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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	Mr. [REDACTED] Room 7D 43, Hqs.		
2			
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ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
[REDACTED] (OGC), 7D07, Hqs.	27 July

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OGC Has Reviewed

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62-71-5724

OGC 71-1102

27 July 1971

MEMORANDUM FOR THE RECORD

SUBJECT: GAO Inquiry About Voluntary Investment Plan

1. On 26 July I talked to James Masterson of the Office of General Counsel, General Accounting Office, code 129 extension 5421. He had been referred to me by [] of Legislative Counsel as a result of an inquiry about VIP from Congressman Danielson.

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2. Masterson was not certain of the reasons for Danielson's interest but thought that a constituent, probably in the securities business, was interested in the possibility of sales of mutual funds or other securities to Government employees through employee organizations or other plans. Masterson had been under the impression that the Agency had found some way to supplement the Civil Service and CIA retirement systems by using those systems for the investment of contributions in mutual funds. He had examined the two retirement statutes and had been unable to understand how we did it.

3. I explained to him that VIP was a tax qualified pension plan entirely separate from the retirement systems and involved only contributions from employees. I emphasized that no Government funds were used. I also explained that the qualification of the

plan was one of its most essential characteristics and that such qualification which was possible for us, TVA, and the Federal Reserve System might be more difficult for most Government agencies. This explanation seemed to satisfy him completely, and he expressed no concern other than his need to respond to the congressional inquiry.



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Assistant General Counsel

cc: OLC



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