2 February 1962

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Conflicts of Interest - Advisory Committees - Scientific Advisors

1. This memorandum is for information.

2. On 2 February I discussed with the Office of Legal Counsel, Department of Justice, the situation of this Agency with regard to the use of consultants and advisory committees in the light of the opinion which the Office of Legal Counsel had given to the Atomic Energy Commission on 10 March 1959. I described generally the manner in which we use advisory committees and consultants and specifically pointed out the situation of the Technical Services Division's Research Board. I said that in our earlier review in 1959 we had felt there was no problem of conflicts of interest but concern had arisen in view of the more stringent requirements of the ruling to the Atomic Energy Commission. I said I felt our problem was different from that of the Atomic Energy Commission and queried whether we needed to apply the stricter rule. I was informed that the Office of Legal Counsel was presently developing regulations in this field of consultants and advisors for issuance by the President and that they felt these regulations, which would be quite specific, would permit us to continue our present practices. They felt we should take no action in regard to our present system and practices until the regulations were published, at which time we could determine whether there were any appearance of a violation. I told the Department of Justice representatives that we would complete our survey, bringing up to date our utilization of advisory committees and consultants, and would study the results in the light of the regulations when they were issued.

S/Lawrence R. Houston

LAWRENCE R. HOUSTON
General Counsel

cc: IG

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SCIENTISTS TO GET
U.S. ETHICS CODE

It Will Seek to Clarify Role
of Part-Time Consultants

By JOHN W. FINNEY

The Administration plans to issue a
code of conduct governing the
activities of scientists serving as
advisers to the Government.

The code would seek to clarify
the conflict-of-interest problem
confronting private scientists
who are part-time consultants.

It would delineate the permissible
non-Governmental activities of
the scientific advisers
and the personal information
that they must supply the
Government.

It is expected that the code
would require that advisers pro-
vide the Government with a list
of their outside activities, such
as consultancies for Government
contractors, and their financial
interests, such as stockholdings.

The objective would be to keep
the Government informed of poten-
tial conflict of interest, as
well as to remove some of the
problems now resulting almost com-
pletely from the scientists for
avoiding a violation of the con-
flict-of-interest laws.

While the only requirement
now imposed on scientists is
that they disqualify themselves
from matters in which they
have a financial interest.

The code would be a stopgap
measure until Congress can pass
legislation strengthening, clarifying
and modifying the present
conflict-of-interests laws, most
of which were passed in the
Civil War period to deal with
protestors.

At the request of the Admin-
istration, the House last year

Continued on Page 16, Column 4

possibility of losing many of its
present scientific advisers. In
recent weeks, according to offi-
cials, several of the advisers
have raised the question as to
whether they should resign to
avoid any possible violation of
the conflict-of-interest laws.

Another factor that has precipi-
tated the urgent drafting of
a new code is a recognition in
high Administration circles that
if corrective steps are not taken,
the Administration could be-
come involved in a conflict-of-
interest scandal that could be
politically embarrassing.
Central Intelligence Agency

Official Routing Slip

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Remarks:

Note: by phone, Houston said the new Of J paper would be out very soon. He recommended we should continue our review, but make no change except to delete Flores' matter until the new regulations come out.

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FROM: NAME, ADDRESS AND PHONE NO.  DATE

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