source and application of funds for the same three fiscal years;
- (c) Comparative statements of income and expense for the same periods;
- (d) Comparative balance sheets as of the last day of the fiscal year for the same periods;
- (e) A summary table of organization;
- (f) A general narrative statement of the proposed programs for each country for the subsequent fiscal year; and,
- (g) A brief statement of the purposes and objectives of each major activity or category, with explanation of major changes in budgetary requirements for each country from the current and prior fiscal years, as well as justification of significant new proposals.

### IV. Annual Project Operating Budget

5. Upon receipt of the detailed budget request from DTPILLAR, CA Staff shall forward a copy to the Agency Budget Division. CA Staff, in collaboration with the Budget Division, shall then

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incorporate into DTPILLAR's request such adjustments and deletions as may be required to conform the budget to the CA Staff operating program.

6. Following the approval by the Agency of an over-all amount for DTPILLAR, the operating budget shall be adjusted, as necessary, to the amount of the current approval. DTPILLAR shall be advised of the over-all amount approved and the amount for each major line item category, and DTPILLAR may recommend amendment to its own detailed budget request within each major line item category ceiling. The DTPILLAR revised budget, when resubmitted to CA Staff and approved by CA Staff in consultation with area Divisions, shall become the authorized operating budget for the subsequent fiscal year.

7. Requests by CA Staff for funds in addition to the approved over-all total for the project shall require the same processing within the Agency as the original budget request. Requests for transfers of funds between major line item categories, when the over-all total is unchanged, shall require the prior approval of CA Staff and the concurrence of the Agency Comptroller. Significant transfers between accounts within a major line item category, shall require the prior concurrence of the Chief, CA Staff or his designee.

#### V. President's Reserve Fund

8. A President's Reserve Fund may be provided by the Agency as an integral part of the annual budget for this project, and shall be shown as a separate line item in such budget. The annual amount of this fund shall require the written concurrence of the Office of the Comptroller. Expenditures from this fund are subject to the following rules:

(a) Of the total amount of the fund, a designated portion will be approved annually in the budget from which DTPILLAR may make expenditures during the fiscal year in supplementation of projects or programs included in the current budget, PROVIDED, that for amounts in excess of \$25,000 in any fiscal year for any project or program DTPILLAR will obtain prior approval of the Chief, CA Staff or his designee.

(b) Any portion of the fund may be used to implement new and imaginative projects (those not contemplated in the approved annual budget), PROVIDED, that for each expenditure, without regard to amount, DTPILLAR will obtain prior approval of Chief, CA Staff or his designee.

The use of the President's Reserve Fund will be properly identified by separate schedule in the monthly accountings submitted by DTPILLAR to the Agency.

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## VI. Sinking Fund

9. To strengthen the cover of DTPILLAR, to bolster the Balance Sheet, and to fund an actual and ever-contingent liability for annual leave and termination pay, CA Staff approved a Sinking Fund for DTPILLAR as of 1 August 1962. The Sinking Fund shall be presented as an integral part of the budget and shown as a separate line item. The income from investments of the Sinking Fund shall be retained by DTPILLAR for the purpose of making necessary additions of "principal" to the Sinking Fund to keep it current with the liability. Any excess of income over principal increments added to the Sinking Fund shall be offset against the amount of the annual budget authorization. A portion of the securities held in the Sinking Fund must be readily negotiable as payments will be made out of the fund during each fiscal year. The management of the Sinking Fund and its investment shall be subject to such requirements as may be prescribed by CA Staff with the concurrence of the Office of the Comptroller.

## VII. Year-end Fiscal Procedures

10. At the close of each DTPILLAR fiscal year, any balance remaining in the DTPILLAR budget authority for such year shall cease to be available for expenditure, except for the following purposes and within the following limitations:

(a) Unpaid commitments (encumbrances) may include those items which are provided for by the established encumbrance procedure as well as the amounts of specific program projects of DTPILLAR which have been formally approved by the Board of Trustees of DTPILLAR acting in accordance with its corporate charter and the authorities contained in its by-laws, provided that the total of the latter commitments (encumbrances) shall not exceed \$200,000. The criteria for the specific program projects approved by the Board of Trustees shall be that such projects had been planned for completion or commitment within the fiscal year but that for unforeseen reasons they could not be committed prior to the close of the fiscal year and therefore would not meet criteria for the encumbrance procedure.

(b) DTPILLAR shall furnish to CA Staff full detail concerning unpaid commitments (encumbrances) and no expenditures will be made without prior approval of such detail by CA Staff, which will provide a copy for advice of the Budget Division.

(c) Unpaid commitments for the year just ending shall cease to be available for expenditure at the close of business November 30th of each fiscal year unless prior specific approval of extension is granted by CA Staff with concurrence of the Office of the Comptroller.

VIII. Funding to DTPILLAR

11. Current Agency support of DTPILLAR shall be maintained, financially, on the basis of a revolving fund established as agreed to by the Office of the Comptroller, CA Staff and the President, DTPILLAR, and may be revised as necessary by joint agreement of these three elements. The amount of the fund may be based on the estimated needs of DTPILLAR for a period of up to four months in advance. The revolving fund shall be replenished upon request of CA Staff each month by the amount of operating expenses and capital expenditures shown in the monthly financial statements received from DTPILLAR subject to administrative review and approval of the financial statements by the Budget Division of the Office of the Comptroller. A schedule of estimated monthly reimbursements will be prepared by CA Staff each fiscal year and forwarded to the Budget Division for approval and to the Central Cover Staff. This schedule shall provide for a pattern of funding that is staggered as to time, amount, and geographical origin of funds, and the funding mechanism or method to be used for each advance of funds. The funding mechanism or methods set forth in the schedule may be any of the following:

- (a) Category I funding mechanisms (as defined by HR 240-3) in coordination with the Central Cover Staff;
- (b) Category IV funding mechanisms (as defined by HR 240-3) in coordination with the Central Cover Staff;
- (c) Individuals acting as ostensible donors and appropriately cleared with the Central Cover Staff;
- (d) Agency established notional organizations in coordination with the Central Cover Staff; and,
- (e) Such other funding methods which may be established by the Central Cover Staff and approved by CA Staff and the Office of the Comptroller.

CA Staff shall be responsible for obtaining a copy of the letter of receipt from the Grantee (DTPILLAR) showing the payer, payee, date and amount. Copies of these letters of receipt shall be forwarded to the Central Cover Staff for retention.

IX. Funding by DTPILLAR

12. Occasionally, it may be operationally desirable for DTPILLAR to fund another authorized Agency project or an activity under such projects. To the extent that such requests are, in the opinion of the Executive Committee of DTPILLAR and CA Staff, compatible with the purposes of DTPILLAR and will not jeopardize its major activities

or reputation, such funding is authorized. In such instances, the Agency component for whom this funding service is to be rendered shall assume responsibility for making the necessary funds available. Such advances shall be charged to the DTPILLAR account and costed against the using project. CA Staff need make no budgetary provision for such funding and the method for inserting such funds into DTPILLAR shall be as prescribed by paragraph 11, with advice to the Budget Division. Subsequent financial report of these funds, with proper identification, shall be made by DTPILLAR in its regular financial statement. The method of such accounting shall require the concurrence of the Office of the Comptroller. In addition, the request for advance for such funds shall state the method of accounting; (1) in accordance with the Administrative Plan or (2) fiscal annex of the Project funded, or (3) according to regulations.

13. Bona fide contributions offered to DTPILLAR may be accepted by that organization as supplements to its budget with the approval of CA Staff. If such contribution is designated for a purpose which coincides with a specific activity programmed by DTPILLAR, then such contribution shall be offset against the budgeted allotment for that activity. However, such designated contributions may be used to supplement the DTPILLAR budget with the concurrence of the Comptroller. CA Staff shall determine the budgetary status of such contributions. Identification of, and subsequent accounting for these funds shall be made by DTPILLAR in its regular financial statements.

14. Fund-raising campaigns may not be conducted by DTPILLAR except with the approval of CA Staff, and only when costs for such campaigns are specifically provided for as a line item in the budget.

**X. Financial Reporting**

15. DTPILLAR shall maintain such accounts and records as may be necessary to properly record and control all fiscal transactions and special funds in accordance with normal non-profit foundation practice. Such records and accounts shall be maintained in accordance with procedures prescribed by CA Staff with the concurrence of the Office of the Comptroller. DTPILLAR shall submit to CA Staff the following financial statements, in four copies:

**(a) Monthly:**

Balance Sheet

Income and Expenditures (reflecting monthly and cumulative amounts)

Surplus

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Encumbrances (until paid or cancelled)

Contributions (designated and undesignated,  
shown separately)

Miscellaneous Income

Comparison of Budget Allotments and Expenditures,  
shown cumulatively

President's Reserve Fund Statement

(b) Quarterly:

Cash on hand and in banks

Comparison of Administrative Allotments to  
Expenditures - Summary by Home Office, N.Y.,  
and Overseas Offices

Comparison of Program Support Allotments to  
Expenditures - Summary by Home Office, N.Y.,  
and Overseas Offices

Comparison of Program Allotments to Expenditures -  
Summary by Home Office, N.Y., and Overseas  
Offices

(c) Annually (within four months after close of fiscal  
year): Program Investments

Comparison of Approved Projects to Expenditures  
classified as to major categories (Education,  
Civic Action, etc.)

Schedule of Sinking Fund Investments

The President of DTPILLAR or his designee will attach to each group of financial statements submitted to CA Staff a certificate attesting that the balance sheet properly reflects the financial status of the project per the accounting method employed and that the other statements or groups thereof are a true and complete report of the operations of the project for the period indicated, with such exceptions as may be pertinent and the reasons therefor. These statements shall be reviewed and approved by CA Staff Approving Officer, the original of which shall be forwarded to the Finance Division and a copy shall be forwarded to the Budget Division.

16. DTPILLAR shall obtain prior written approval from CA Staff for the issuance of any financial statements for public distribution

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or for filing with State or Federal offices. Prior to granting of such approval, CA Staff will obtain the concurrences of the Comptroller, the General Counsel, and the Chief, Cover Division.

**XI. Writeoff from Agency Records**

17. The Finance Division is empowered to accept the monthly financial statements from DTPILLAR (paragraph 15) for recording in the appropriate accounts.

18. With respect to funds advanced to DTPILLAR for funding other authorized Agency projects or activities (paragraph 12) the Finance Division is authorized to transfer the advances from the DTPILLAR account to the account of the project funded based upon the disbursement of funds reflected in the DTPILLAR financial statements.

**XII. General Policies for the Protection of Government Interest, Control of Personnel, and Security.**

19. DTPILLAR shall submit to CA Staff a copy of the minutes and other formal documents or memoranda of the meetings of the Executive Committee and the Board of Trustees which may, at the discretion of CA Staff or upon the request of the General Counsel, be referred to the General Counsel for examination and review. Amendments to the corporate charter or by-laws which are significant in the opinion of the President, DTPILLAR, will be made only with prior approval of CA Staff and concurrence of General Counsel.

20. Each person elected to the Board of Trustees of DTPILLAR after date of authorization of this Plan, and who is made witting of Agency sponsorship of the activity shall be required to execute a Letter of Understanding and a Secrecy Agreement. These documents shall be prepared by the Contract Personnel Division; shall outline the mutual relationships and responsibilities of the Agency and the individual in his capacity as a Trustee of DTPILLAR; shall refer only to the Agency and not specify any component thereof; and, after execution, shall be forwarded to the Finance Division for retention. The Letters of Understanding may contain a clause as set forth in the following paragraph,

21. The Agency shall indemnify the directors and officers of DTPILLAR against any liability resulting from actions specifically approved by the Agency and without negligence or malfeasance on their part.

22. DTPILLAR shall not borrow funds on its secured or unsecured credit or mortgage or pledge any of its fixed assets, nor shall it enter into any commitments to loan money, without the prior approval of CA Staff and the Agency Comptroller.

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23. Salaries, other compensation, and fringe benefits granted by DTPILLAR to its officers and employees shall be based upon the scale, rates, practice or level currently in effect or generally followed by comparable organizations for the specific category of officer or employee, varying in accordance with work assignment, location and nationality. In addition, the following further limitations shall govern the personnel policies of DTPILLAR:

(a) The written prior concurrence of CA Staff is required for the establishment of any position calling for a salary of \$10,000 or more per annum or any such position requested at any time other than in the budget request for the forthcoming year;

(b) The written prior concurrence of CA Staff is required for the hiring of a person at a salary, fee, retainer, or other compensation payable at the rate of \$10,000 or more per annum or for a promotion thereto, except where promotion is a periodic in-grade raise in accordance with the salary policy of DTPILLAR. In addition, provisions of R 230-8 will be complied with;

(c) The cover salary of any Staff Agent employed by DTPILLAR may not be changed by the management of that organization without prior written approval of CA Staff;

(d) There shall be no participation by a Staff Agent in the retirement program of DTPILLAR;

(e) Any Staff Agent employed by DTPILLAR shall be entitled to retain only the salary, allowances and other benefits which are commensurate with his Agency-appointed position and salary grade, except that if the policies of the project relating to payment of travel and transportation expenses differ from those of the Agency, and if the Staff Agent is paid such expenses through the project, he is entitled to receive and retain the amount paid by the project without regard to Agency regulations. Any compensation that a Staff Agent receives from the project will be offset against his government salary and he will be required to return to the Agency any salary, allowances and other pecuniary benefits which in the aggregate exceed his government salary, allowances and other pecuniary benefits. The President, DTPILLAR, must personally approve the placement of those individuals who are Staff Agents in DTPILLAR, and will be supplied with the names of those employees of the project who are Staff Agents, and with their grades and salaries, if requested;

(f) No personnel appointment shall be made by DTPILLAR over the objections of the Agency, nor shall recruitment of personnel by DTPILLAR be conducted in any manner which might tend to disclose Agency or U.S. Government interest;

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(g) Individuals may be employed or utilized by DTPILLAR on a permanent basis only after completing a six-month probationary period in order to permit dismissal for security reasons, if necessary. At no time, however, shall security factors be indicated as grounds for dismissal. Further, the Agency may disapprove the employment or continued employment or other use of individuals who, in the opinion of the Agency constitute a security risk to the Agency or to DTPILLAR; and,

(h) The CA Staff shall ascertain that DTPILLAR conforms to Federal and State statutory withholding income tax requirements and that all DTPILLAR employees having any relationship with the Agency be advised of their Federal and State income tax liabilities.

24. DTPILLAR shall supply such reports of personnel actions as may be required by CA Staff. Such reports shall include copies of the DTPILLAR monthly personnel roster reflecting names, positions, and salaries; and a semi-annual report which will reflect local Asians and non-U.S. nationals employed by DTPILLAR,

25. DTPILLAR shall have a blanket bond covering its employees. No claims shall be submitted under bond without the concurrence of CA Staff and the Office of General Counsel.

26. In the utilization of individuals under this project, any exceptions to CSI 10-5 and CSIF 10-5 shall require the prior authorization of CI Staff or the Office of Security, as appropriate. CA Staff and the Office of Security will continue to maintain a security adjunct to this plan to provide guidance for the Project in processing security approvals for DTPILLAR under CSI 10-5 and CSIF-10-5. See Appendix C to this plan.

XIII. Expense Policy

27. Travel (and subsistence while in travel status) and entertainment expenses incurred by DTPILLAR personnel while engaged on its official business shall be reimbursable on a per diem basis or on an actual expense basis, provided that such expenses are considered by the President, DTPILLAR, to be reasonable and necessary and consistent with the practice of comparable non-profit associations or charitable foundations. Rules and standards for controlling such expenses shall be established by the President, DTPILLAR, and be approved by CA Staff with the concurrence of the Comptroller.

XIV. Audit

28. An annual audit program for this project shall be established and carried out in accordance with HR 31-1.

XV. Liquidation

29. Liquidation of DTPILLAR will be carried out only in accordance with an appropriate Liquidation Plan approved by the DD/S and the DD/P

XVI. Liaison

30. The point of liaison for the conduct of DTPILLAR affairs will be CA Staff. Policy guidance, except in matters requiring action by the Director of the Agency, his immediate Deputies, and the Comptroller will be furnished to DTPILLAR on a continuing basis by CA Staff, which shall designate one individual to conduct liaison between DTPILLAR and the Agency. An exchange of information on a regular basis between DTPILLAR and CA Staff will be required in order for the Agency to perform its function of policy guidance. DTPILLAR will provide to CA Staff copies of regular and special reports prepared by DTPILLAR and DTPILLAR Representatives. No communications between the Agency and DTPILLAR shall take place without the knowledge and approval of CA Staff.

31. The Chiefs of interested Agency components with the concurrence of the Chief, CA Staff, and in consultation with DTPILLAR, may from time to time conduct such surveys of DTPILLAR's organizational structure, personnel policies, employment procedures and standards, employee benefits, fiscal activities, procurement policies, internal methods of communication and security policies as they shall see fit. Based thereon, these same parties may recommend such modification or adjustments in these matters as in their judgment are reasonable, necessary, and appropriate, to the Chief, CA Staff, for action.

XVII. Commercial Staff

32. The services of the Commercial Staff shall be available, as requested, for advice and assistance on general business matters arising in administration of the project, for survey and analysis of management procedures, and for review and analysis of financial statements and audit reports.

XVIII. Mission of DTPILLAR

33. Statement of Purposes in DTPILLAR Articles of Incorporation, 13 September 1954.

"a. To make private American support available to individuals and groups in Asia who are working for the attainment of peace, independence, personal liberty, and social progress.



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APPENDIX A

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## APPENDIX A

### DTPILLAR ADMINISTRATIVE PLAN

Second Revision, Approved

#### I. GENERAL PRINCIPLES GOVERNING RELATIONSHIP OF DTPILLAR TO THE AGENCY

1. It must be recognized that the Agency has responsibilities and objectives which it cannot morally or legally delegate to DTPILLAR. The Agency must insure that DTPILLAR's programs and objectives are in consonance with and effectively support foreign and domestic U.S. Government policy aims. Moreover, the Agency, in carrying out its assigned mission, is dependent upon and responsible for appropriated funds. The Agency, therefore, must reasonably conform with the legal and procedural standards set for it. These include the legal and moral responsibility for the proper expenditure of its appropriated funds, the submission of sound budgetary estimates requesting funds for the accomplishment of its missions, continuing appraisal of all its activities in terms of appropriateness and results, and positive responsibility and accountability for all operations which it sponsors or otherwise directs.

2. In carrying out its assigned mission, the Agency has wilfully and purposefully elected to delegate a portion of its basic authority to obligate and expend appropriated funds to DTPILLAR, a separate legal entity, created by the Agency as its chosen instrument and proprietary activity. In so doing the Agency secures cover and flexibility and is able to enlist the services and experience of private citizens whose talents would otherwise be denied to the Agency.

3. The Agency proposes to vest and has vested certain of these citizens with managerial authority and responsibility. It is important to recognize, however, that the Agency cannot and does not intend to abrogate all policy guidance, authority and responsibility to DTPILLAR. In accepting the Agency's funds, DTPILLAR must recognize the Agency's basic responsibilities in this activity. The Agency has vested DTPILLAR with managerial authority and responsibility, subject to policy guidance and the approval of operating programs and funds therefor and to other terms specified, as stated in the Administrative Plan for DTPILLAR of which this Appendix is a part.

4. At the same time, certain private citizens believing in the philosophy of democratic freedom have loaned their services, reputations and leadership to DTPILLAR. As trustees, directors and

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officers of DTPILLAR they are charged with the duty of conducting the operations of DTPILLAR in a reputable and efficient manner, according to the purposes and limitations prescribed by the corporate charter of DTPILLAR. It is recognized that the preservation of the personal integrity of these individuals involves the broad exercise of their judgment and the unfettered utilization of their experience and talents. Accordingly, within the framework of the Administrative Plan, it is contemplated that normal executive authorities will be exercised by these officials.

5. In recognition of the foregoing, and the complexities, both of substance and relationships inherent in this activity, it seems necessary and proper that the principles above-stated be established and recognized in this formal document.

## II. GENERAL PRINCIPLES GOVERNING RELATIONSHIP OF DTPILLAR TO GOVERNMENT AGENCIES, NON-GOVERNMENTAL ORGANIZATIONS, AND NON-GOVERNMENTAL ASIAN ORGANIZATIONS.

### 6. A. Government Agencies

1) Although a privately-operated American organization, DTPILLAR will operate within the context and in furtherance of policy objectives of the United States, and within the limitations imposed by the host governments. The emphasis in the DTPILLAR programs follows the guiding DTPILLAR principle of working with Asian individuals and groups for objectives which are consistent with and in furtherance of U.S. objectives, and tend to promote positive ties with the U.S. and the West.

2) In order to avoid conflict with programs of U.S. or foreign government agencies, DTPILLAR should establish and maintain as close coordination as feasible so as to be informed of other programs in similar or parallel fields. DTPILLAR should take advantage of opportunities for complementing action of government agencies but at all times should be careful to avoid identification with them or duplication of activities.

3) Although DTPILLAR programming is directed to the greatest feasible extent to the private sector it is subject in variable degrees to local Government directions and controls. Where DTPILLAR is required to program with or through host Governments it will seek programs which through governmental action will expand the opportunities for private initiative.

### B. Non-Governmental Organizations

7. DTPILLAR should develop close relationships with other private American organizations and international organizations interested in or working in Asia. It should strive increasingly to develop additional sources of moral and material support from such organizations for Asian organizations, acting as "go between" to the extent desirable and feasible.

C. Non-Governmental Asian Organizations

1) DTPILLAR should stimulate and assist Asian individuals and groups acting in their own right. Conversely, it should avoid preaching to, or doing for, such groups.

2) DTPILLAR should seek to support and strengthen those aspects of Asian society which contribute to healthy self-government. It should pay particular attention to influential non-communist "leftist" and "neutralist" groups which are not easily reached by official U.S. agencies.

III. THE MISSION OF DTPILLAR

The mission of DTPILLAR is to encourage, assist and support non-Communist Asian individuals and groups in their efforts to strengthen their societies and institutions in ways which support the attainment of U.S. policy objectives.

This mission is based on the premise that it is primarily Asians themselves who must overcome Asia's problems, and that outside aid can play only a supporting role. Implementation of this mission requires the stimulation of constructive action through the greatest possible Asian initiative and participation.

In pursuing its mission DTPILLAR will give priority attention in programming toward: (1) counteracting the appeals of communism, (2) promoting viable ties with the US/West, (3) redirecting extreme nationalism, (4) eradicating irresponsible neutralism/non-alignment, and (5) inculcating concepts of freedom and democracy.

8. The statement of purposes in the DTPILLAR corporate charter are in broad support of U.S. objectives and provide an appropriate and consistent framework for more specific objectives. The Agency will provide policy guidance to DTPILLAR to the end that its operations may have the greatest possible detailed relationship to immediate and long-term political action objectives. DTPILLAR will use its advantageous private position to play the fullest possible role in support of U.S. and Agency objectives, particularly by contributing to efforts of the Agency to insure that political developments in host countries are favorable to the United States.

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To this end, DTPILLAR will be receptive to all appropriate opportunities for projects and programs which may be suggested by the Agency for the furtherance of U.S. Government objectives. DTPILLAR will be equally receptive to program suggestions from the Agency which will, at the same time, further DTPILLAR/U.S. Government objectives and support specific Agency purposes and mission.

#### IV. PUBLIC CHARACTER OF DTPILLAR

9. DTPILLAR's character will be developed to permit the greatest possible acceptance of the organization and its programs in the free areas of Asia, recognizing that its reputation in the U.S. has a direct bearing upon its capabilities and performance in Asia. Although it is recognized that DTPILLAR cannot win the approval of all Asian and American groups it should develop a sufficiently broad basis to insure the effective accomplishment of its mission.

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APPENDIX 5

## APPENDIX B

### DTPILLAR ADMINISTRATIVE PLAN

Revised and Approved (1963)

#### RULES GOVERNING DTPILLAR/AGENCY FIELD RELATIONSHIPS

Command Channels: The DTPILLAR command channel runs from the Director of the Agency through DD/P and Chief, CA Staff to DTPILLAR Headquarters and its field offices.

Official Liaison: The Station is responsible for representing DTPILLAR in its capacity as an Agency mechanism to other U. S. Government agencies and officers, including the head of the local State Department installation or others who have been cleared and made witting of the relationships between DTPILLAR and the Agency. DTPILLAR will, however, maintain its own contacts with officials of the U. S. Government in the same manner as would any private organization.

Field Liaison: The DTPILLAR Representative will personally conduct liaison with the Station, except that in his absence or on matters specifically designated by the Representative, liaison may be conducted by the Assistant Representative. The Chief of Station, or a senior member of the Station will conduct liaison with the local DTPILLAR office.

Field Coordination: The Chief of Station, or his designee, will brief the DTPILLAR Representative on those portions of the Country Team Program which have a bearing on the DTPILLAR mission, bringing to his attention specific areas or problems which lend themselves to DTPILLAR programming. The Station will keep the DTPILLAR Representative informed on all other matters which have a bearing on DTPILLAR operations, security, and cover. The DTPILLAR Representative shall keep the Station fully informed of all DTPILLAR policies, programs, and plans, advising the Station in advance of significant projects under consideration. The Chief of Station as necessary in his judgment or on request of the Representative, will obtain policy guidance from the head of the local State Department installation. Where a DTPILLAR action or operation threatens to create or creates a serious security problem, or where such action or operation threatens to affect adversely the interest of the U. S. Government or the Agency, the Chief of Station is authorized to suspend or prohibit such DTPILLAR action until the matter can be resolved in the Field, or referred to the Agency Headquarters for resolution. Where persons or organizations with which DTPILLAR proposes to deal are being developed or utilized by the Agency, the DTPILLAR Representative shall be so informed to the extent that security permits and cautioned on the extent or nature of his contact. Chiefs of Station may prohibit DTPILLAR from utilizing any person or taking any action which directly impairs an Agency operation.

**Communication:** DTPILLAR will maintain communications between its field offices and the home office through usual commercial channels, except in cases of emergency or when sensitive information affecting the security of the U.S. Government generally, or the Agency or DTPILLAR must be transmitted. In such cases the Station's communications will be utilized. At the request of DTPILLAR Representatives, messages pertaining to operational, personnel, or personal matters which the Representative feels are inappropriate for commercial channels, should be transmitted by the Station to DTPILLAR via the Agency Headquarters.

**Security:** The Station is responsible for local security protection of DTPILLAR. Procedures for discharging this responsibility are provided in Appendix C of this Administrative Plan. DTPILLAR will not be used as a cover mechanism for funding or other action without its concurrence and the express prior approval of the Agency Headquarters. Neither the Agency nor DTPILLAR will utilize a person or organization already being used by the other without prior approval of the Agency Headquarters.

**General:** DTPILLAR is covert only in the sense that its relationship to the Agency or the U.S. Government must not be disclosed and must be denied if questioned. In carrying out its overt mission DTPILLAR performs a U.S. Government directed and Agency authorized function in the field of political and social action. Agency Headquarters and Station participation in the substantive activity of DTPILLAR goes beyond the mere provision of policy guidance which assures DTPILLAR programming conformity with broad U.S. Government policy objectives. The agency desires, and DTPILLAR management welcomes, the provision of advice and information which will enable DTPILLAR programming in fields which are likely to yield immediate as well as long-term political benefits in support of specific U.S. Government objectives. Stations should keep in mind that DTPILLAR support of an individual or group seldom if ever involves DTPILLAR direct control of the instrumentality being funded and it would be inconsistent with DTPILLAR's public character to seek to exercise direct controls. In this regard the Station must recognize the validity of DTPILLAR's own mission and that actions it might undertake in support of short-term Station interests must be compatible with the organizational integrity of DTPILLAR and the responsibilities of its Representatives.

There are many operational services available to the Station from DTPILLAR which can be performed without violation of basic security rules or damage to DTPILLAR's mission. Stations should take advantage of these services and DTPILLAR Representatives should be responsive and cooperative in performing them. Important among such services are: (1) reporting on matters pertaining to Station FI requirements; (2) spotting, evaluation, and assessment of individuals; (3) provision of grants or other forms of support to

individuals or organizations of interest to the Station, and (4) provision of access or introductions to persons of potential interest to the Station. In performing such services DTPILLAR is prohibited from clandestine operations and will be guided by the requirement that its activities in support of Station's activities must be compatible with its public posture and role.

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APPENDIX C



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## APPENDIX C (Security)

### DTPILLAR ADMINISTRATIVE PLAN

Second Revision, approved 1961

#### 1. General

DTPILLAR and the Agency will at all times take all practical precautions against disclosure of or compromise of the relationship between DTPILLAR and the Agency.

The recruitment of all personnel for DTPILLAR will be conducted in a manner so as not to disclose Agency or U.S. Government interest.

Agency security investigations and inquiries will be conducted in a manner so as not to disclose Agency or U.S. Government interest.

#### 2. Procedures in the U.S. for DTPILLAR Employment

For security purposes there are two categories of DTPILLAR employees.

Category I employees are those, in the U.S. or overseas, who occupy staff positions in DTPILLAR or serve as consultants or contractees to DTPILLAR, and whose present duties or future assignments necessitate that they be witting of the relationship of DTPILLAR and the Agency. All employees of DTPILLAR who are made witting of the relationship between DTPILLAR and the Agency shall execute secrecy agreements, which shall be filed with the Agency.

Category II employees are those, in the U.S. or overseas, who occupy non-policy making staff positions in DTPILLAR, or serve as consultants or contractees to DTPILLAR, who are not required to be made witting of the relationship between DTPILLAR and the Agency and whose duties are such that they are not likely to obtain such knowledge.

Prior to the employment of any individual by DTPILLAR for a staff position, as a consultant, or as a contractee, DTPILLAR will obtain from the Agency a preliminary check to determine whether any information is available which, in the opinion of the Agency, might preclude the employment of the individual. The results of this preliminary check will be provided to DTPILLAR at the earliest possible time, dependent upon the urgency of the case. If the

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results of the preliminary checks are favorable, DTPILLAR may in its discretion proceed with the hiring of the individual for use which will be restricted to the Category II capacity. The Agency will be advised promptly of the date when the individual is hired and be provided with full biographical data. In exercising this discretion DTPILLAR will be mindful of the fact that further investigation processes may develop information which could require termination of the individual or restrictive use of the individual.

Subsequent to the preliminary check and to the hiring of the individual the Agency will conduct a further security check on the individual and advise DTPILLAR of the final decision. In instances of unfavorable results of this further security check, the final decision may require notification to DTPILLAR to discontinue employment of the individual, or notification to DTPILLAR that the individual is prohibited from employment in a Category I capacity. To facilitate dismissals resulting from unfavorable security checks all hiring by DTPILLAR will be on the basis of a six-month probationary period, during which no assurances will be given to the individual that he will become a permanent employee. In no instance will DTPILLAR indicate security reasons as the basis for termination of employment or other relationship.

### 3. Procedures in the U.S. for DTPILLAR Grantees

With respect to grants made by DTPILLAR to individuals in the U.S. or elsewhere, other than in countries where there are DTPILLAR field offices, DTPILLAR will obtain prior approval from the Agency. In such cases DTPILLAR will provide the Agency with required biographical data and a statement of intended use. The Agency will undertake appropriate checks and make every reasonable effort to expedite the procedures. If the grantee is a national of a country where DTPILLAR has a Representative, DTPILLAR will get the approval of the Representative who will have followed the procedures for local checks (paragraph 7 below).

An employee of DTPILLAR who holds a covert security approval shall be designated as security officer of DTPILLAR and shall be responsible for implementation of security procedures. This employee shall be approved and briefed in these procedures by the Agency.

The Agency will furnish any pertinent personnel information developed by its investigation for the guidance of DTPILLAR.

4. DTPILLAR may communicate with the Immigration and Naturalization Service on matters of a routine nature which any private organization employing or dealing with aliens might appropriately take up with I & NS, provided that no U.S. Government interest is shown or implied, and provided that the person who is the subject of the communication has been appropriately cleared by the Agency

and provided that DTPILLAR advises the Agency by copy or other means of the nature of the communication. Any appeals to I & NS for special consideration shall be channelled exclusively through the Agency.

5. The Agency will provide to DTPILLAR Headquarters certain materials classified not higher than "Secret" for policy guidance or otherwise. This requires that adequate internal DTPILLAR safeguards be maintained to handle and protect this material. Such material shall be made available only to cleared and witting personnel of DTPILLAR on a need-to-know basis and to such other cleared and witting personnel who must have access to the material for filing and clerical purposes. DTPILLAR shall consult the Agency for security advice in maintaining measures to protect classified materials from compromise.

6. From time to time it may be necessary to the protection of DTPILLAR for the Agency to carry out special security measures of a counter-espionage nature. Such measures will be undertaken with the cooperation of DTPILLAR and, as necessary, will be implemented by DTPILLAR.

#### 7. Procedures in the Field

A. Personnel security approval requirements for DTPILLAR in the field apply to local employees and grantees.

Local employees of DTPILLAR are individuals hired for work in the local DTPILLAR office. Such employees normally but not necessarily are citizens of the country of residence (see Paragraph 8 below). Such employees are not made witting of U.S. Government connection or Agency-DTPILLAR relationships.

Grantees are individuals or organizations receiving funds from DTPILLAR. Grantees are not made witting of U.S. Government connection or Agency-DTPILLAR relationships.

B. Prior to the hiring of a local employee or the making of any grant to an individual or organization, DTPILLAR will provide biographical information and a statement of intended use to the Station. The Station will conduct a check of Station files and other appropriate U.S. Government sources on the subject and advise DTPILLAR of the results.

C. On the basis of the results of these checks by the Station, the DTPILLAR Representative will decide whether to proceed with the intended purpose, taking into account the advice of the Station and the security interests of DTPILLAR. The Representative may not, however, proceed against explicit advice of the Station. In instances of conflict of opinion between the Representative and

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the Chief of Station, the latter may direct the DTPILLAR Representative not to proceed until the Chief of Station has obtained a resolution of the differences from Agency Headquarters.

D. Upon completion of the local check the Station will provide to Agency Headquarters the results of Station traces only in the following cases:

a. Where there is substantial derogatory information on the grantee and DTPILLAR proceeds, with Station concurrence, on the grounds that the derogatory information, even though substantial, is not relevant.

b. In all cases of hiring of local employees.

c. In all instances involving travel of the grantee to the U.S. or if, in the judgment of the Chief of Station, other travel of the grantee outside of the country is of significance.

d. In any instance when, in the opinion of the Chief of Station, DTPILLAR relationship with the grantee should be called to the attention of the Agency and made of record in the Agency. Such cases might include, for examples, grants to individuals of political importance, or grants which are likely to establish a long-term or recurring relationship between the grantee and DTPILLAR, or grants to individuals in excess of \$5,000.

e. In cases described in paragraph 8 below.

8. In instances when the prospective employee or grantee is not a citizen of the country of residence the same procedures as above pertain, except that in all such instances results of Station traces will be submitted to Agency Headquarters by the Station; and provided that in such instances the Chief of Station, except in the case of U.S. citizens, is authorized in his judgment to determine whether proposed action is to be withheld pending results of Agency Headquarters checks. In exercising this judgment the Chief of Station will take into account such factors as background of the subject, length of residence in the country, intended use, etc. (For example, a Thai twenty years resident in Laos intended for custodial duties in the local DTPILLAR office might not require prior Agency Headquarters approval; a French or English national twenty years resident in Burma as an intended DTPILLAR grantee or program officer, might require prior Agency Headquarters approval.) In all cases of U.S. citizens, utilization of the subject will be withheld until Agency Headquarters approval has been obtained.

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9. Agency Headquarters will conduct appropriate further checks of subjects received from the Stations. The DTPILLAR Representative will be notified through Agency channels of unfavorable results of Agency Headquarters checks. In such instances Agency Headquarters will consult DTPILLAR Headquarters before the DTPILLAR Representative is notified.

10. In addition to the security check procedures carried out by the Station the DTPILLAR Representative will make a local check on the subject with such local resources as might be available to him, including local police if feasible, and report to the Station any derogatory information which may develop.

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