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OGC HAS REVIEWED.

15 June 1949

MEMORANDUM

TO : General Counsel
FROM : Chief, Confidential Funds Branch
SUBJECT: Representation Allowances

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1. It has been recommended by OSO that the Confidential Funds Regulations be amended to permit the granting of Representation Allowances, either to a specific individual or to the Chief of an installation or activity for expenditure by himself or his subordinates under his control and direction.
2. The General Counsel has expressed no legal objection to such broadening of the regulations but recommends considerable elaboration of the regulation, in order to more precisely illustrate and define the "Representation" category of expense. Accordingly, the General Counsel has drafted a proposed revision of the "Representation Allowance" portion of the Confidential Funds Regulations.
3. CFB believes that the proposed language more realistically and more fully covers the subject of Representation. We wish to point out, however, that the proposed concept of Representation includes specific types of expenses which cannot be controlled on a precise accountable basis. These items are those:
 - (a) Involving the living expenses (quarters and other personal expenses) of officers and employees traveling on special missions.
 - (b) Involving the living expenses, (quarters, servants and other personal expenses) of officers and employees permanently assigned to foreign stations.
4. Because the representational element of such expenses is irrevocably commingled with the personal expenses of the individual which in turn are, at least in part, already assumed by the Government in the form of travel per diem, quarters allowances, and post allowances, it would be extremely difficult, if not impossible, to properly administer such representational allowances on a strict accountable basis.
5. In lieu thereof, it is urged that the regulation be revised to specify that "Representational allowances will be authorized and accounted for in accordance with supplementary regulations prescribed by the Director."
6. It is then proposed that supplementary regulations be provided for each of several types of representation expense. Tentatively, it is believed that the following approach would be workable, practical, and reflect a reasonable degree of administrative control:

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- (a) Extra fare travel accommodations - to be authorized in travel orders for that portion of the journey during which the traveler is required to occupy better than minimum first-class accommodations for the reason that he is representing the U. S. Government while traveling in conjunction with officials of other governments.
- (b) Supplementary Representational Per Diem - to be authorized in travel orders during specific periods of travel during which the traveler is required to incur excessive subsistence expenses for representational reasons. The maximum amount of such additional per diem (not to exceed \$10.00 per day) to be recommended by the appropriate Assistant Director. The traveler shall account for his expenditures at such points of duty by a certification of his average daily subsistence expenses up to the maximum combined normal and supplementary per diem.
- (c) Representational allowances may be authorized in travel orders for entertainment and other specific representational purposes to officers or employees traveling on special missions to a maximum amount deemed adequate by the appropriate Assistant Director. Such allowances shall be properly accounted for.
- (d) Representation allowances may be authorized by Assistant Directors to officers or employees assigned to overseas posts for periods not to exceed twelve months, subject to further extensions. Such authorization may be to a specific individual or to a Station for expenditure by the Chief of Station or his subordinates under the former's control and direction. Such allowances shall be properly accounted for.
- (e) In special cases where an individual's representational responsibilities directly attributable to his CIA duties necessitate occupancy of quarters at a cost in excess of his normal quarters allowance, a supplementary quarters allowance, fixed in amount, may be authorized by Assistant Directors. Such supplementary allowances may not exceed the normal increments provided in Standardized Civilian Allowance Regulations between contiguous quarters groupings of employees and in no event may exceed \$700.00. Such allowances shall be accounted for in the same manner as the regular quarters allowances.
- (f) In special cases where an individual's representational responsibilities directly attributable to his CIA duties necessitate personal living expenses in excess of those he would normally be expected to pay, a supplementary representation allowance may be authorized by Assistant Director. Such expenses could include, but are not restricted to, additional servants and other increased maintenance costs. Such allowances shall be claimed and accounted for by certification setting forth the detailed items covered and the actual or estimated cost thereof.

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7. In view of the contemplated extension of the principle of Representation Allowances and delegation of authority to the Covert Assistant Directors severally, it is suggested that the Director may desire that CFB submit periodic semi-annual reports of all Representation Allowances to the Executive for review, in order to ensure consistency in policy as between the Covert Offices.

8. In the event it is deemed desirable to incorporate some or all of the aforementioned suggestions in the Confidential Funds Regulations themselves rather than in supplementary regulations, it will be necessary to considerably modify your draft proposal to the Director. We believe that this would be generally preferable.


Chief, Confidential Funds Branch

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