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Office Memorandum • UNITED STATES GOVERNMENT
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TO : Mr. [REDACTED]

FROM : Mr. [REDACTED]

SUBJECT: Suggested Subject for Staff Study

DATE: 25 April 1952

1. I believe that the entire area of Agency policies and regulations governing the use of government and personal vehicles abroad are very obsolete and inadequate to present circumstances. Problems include the determination of the conditions and circumstances under which the Agency will:

- a. Furnish government-owned vehicles.
- b. Furnish chauffeurs.
- c. Allow the use of government vehicles for extensive personal transportation.
- d. Authorize reimbursement for various expenses in conjunction with personal vehicles such as, transportation, import duties, repairs, chauffeur expense, mileage allowances, insurance, loss or theft where insurance is not possible.

2. I am sure that a study of this situation would reveal many instances of the following:

- a. Provision of government-owned vehicles where taxicabs or personal vehicles would be equally adequate and far less expensive.
- b. Extensive use of government vehicles for personal use by the employee and his family without any repayment to the government for the operating expenses involved.
- c. Inconsistency in the payment by the government of import duties, insurance, etc., on the personal vehicles of employees and agents.

3. I think the basic problem is relatively simple, requiring only the basic determination as to whether or not the continuing and extensive use of a vehicle is essential to the accomplishment of the duties of the employee or agent. Where such a condition prevails, CIA should adopt one or the other of the following courses of action:

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- a. Provide a government-owned vehicle--all costs at government expense although such vehicles are admittedly used for personal convenience as well.
- b. Authorize the shipment and use of personal vehicle.

4. Under these circumstances, it is obvious that option b. (above) is far more to the advantage of the government since a substantial portion of expenses would be borne by the employee. These include insurance, depreciation, repairs and operating expenses for personal use of the vehicle.

5. A serious problem has arisen with increasing frequency regarding the propriety of payment by the government of import duties on personal vehicles. This is not only precluded by normal government travel regulations but would be normally indefensible since the mere payment of import duties generally greatly enhances the local value of the personal property of the individual. Nevertheless, it is obvious that the government should and must pay these taxes if a vehicle must be provided the agent for official business. In the past, this has been accomplished either by specific authorization and inclusion in the Agent contract or by special approval of claims submitted. In cases where the payment of import duties is authorized by contract, the interests of the government have been fully protected by stipulating that the duties paid are refundable to the government when and if the vehicle is sold abroad. Whether or not this provision is enforced or whether the same stipulation is provided on special authorizations on claims is not known. In any event, consistency of Agency policy is clearly essential.

6. Where the use of an automobile is not essential to the performance of the duties of the individual but it is more expeditious, more secure, and perhaps more economical to authorize the use of personal vehicles for official business rather than utilize local transportation. Under these circumstances, payment by the government of the transportation cost and reimbursement for actual mileage on official business is all that is reasonable and warranted.

7. Problem--Agency policy and procedures are not sufficiently clear to secure an objective determination as to the essentiality of the vehicle and the contracting and financial procedures are not adequate to administer the situation properly.

8. Recommendation--Immediate study of problem with view toward drafting a proposed policy and procedure for adoption and implementation.



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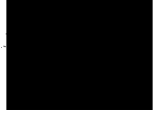
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