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MEMORANDUM FOR: Assistant Director for Personnel

SUBJECT: Notes on Presentation to Career Council Concerning  
Agency Welfare Activities

1. At our 30 September <sup>1954</sup> meeting, the Career Council decided that the controls, authority and procedures necessary to the handling of welfare funds should be established by staff study or memorandum approved by competent authority, and that no regulatory type issuance should be utilized. In addition, the preparation of a brief notice on financial assistance available to employees was directed, such notice to be promulgated to the supervisory personnel level. The Council agreed that the Credit Union was the proper source of funds for employees needing small loans.

2. Examination of the employee problems that give rise to a requirement for assistance, the funds available and the possible alternatives for solution of these problems present almost a complete dilemma.

a. In looking critically at the general type of employee problem which gives rise to a need for welfare assistance, it appears that the problem would be such as to have placed the employee in a position where he had exhausted his credit with the Credit Union, with normal banking facilities, normal lending facilities, excluding loan sharks, and from other normal sources of

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assistance such as his family or in-laws. Were this not the case, the employee would have no need of turning to his supervisor, the Employee Services Division or any other Agency entity for assistance. I believe that I am generally correct that this is the type of employee that we have been considering in previous discussions as being in need of assistance. The Agency Credit Union facilities are now available to employees serving overseas who are unable to use local credit facilities.

b. One source of funds for welfare type assistance is the charitable corporation formed by friends of the Agency. It is my understanding that that corporation has available at the present time \$1,000. The administration of the funds of the corporation must be by officers of the corporation. Apparently, the Council will be able to assist them only by screening requests for assistance before such requests are passed on to the corporation. As for the funds available from the corporation established by the friends of the Agency, these funds are so limited at the present time, with little more than a hope for any future funds, that it would appear at this time that very little help may be expected from that source.

c. Another source of funds is a portion of profits from the operation of cafeterias in Agency buildings by Government Services, Inc. As I understand it, this fund comes into us quarterly and has been received and accumulated over the past several years by

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the CIA Welfare Board. At the present time there is a total of approximately \$3,000 and the normal expectancy of somewhere around \$1,200 per year income from this source. However, these funds from GSI, although in the past having been granted to the CIA Welfare Board, are normally available only to a properly organized and accredited welfare society of Government employees, occupying buildings in which GSI has operating units, and which association has (1) officers selected by the membership, (2) a constitution and bylaws, (3) intelligible objectives, and (4) serves the total membership of such Agency or a representative number of said membership and not just a small group which is not primarily concerned with the general welfare of the total Agency population. GSI has no specific mandatory regulations which such welfare associations must comply with, and such associations are not required to submit financial statements concerning the use of the funds provided. In consequence, it is seen that although no objection has been taken in the past by GSI providing funds to the CIA Welfare Board, should a question arise in the future, it might cost the Agency employees this source of funds to assist them in employee activities. It appears that the transfer of funds to an association such as Potomac Recreation Association, if not disbanded, or a similar association meeting GSI criteria for the receipt and disposition of funds has merit, provided basic control over the activities of the association is retained by the Welfare Board. The problems

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involved in such an arrangement, including both legal and security issues, are being studied at this time and the results of the survey will be made available to the Council at a later date.

3. It is recommended that the memorandum published by the Director on 26 October 1953, establishing the CIA Welfare Board, be amended to provide that the Assistant Director for Personnel be established as Chairman and Treasurer, vice the Inspector General. The amendment should also provide that the Inspector General remain on the Board as a member. The Assistant Director for Personnel would then take over the records and funds which have been available to the Welfare Board up to this time.

4. I have for your consideration a proposed Notice which I feel expresses the intent of the Council in advising employees of financial assistance available to them. If you concur, we can have this Notice published immediately.