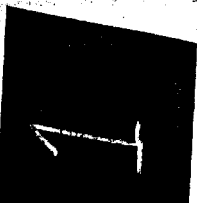


DIRECTORATE OF ADMINISTRATION



HISTORY  
AND  
FUNCTIONS



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AS OF 1 DECEMBER 1975

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**PREFACE**

The purpose of this document is to inform. Portions of the content may prove redundant for some readers. However, a conscious effort has been made to familiarize the reader with the present role of the Agency and the environment within which the Directorate for Administration functions. Statistics have been used sparingly because of their perishability. Where used, the attempt has been made to provide the most current available. The reader is cautioned that budgetary proposals are subject to considerable modification before enactment.

This paper is necessarily broad in scope and limited to a description of the most significant aspects of this Directorate's responsibility. The reader who is interested in greater detail for further clarification can arrange to have appropriate briefings by contacting my office.

John F. Blake  
Deputy Director  
for  
Administration

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## I. Organization and Role of the Agency

### A. Formation and Growth

18 September 1947 is recognized as the birthdate of the Central Intelligence Agency. The Agency was created by Public Law 253, more commonly referred to as the National Security Act of 1947. This same Bill established the National Security Council (NSC) and reorganized the defense elements by creating the National Defense Establishment, later to be called the Department of Defense (DOD). Acting under the direction of the NSC, the Agency is to:

1. Advise the NSC on intelligence matters related to national security;
2. Coordinate the foreign intelligence activities of the government's departments and agencies;
3. Produce and disseminate national intelligence;
4. Perform such services of common concern as the NSC determines shall be done centrally;
5. Carry out such functions as the NSC may direct.

There were four predecessor organizations to the Central Intelligence Agency—the Coordinator of Information (COI) established at the outset of World War II which was quickly superseded by the Office of Strategic Services (OSS) which lasted throughout the war years. The termination of hostilities caused the central intelligence apparatus of that era to virtually disappear. President Truman, by Executive Order, dissolved OSS effective 1 October 1945. From its remnants the Secretary of War formed the Strategic Services Unit (SSU) which survived until January 1946 when the President, again by fiat, created the Central Intelligence Group (CIG) which was to be the immediate predecessor to the Central Intelligence Agency.

All of these organizations, including the CIA at its birth, were dependent upon other Government agencies (primarily the military departments with some assistance from State) for money and often personnel. This situation was formally rectified by passage of Public Law 110 often referred to as the CIA Act of 1949. This Act provided the Director of Central Intelligence (DCI) with authority to expend funds, pay travel allowances, employ and compensate personnel, procure material and services under the provisions of the Armed Services Procurement Act of 1947, receive and transfer funds between agencies, and procure foreign funds by exchange or purchase.

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At its inception the CIA consisted of less than [REDACTED] personnel working with a budget of some [REDACTED] dollars. The Agency was oriented towards the collection and processing of foreign intelligence, and its major element, the Office of Special Operations (OSO), was the operational focus of the organization. After nearly a year of operation, a new element, the Office of Policy Coordination (OPC), was formed and placed in the CIA primarily for administrative and house-

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keeping purposes. In fact, OPC policy directives were generated by the NSC and came down through the Joint Subsidiary Plans Division (JSPD) in the Pentagon. This lack of policy coherence caused major problems for the fledgling organization which were not put right until the then DCI, General Walter Bedell Smith, effectively obtained operational control of OPC in 1952.

25X9 The addition of OPC to the Agency, coupled with an expansion occasioned by the Korean War, brought about a dramatic growth in the Agency. By the time (1952) the OPC was fully integrated into the CIA, the Agency had expanded to a complement of some [REDACTED] with a budget that exceeded [REDACTED]. 25X9  
25X1C The majority of these resources were devoted to OPC and its operations on the Cold War front with the [REDACTED] accounting for the bulk of these increases.

Despite having firm control of OPC, General Smith recognized the redundancy of having two virtually autonomous units (OPC and OSO) operating in the field and the duality of support structures required to accommodate such operations. By memorandum of 1 August 1952, he merged the two components into the Clandestine Service. The organizational name applied to the new component was the Directorate for Plans (DDP). Recently, this designation was changed to the Directorate for Operations (DDO).

#### B. Organization of CIA

Figure 1 represents the current organization of the Agency. To bring the various titles into focus the following description of functions is provided:

1. *Office of the Director*—Consists of the DCI, the Deputy Director of Central Intelligence (DDCI) and their immediate staffs. Both the DCI and DDCI are appointed by the President and confirmed by the Senate. The 1947 directive is explicit in prohibiting active duty or retired military officers from occupying both the DCI and DDCI positions simultaneously. There is no such prohibition concerning civilians; however, the practice has been to have one position filled by a civilian while a military officer of star rank occupied the other. In concept, the DDCI assists the Director in the day-to-day management and administration of the Agency, thus enabling the Director to concentrate his attention to providing intelligence support to the President and other proper authorities and leadership of the intelligence community.

Within the immediate office is the Assistant to the Director, the DCI's principal advisor on Agency relationships with the public. Since the Agency does not have a public relations office or function, he serves as the focal point for coordination of Agency contacts with the news media.

2. *Executive Secretariat*—The Executive Secretariat is charged with the responsibility for keeping the Director and Deputy Director advised of significant correspondence and sensitive topics and ensuring that staff action has been completed on matters assigned to the various Directorates.

3. *CIA Management Committee*—This is a standing group consisting of the DCI, DDCI, the four Deputy Directors, the General Counsel, the Inspector General and the Comptroller. The Committee meets periodically to assist the Director in dealing with management responsibilities for the Agency.

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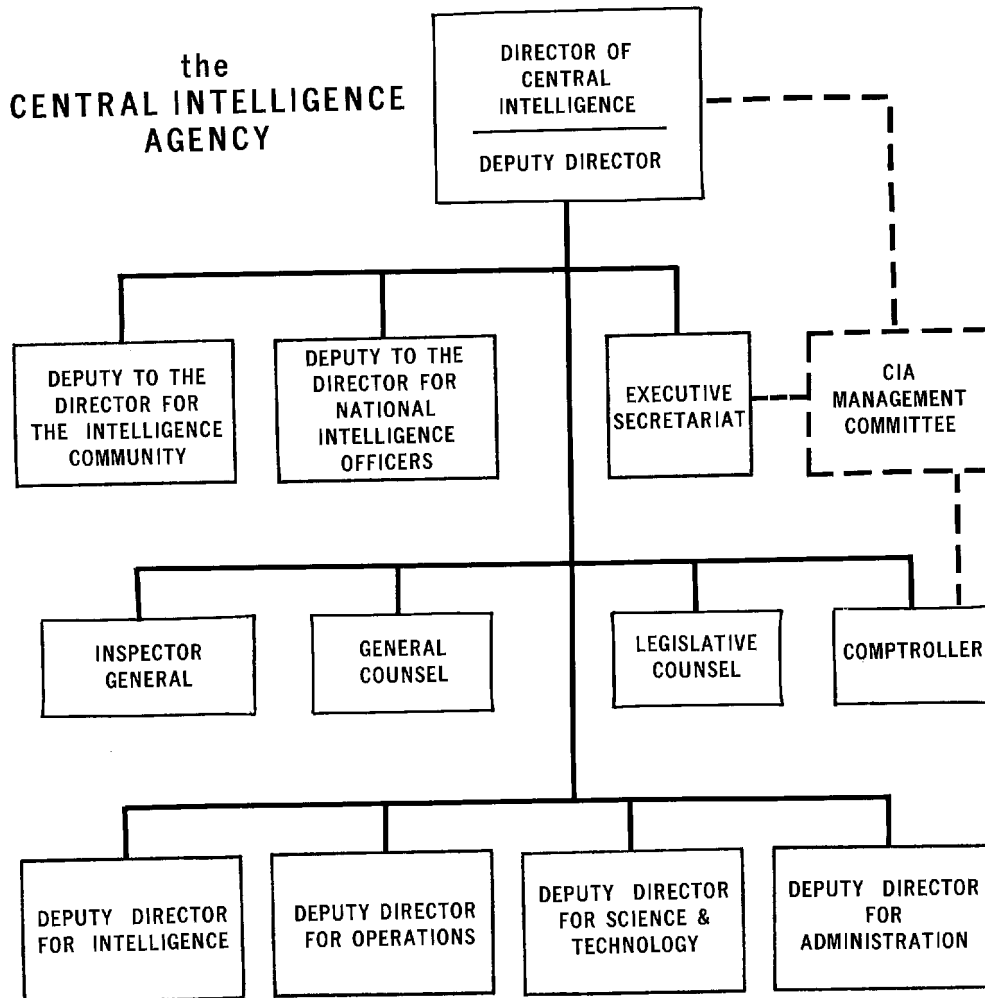


FIGURE 1

4. *Deputy to the Director for National Intelligence Offices (D/DCI/NIO)*— This individual has administrative and coordinating authority for the NIO's, each of whom is appointed by the DCI and is assigned to a geographic area or functional subject as determined by the DCI. Each NIO is responsible for developing community-coordinated products to satisfy requirements for national estimative intelligence, for responses to specific NSC requests, and briefings to be delivered by the DCI. This office, which is tailored to the task force concept, replaces the Office of National Estimates (ONE) and draws on other agencies within the community as well as the Agency for its staff complement.

5. *Deputy to the Director for the Intelligence Community (D/DCI/IC)*— The IC Staff prepares the Consolidated Intelligence Program Budget which brings together the annual budget request for foreign intelligence projects (community-wide); reviews the responsiveness of finished intelligence to consumer needs; and receives and assesses the collection and processing activities of the intelligence community. This office is the successor to the National Intelligence Program Evaluation Staff (NIPE).

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6. *Independent Offices*—There are four independent offices reporting directly to the DCI. The General Counsel provides legal advice and support to the DCI and to other Agency components as required; the Inspector General investigates employee grievances, inspects Agency activities, and supervises audits of expended funds; the Legislative Counsel is responsible for liaison with the Congress and reviews and coordinates on proposed legislation which affects the CIA; the Comptroller prepares the annual Agency budget request, conducts performance evaluation of major components, prepares reports on Agency programs and utilization of resources, and conducts liaison with the Office of Management and Budget.

7. *The Directorate of Intelligence*—The Deputy Director for Intelligence (DDI) has responsibility within CIA for the production of all finished intelligence except for that falling into the area of science and technology. The DDI is also responsible for the collection of information from foreign radio broadcasts; the processing, storage and dissemination of finished intelligence; and such crisis management functions as the CIA Operations Center.

8. *Directorate of Science and Technology*—The Deputy Director for Science and Technology (DDS&T) is responsible for research, development, and operation of advanced collection systems. The Directorate is charged with the collection and processing of foreign intelligence information in science and technology and for production of finished scientific and technical intelligence. The DDS&T is personally responsible as a staff officer to the DCI for coordination of all Agency research, development, and engineering (RD&E) programs.

9. *Directorate of Operations*—The Deputy Director for Operations (DDO) has the responsibility for the collection of foreign intelligence and the conduct of clandestine operations abroad. These activities fall into three categories—the collection abroad of foreign positive intelligence (FI) through agent activity and liaison with foreign intelligence services; the collection abroad of counterintelligence (CI) information and the conduct of CI operations designed to protect the US Government from hostile action or penetration by the intelligence services of other governments; and, the conduct of covert action (CA) operations in furtherance of official US programs and policies abroad. CA operations, which are subject to stringent control by policy-makers at the highest levels, are conducted only in support of approved purposes but are designed to hide the hand of the US Government to unauthorized persons. Since 1973 the DDO has also been responsible for the overt collection of foreign intelligence in the United States from private citizens and organizations.

The Directorate carries out its overseas activities from stations and bases located in most countries of the world. The Chief of Station (COS) is the ranking CIA officer in his area and is responsible for the activities of the Operations Directorate and any overseas activities conducted in his area by any of the other three Directorates.

10. *Directorate of Administration*—The Deputy Director for Administration (DDA) provides services of common concern to all Agency components. The Administration Directorate is organized to serve the Agency as a whole, but because of the unique requirements of the Directorate of Operations, a major share of this Directorate's effort is in support of field activities.

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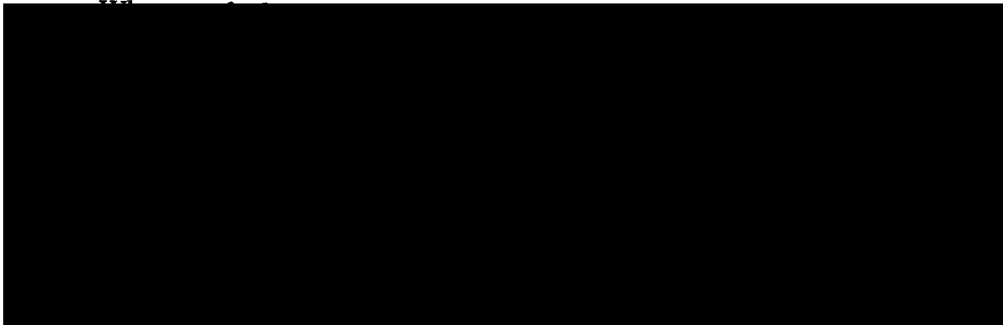
## II. Evolution of the Directorate of Administration

### A. *The Formative Years: 1947-1955*

The period under review has many parallels to the growth of the Agency discussed in the previous chapter. Initially, supportive elements were small and decentralized, usually under the direct control of the element being supported. At the end of 1948, virtually all of these support-type elements were placed under the CIA Executive, there being no single "directorate" housing these units as we know it today. The support structure was replete with duplications of effort. At the insistence of the operations elements, service functions were compartmented so that one office handled overt matters while another performed covert functions. In addition, both OSO and OPC retained small service elements (primarily supply and transportation) as organic units. Those on the operations side felt that the service elements should be an integral part of the operations component in order to be responsive. Centralization of the service elements was fiercely contested and took a number of years to accomplish.

In December 1950, the CIA Executive was redesignated the Deputy Director for Administration (DDA) and given responsibility for the majority of administrative services. As noted, OPC and OSO still retained some small service elements. In addition, such components as training and communications were independent and reported to the DCI rather than the DDA. Conflicts continued and a year later, in December of 1951, the DCI (General Smith) announced two decisions which were to have a lasting impact on the Agency's Administrative Directorate. In a memorandum, General Smith directed that the DDA be "directly responsible to the DCI for all administrative support of the Agency." He further directed that a senior administrative officer from DDA be attached to the DDP (Deputy Director for Plans, the predecessor to the Operations Directorate) an arrangement which survives to this day. This individual was tasked with ensuring that the operations elements received the degree of support necessary to accomplish the mission assigned. Both OSO and OPC were allowed to retain an administrative officer, but were to eliminate "further duplication of functions." The forced merger of OSO and OPC was announced in January and took place in August of 1952.

There were momentous changes, taking place in a relatively compressed time span. It was also a period of expansion by the Agency in response to the demands of the Korean War and the perceived requirements of the Cold War.



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By 1955, the structure of the Agency had begun to become more settled. The spate of reorganizations had diminished and an appearance of stability settled over the organization. In February of that year, the DDA was renamed the Deputy Directorate for Support (DDS). The Offices of Training and Communications were placed under the DDS and the DDP Administrative Staff was abolished. The senior administrative officer whom General Smith had decreed be attached to the DDP Staff was now attached to this staff of the DDS and served as the bridge between the Support and Plans Directorates. This position, the Special Support Assistant, has traditionally been occupied by an officer of wide Agency experience who is a GS-16 or higher.

During these years, the Directorate kept pace with technology. The assignment of the Office of Communications to the Directorate brought into it a major innovator in the field of communications. It brought into the Directorate a large body of highly qualified engineers and technicians who were not taken aback by the thought of technology and, perhaps more importantly, who were interested in pushing research and development to unusual limits. This force feeding of technology meant that the Directorate was to some degree prepared for the recommendations of the Land Committee which resulted in the beginnings of the program which developed the U-2. From that time forward, the Directorate found itself increasingly involved with technology, with R&D and with "state-of-the-art" endeavors. This experience was vital and necessary to prepare the personnel of the Directorate for functioning in today's modern world with machine operations measured in nanoseconds, with satellites serving as a major means of communications, and with computer utilization growing as fast as we can make it grow.

Realizing that generalizations are dangerous, there are nonetheless some pertinent observations which can be made about the first six to eight years of the Agency's service element's existence. Initially it was a period of decentralization with various operational elements going their own way. There were few rules and those which were in effect often differed depending upon the element to which one belonged. The stories of agents being dispatched abroad carrying attache cases stuffed with money are not entirely apocryphal. As the drive towards centralization began to gather momentum, the pendulum gradually swung towards the other extreme—central authority with rigid controls. Rules were codified into the Agency regulations. Much of this was for the good since for the first time, the regulations concerning such matters as personnel, logistics, and finance were standardized and applicable to all employees and activities. This resulted in a much more disciplined approach to service concerns than had existed in the earlier days of the Agency. When viewed from the vantage point of those days, the DDA appeared to have become a rigid bureaucratic mechanism. When contrasted with the administrative structures of other agencies, however, it was apparent that such flexibility and freedom of action still remained.

#### *B. The Years of Consolidation: 1955-1965*

The rationale behind administrative centralization was to improve the efficiency of resource management by eliminating duplicative efforts. How this was to be accomplished was a task to which the DDA, in cooperation with the other Directors, addressed himself. Colonel White, the first DDA, was an intelligent, forceful individual who left a lasting imprint on the Agency's support structure.

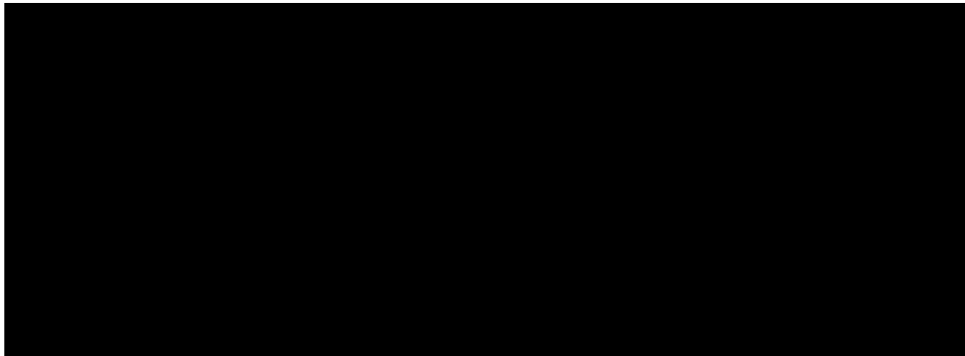
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The primary concern was support to the DDP, both at Headquarters and in the field. The establishment of the SSA has previously been discussed, but more than this single mechanism was needed. One solution was to assign support personnel directly to the Headquarters activity or overseas stations requiring such support. Support teams consisting of personnel, security, logistics, and finance officers were common.

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In addition, various regional activities were established consisting of specialists in such fields as finance, medical and security. For example, a pool of security officers was available in [REDACTED] to visit bases and stations to assist with security matters. This technique provided quick response by a group of individuals familiar with the peculiarities of a given geographical and political area. While these officers, whether in the field or in the Headquarters area, remained careerists in their particular specialty, they were, for the period of their assignment, under the command of the supported element. While not entirely satisfactory to all, this arrangement has worked quite well and survives to this day. These regional facilities have been extremely sensitive to budgetary judgments and the numbers have fluctuated in direct proportion to the ready availability of funds. The Office of Communications and Medical Services have regularly had such regional activities but the numbers have not remained static. The Office of Security is today in the process of reestablishing some of its regional facilities.

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Whereas the previous era had given the support elements ample exercise in planning and acquiring bases and the materiel with which to stock them, the ten-year period under discussion provided the testing ground for the response of the Directorate and its components in situations of stress. The only previous comparable situation had been the action supporting the overthrow of President Arbenz of Guatemala in 1954.

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The year 1956 was noteworthy for the significant and widely dispersed political actions which exacerbated Cold War tensions. The sensational Khrushchev denouncement of the cult of Stalin took place in February. Later in the year riots took place against the Communist regimes in Poland and in East Germany. There were even riots in Soviet Georgia. These last were probably the direct result of Khrushchev's slander of Georgia's native son but the former resulted more from repressive political and economic practices followed by Communist governments.

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Events escalated from riots to wars. In Egypt, President Gamel Nasser nationalized the Suez Canal. The tensions resulting from this action culminated in a tripartite invasion of Egypt by France, Great Britain and Israel. This military intervention was terminated by the actions of the two super-powers, including some missile rattling by the Soviet Union. Later in October, the Hungarian Rebellion took place and the Soviet Union moved swiftly and brutally to crush the heroic but poorly armed Hungarians. There was some speculation that this ill-fated, defiant gesture was sparked by the programs of Radio Free Europe which may have raised the aspirations of the Hungarians for liberty by implicitly suggesting active American support. In any event, the United States did nothing except protest. After this series of momentous events accompanied, for the most part, by little action on the part of the United States, the enthusiasm of the war planners abated. From that point onward, war planning and the bases established to support anticipated military-type activities were doomed. Eventually, the War Planning Staff faded into oblivion accompanied by the bases.

*C. New Building: 1955-1965*

During the years since its inception, the Central Intelligence Agency occupied a number of buildings in Washington, D.C. The major headquarters element was located in the complex of temporary buildings along the Reflecting Pool and running up to the 2430 E Street complex. It became obvious that efficiencies and morale improvement would accrue if it were possible to get the entire Agency under one roof. Accordingly, the decision was taken in 1951 to begin planning for a new building. As a consequence of this decision, the Office of Logistics began to draw up plans. The RECD/OL planning group was not formally recognized until 4 August 1955 when it became the Special Project Staff (SPS). On 26 November 1955 SPS became the Building Planning Staff (BPS) and a separate staff element of the Office of the Director of Logistics. In addition to professionals in the building and architectural fields, representatives of various major components were assigned to the Building Planning Staff in order to prepare for the unique needs of those components. The basic plan was to create a building which would provide an excellent environment for people. The current site at Langley was selected and negotiations with the Bureau of Public Roads resulted in the extension of the George Washington Parkway from the intersection of the present Spout Run Parkway out to Langley and then on to Route 495 to provide means of access to the new location. Work began on the new building in May 1959. During the period of building, inflation wreaked its toll upon the ideal plan of getting all of the Agency Headquarters employees under one roof. It became increasingly apparent that some employees would have to remain outside. Plans were developed to meet this eventuality. The Office of Security provided extensive security safeguards to ensure that no security penetrations of the physical space of the building took place during the construction of the building. All parts of the Agency and of this Directorate made their input to the planning of the interior of the building. President Eisenhower laid the cornerstone for the new building on 3 November 1959. The north half of the building was the first upon which construction was completed and occupation of that half began on 19 September 1961. Personnel continued to move in the building as construction was completed. By 15 May 1962 the building was completely occupied.

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D. *The Years of Challenge: 1966 to date*

25X9 The years in question have been years which the Directorate has contended with vigorous and desperate challenges, resulting primarily from this nation's involvement in Southeast Asia. Although the American interest in Vietnam had begun during the Kennedy years, the truly massive intervention reached its peak in 1968. By that year the Directorate had some [REDACTED]

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[REDACTED]  
ards, a large commitment of funds and manpower but in comparison to DOD or even USAID programs, a drop in the bucket.

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[REDACTED]  
The year 1968 was also the peak for the activities to turn the major CIA programs in Vietnam over to the U.S. military.

This period of active management of military and semi-military operations again demonstrated the ability of the Agency and this Directorate to tackle and perform well a mission not wholly in keeping with its traditions. Although stretched taut, the Agency and the Directorate were able to continue their worldwide requirements.

While the operational support rendered during this period was heroic, other changes, particularly in the management field, were occurring which had a much greater—and lasting—impact upon the Directorate. Some of these changes resulted from external pressures in the form of stringent budgetary and manpower cuts imposed by OMB. Other changes, however, came as a direct result of the mellowing of the centralization concept so avidly pursued in the middle years. Management began to realize that it required money, people and space to make a bureaucracy function and began to question whether tight controls on materiel, for instance, were cost effective. In many cases the answers were negative and a general loosening began to take place. Such changes did not occur without meeting resistance, usually from those who had established the procedures a dozen years earlier. But gradually the atmosphere did clear and the pendulum began to swing back towards the middle ground.

The U.S. involvement in Southeast Asia came to be seen by the American people as an unnecessary sacrifice of lives in a matter which was not of primary concern to our national security. This change in the public attitude caused

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President Johnson to reach his decision not to run for a second term. This change in attitude also brought into being a general wave of demonstrations and radicalism aimed at ending the involvement of the United States in another part of the world. At least temporarily, these societal perceptions have resulted in a different definition of terms such as patriotism, loyalty and duty. These changes in society have forced the Agency and the Directorate to new ways of thinking. The traditional stereotypes are no longer effective.

Change has become a way of life. For example, the influence of Equal Employment Opportunity (EEO), environmental legislation, the energy crisis, adoption of Management by Objectives (MBO), and continued personnel cuts have established a new environment for the Directorate. As it completes its first generation of existence, these influences, coupled with the advent of the satellite and the computer, have brought the Directorate into a new world.

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III. Missions and Functions

A. What Does the DDA Manage?

Figure 2 presents a rather comprehensive glimpse of the Directorate's functions. In effect, the Deputy Director for Administration (DDA) is responsible for the management of the human, financial and material resource systems of the Agency and for the provision of these resources plus certain services of common concern. Each Directorate and each component, of course, is responsible for the management of the resources assigned to it to ensure the accomplishment of its prescribed mission. However, the DDA's responsibilities can be characterized as "cradle to grave" in the sense that this Directorate is involved with the employee from the moment he or she enters employment until they die and their annuity is either terminated or transferred to the beneficiary.

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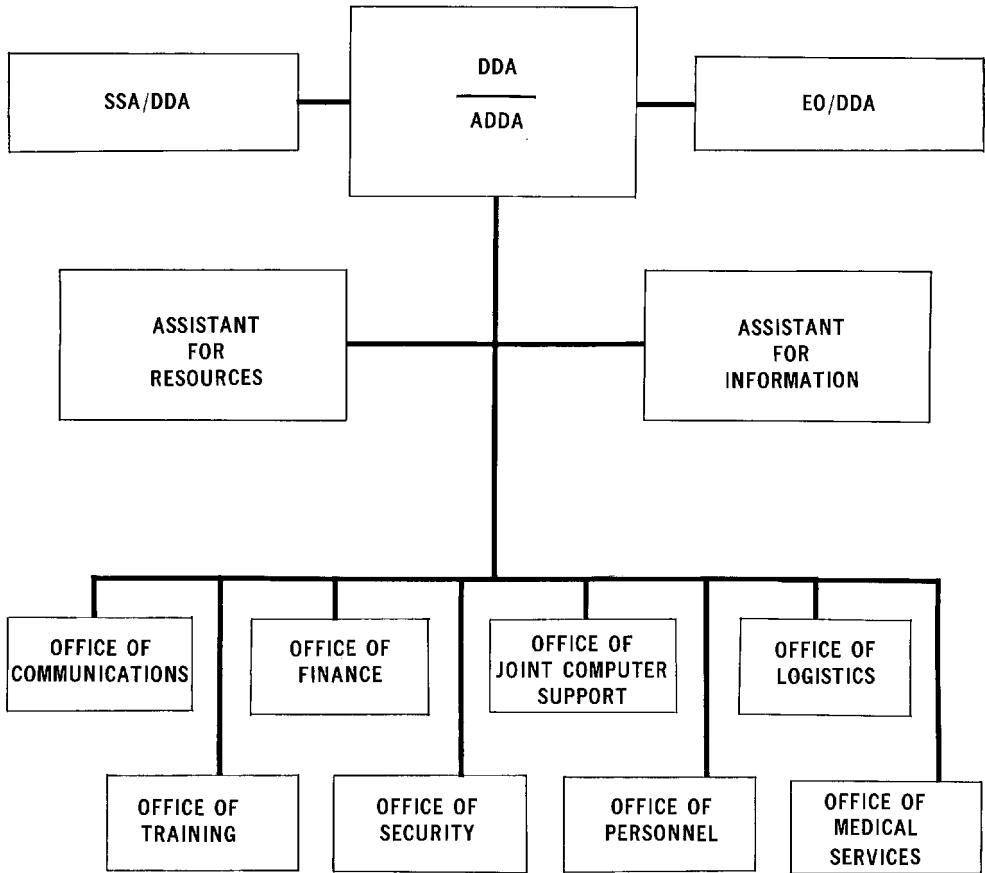


FIGURE 2

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### B. *What is Management?*

Management has been defined as the process of employing people and material in the economical and effective accomplishment of a task. Simply stated, it is the mechanics of getting the job done. It carries with it responsibility for planning, organizing, directing, coordinating and controlling the gamut of available resources and applying these resources in the accomplishment of a task.

### C. *What is the DDA Management Philosophy?*

Management philosophies abound, but the one adopted by the Agency and exemplified by the DDA is based on Management by Objectives (MBO). The efforts of each individual must be thoroughly integrated into the whole in order to achieve the stated objective. One recent example of this concept in action is the issuance of a Letter of Instruction to every member of the Directorate wherein the individual, in consultation with his supervisor, receives in writing what functions he/she is expected to accomplish and the manner in which they are to be performed. This letter is a much more personal approach and the stress is one of participation rather than direction.

Using the MBO principles, each office of the Directorate has established goals and a time frame for accomplishing these goals. Here again, the participatory aspect is utilized with the goals being established only after extensive consultations between the DDA and his Office heads.

It is too early to fully assess the results of this management philosophy, but all indications point toward success. This approach is particularly useful in identifying functions. Each Office conducted a functional analysis in the fall of 1973 and this information is now available to the DDA for decision-making purposes. One example of its usefulness is in the matter of personnel and budgetary cuts. Heretofore, such cuts have been made on a percentage or dollar basis, but now for the first time specific functions can be identified by both manpower and monetary costs. Top management has the option of eliminating an entire function rather than distributing reductions across the board with no real appreciation for what affect the reduction will ultimately have on the efficiency of the organization.

### D. *Functions Described*

In some instances the division of functions may be limited to a single Office within the Directorate—the medical function being a good example. In others though, it will be necessary to cross Office lines, and even Directorate lines, as is the case with the security function. In this particular instance, if one accepts counterintelligence as inherently a security function, it should be noted that the DDO has responsibilities in this field as well as the Directorate's Office of Security (OS). Also within the field of security, the Office of Communications (OC) has been assigned specific responsibilities in areas such as communications and emanations security. This discussion will be based on major functional areas with little attempt to equate a specific

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function to a specific Office within the Directorate. See Appendix B for organizational charts of the individual Offices accompanied by their specific functions.

1. *Personnel*

a. *Recruitment*

25X9 □ The Directorate's Office of Personnel (OP) operates a sophisticated and successful recruiting program. Each year it receives applications from some [REDACTED] employees are ultimately placed on the payroll. As can be expected, prospective employees are subjected to an intensive screening process which includes physical and mental testing, as well as a thorough security investigation culminating in a polygraph examination. For these reasons, numerous applicants do not gain employment with the Agency. Some do not meet the standards while others find employment elsewhere because, admittedly, maintenance of these standards requires a processing time which now averages three to three and a half months. Undoubtedly, some good prospects are lost because of these procedures, but because of the national security nature of the Agency's mission, a less thorough approach cannot be accepted.

These factors also impact negatively in the area of the Equal Employment Opportunity (EEO) program. In this area the Agency, as well as the Directorate, are less than satisfactory performers. The latest figures indicate that blacks comprise 20.4% of the Federal workforce, as contrasted to the Agency figure of 6.3%. The OP is making every effort to attract qualified members of minority groups, but it will no doubt be a lengthy process to match the Government-wide average simply because established standards will not be relaxed merely to satisfy a "quota." The total percentage of female employees is adequate (31.6%). Efforts are currently being concentrated upon providing expanded opportunities for women in terms of advancement and by modifying the clerical stereotype that has prevailed in the past.

Actual recruitment may occur in a variety of ways. The OP maintains recruiting offices throughout the country, primarily to seek qualified candidates from the campus environment. Oddly enough, the "anti-establishment" atmosphere which permeated many universities did not materially reduce the numbers of students evincing an interest in Agency employment. All Directorates levy requirements on the OP, particularly for professional and technical personnel. Recently, the DDS&T has been placing heavy demands upon the recruiters to provide candidates with scientific qualifications. The OP also maintains a "walk-in" office in Arlington, Virginia, and many inquiries are received through the mail as a result of newspaper advertisements, campus notices, or just plain word-of-mouth information.

25X9 A vital element of the recruitment program is the provision for an influx of professional staff employees via the Career Training Program (CT). Currently [REDACTED] positions are reserved for this program which is administered by the Directorate's Office of Training (OTR). These individuals are given a varied program of training and, by mutual agreement between the individual and a given Directorate, placed in that Directorate upon the completion of their training. The majority of the CT's are assigned to the DDO (approximately 61% on the average) with the next largest group (usually 33%) going to the

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DDI. The DCI's office and this Directorate receive the remaining 6%. The DDS&T maintains its own program and for the past two years has not received any graduates from the CT program.

b. *Management*

More stress than ever before is being placed on the effective management of personnel. On 1 April 1974 the DCI published the recommendations of a panel chaired by the Director of Personnel. Some of the primary changes consisted of consolidating the existing twenty-three career services into five major career services—one for each Directorate plus one in the Executive area; dissemination of uniform promotion criteria; creation of Directorate-wide counseling programs; standardization of selection criteria for attendance at senior schools and other external training; policy to facilitate inter-Directorate transfers and rotational tours; establish uniform grievance procedures, and many more. These new procedures following on the heels of the Letters of Instruction discussed previously indicate the sincere desire to improve the personnel management system.

In addition to the Administration Services Resources Board, each Office has its own career sub-service board and these are often subdivided into panels conforming to occupational specialties. It is at this level that the majority of the recommendations for promotion or rotation are developed. Customarily, an Office Head can promote (within personnel ceilings) up to grade GS-15. Promotion to GS-16 and above are recommended to the DDA by the ASRB. This Board also conducts a post-review of promotions to GS-15 made by the other Offices in order to become familiar with potential supergrade nominees.

To assist top management, two important programs have been initiated; the Annual Personnel Plan (APP), and the Personnel Development Plan (PDP). These programs originated with the DCI, but the Directorate is deeply involved in the implementation phase. The APP is designed to reflect the current and projected status of personnel by category; i.e., clerical, professional or technical. The OP receives input from the Directorates and is ultimately responsible for producing the Agency APP. The PDP is designed to identify personnel with executive potential while simultaneously making plans to fill vacancies in the senior ranks. Key slots are identified and a number of potential incumbents matched against each slot. Once such individuals have been identified, it then becomes a matter of providing the proper training and experience to successfully function in the projected slot. In essence, the PDP is similar in objective to the Civil Service Commission's (CSC) Executive Development Program. Both of these programs are too new to assess results at this time, but when fully implemented, they should prove to be valuable management tools.

c. *Attrition*

Theoretically, the combination of a stringent selection process coupled with enlightened management should produce a body of well-adjusted and highly-productive employees. For the past five years the Agency attrition rate has hovered between ten and eleven percent (except in FY 1973 when a major forced reduction raised this to twelve percent).

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Retirements account for a significant proportion of personnel losses. The Agency operates under two retirement systems, both of which are administered by the Directorate. The normal Civil Service Retirement System (CSRS) accounts for fifty-six percent of all retirements. In 1964 Congress authorized a special retirement system termed the CIA Retirement and Disability System (CIARDS) and this Act has been amended five times since its passage. A formula usually referred to as "50-20-10 and 5" sums up the eligibility for retirement under CIARDS; 50 years of age, 20 years Federal service of which a minimum of 10 must have been performed with CIA with a minimum of 5 years of Agency service having been "qualifying" years—normally service at overseas posts. The number of employees who can retire under the CIARDS is controlled by Congress ( [REDACTED] ) and to date (31 March 1974 [REDACTED] have retired under this system. A comparison of the two systems is indicated in the following chart:

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25X9 □

FY 69    70    71    72    73    74

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CIARDS .....	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CSRS .....	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The increasing number of retirements in the decade of the seventies is attributable to a combination of factors—the age of those who entered Federal service during World War II and continuing pressures to reduce personnel are paramount. It should be noted that while the Agency generally abides by the rules and regulations established for all Federal employees, it does impose a mandatory retirement age of 65.

Resignations and involuntary release, either because of a surplus situation or misconduct, are the remaining causes of attrition. Involuntary separations are relatively rare, but it should be kept in mind that the DCI has historically interpreted sections of the National Security Act of 1947 as giving him sole authority to "hire and fire" and to date this authority has not been effectively challenged.

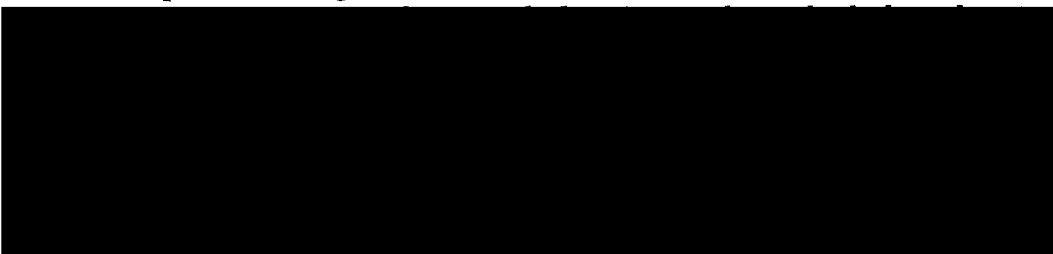
d. *Services*

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The Agency is a human-oriented organization and one evidence of this attitude is found in the scope and variety of services available to employees.

(1) *Northwest Federal Credit Union (NWFCU)*

This is a federally chartered organization which is self-supporting. It is managed by a board of directors elected by the membership and reimburses the Agency for its staffing and other overhead expenses. It is, however, the responsibility of the DDA through the Director of Personnel to provide staff supervision and guidance to the Credit Union. The records of 31 January



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(2) *Life Insurance*

There is a total of three term life insurance programs open to Agency employees and they are managed by the OP. One is the standard Federal Employees Group Life Insurance (FEGLI) available to all Federal employees which provides coverage in the amount of an employee's annual salary rounded to the next higher thousand plus \$2,000; e.g., an employee earning \$10,500 per annum would have \$13,000 worth of insurance in force. An additional \$10,000 "optional" plan is also available. Agency employees may join the Worldwide Assurance for Employees of Public Agencies (WAEPA) which has a \$30,000 limit, or the United Benefit Life Insurance Company of Omaha (UBLIC) plan which has a \$36,000 limit.

(3) *Health Insurance*

There are four health insurance plans available. One of these, the Association Plan, is designed exclusively for those employees under official cover. The insurance is placed with Mutual of Omaha, but the identities of the persons are protected from the public record. An identical plan called Government Employees Health Association (GEHA) is available to overt employees. The remaining three plans are for overt employees and compare with those found in other agencies. They include the Indemnity Benefit Plan (AETNA), the Service Benefit Plan (Blue Cross) and Group Health.

(4) *Other Insurance*

A number of specialized insurance programs are available to employees including a Dread Disease Plan, Income Replacement, Air Flight Trip, Military Air Flight Trip, and a Flight and Accident Policy.

(5) *Employee Activity Association (EAA)*

This element provides a wide range of services which include a Ticketron facility and a small store in the Headquarters Building. The store sells, at discount, a variety of goods such as cameras, film, records, stereos, televisions, watches, and a host of small household appliances. EAA sponsors a variety of extracurricular sporting events, self-improvement courses ranging from guitar to karate, an Arts and Crafts Club, and instruction in bridge and chess. One of its most popular events is the annual raffle of a limited number of Washington Redskin football tickets.

(6) *Voluntary Investment Plan (VIP)*

In the late sixties, two employees of the Directorate developed an idea for an investment program which would be available to all employees and be based on the concept of the investment club which had become popular in many sectors. Only one other U.S. Government employer, the Tennessee Valley Authority, had such a program and the Agency's planners relied heavily on TVA's experience. Since the "plan", as it is usually referred to, is relatively unique within Government, its availability is not published outside the Agency. It was approved by the DCI in December 1969 and actually began operating in May 1971 with a group of mutual funds as its investment base.

It is an internal plan administered by six Agency employees (appointed by the DCI as trustees) who have the legal responsibility for operation

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of the plan and investment of funds. Changes have occurred and investments shifted from one fund to another, but the premise remains the same—provide the employee with an opportunity to invest in the economy through a trust. In effect, the VIP acts as a trust for its members who purchase and hold units in the trust. Under such circumstances, capital gains taxes are deferred until the member liquidates his units. Ideally, this would occur upon retirement when the individual is in a much better position to claim the accrued capital gains. A member can use his “units” as collateral with NWFCU, can stop his investment at any time, and of course, “cash-in” his units at the time of departure from Agency employment (regardless of circumstances). To date, the plan has

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annum. The value of the fund fluctuates daily in line with the stock market, but the current value of shares owned by the trust amounts to approximately six million dollars.

#### (7) *Counseling*

A number of counseling services are administered by components of the Directorate. Regardless of the nature of an employee problem, there is someone to take it to. All Offices have EEO counselors and most Office Directors maintain some sort of “open-door” policy for their employees. In fields such as drug abuse, alcoholism, or other psychiatric areas, the Office of Medical Services (OMS) provides counseling and assistance. The Office of Security (OS) stands ready with guidance on writing for publication, public speaking and outside (Agency) employment. A security duty officer system is manned 24 hours each day and every employee knows that if there is some problem, whether it be a missed plane connection while returning from leave or a brush with a law enforcement agency, a specific extension can be called, the problem identified, and whatever assistance the circumstances warrant will be provided (the Agency will not, however, interfere with the due process of civil or criminal law). It should be stressed that not only is such counseling available, but that it is rendered in a confidential and compassionate manner which enables the employee to trust the counselor and provides a mechanism whereby many potentially serious personnel problems can be nipped in the bud.

#### 2. *Security*

The security functions of the Directorate are many and affect not only the internal operations of the Agency, but also permeate the intelligence community. As a result of a series of Executive Orders, National Security Council Intelligence Directives, and inter-departmental agreements, the Agency, in the person of the Director of Security, is deeply enmeshed in establishing standards and providing guidance to the community as a whole. Specific responsibilities within the community include the provision of uniform compartmented security policy to national intelligence collection programs; operation of the Inter-Agency Training Center; and providing leadership and support to the National Computer Security Program which is designed to protect official data stored in modern information handling systems.

Within the Agency the underlying principle of security is based on compartmentation and the need-to-know. Unlike other agencies where individuals may be cleared for specific classifications (i.e., Confidential, Secret), all staff

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employees of the CIA are cleared for Top Secret. However, access to such information is based on a need-to-know and great reliance is placed on the self-discipline of the employee to protect this system. In addition, a series of special and codeword clearances is utilized to protect sensitive projects and programs. As a service to the community, the OS maintains the centralized compartmented clearance records (except for SI) for the entire community. Basically, the internal security functions can be divided into four main areas; personnel, physical, technical, and industrial, all of which will be discussed below.

(a) *Personnel*

Perhaps the most vital and vulnerable of all the security functions pertains to the individual. The best safes and alarm systems are useless if the individual neglects to lock or set them. Similarly, the quickest and surest method of gaining access to a secure area is via the planted or recruited agents. As far as we know, the Agency has never suffered a penetration in its twenty-seven year history and the objective of the personnel security program is to keep this record intact. The screening process which was alluded to earlier is based on an exhaustive investigation of potential employees or others who seek access to classified information; e.g., consultants, contractors, etc. Field investigations are

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If serious adverse security information is uncovered and security disapproval recommended, the Director of Security is the sole security official who may render such a decision. If serious adverse security information of a non-security or suitability nature is developed, an Applicant Review Panel, composed of senior Medical, Personnel, and Security representatives, is convened to decide the disposition of an individual case.

Assuming no adverse information is developed during the field investigation, the final check is the polygraph interrogation. The results of this interview are then combined with the field investigation to provide adjudicating officials all possible data before rendering a final decision as to an individual's employability.

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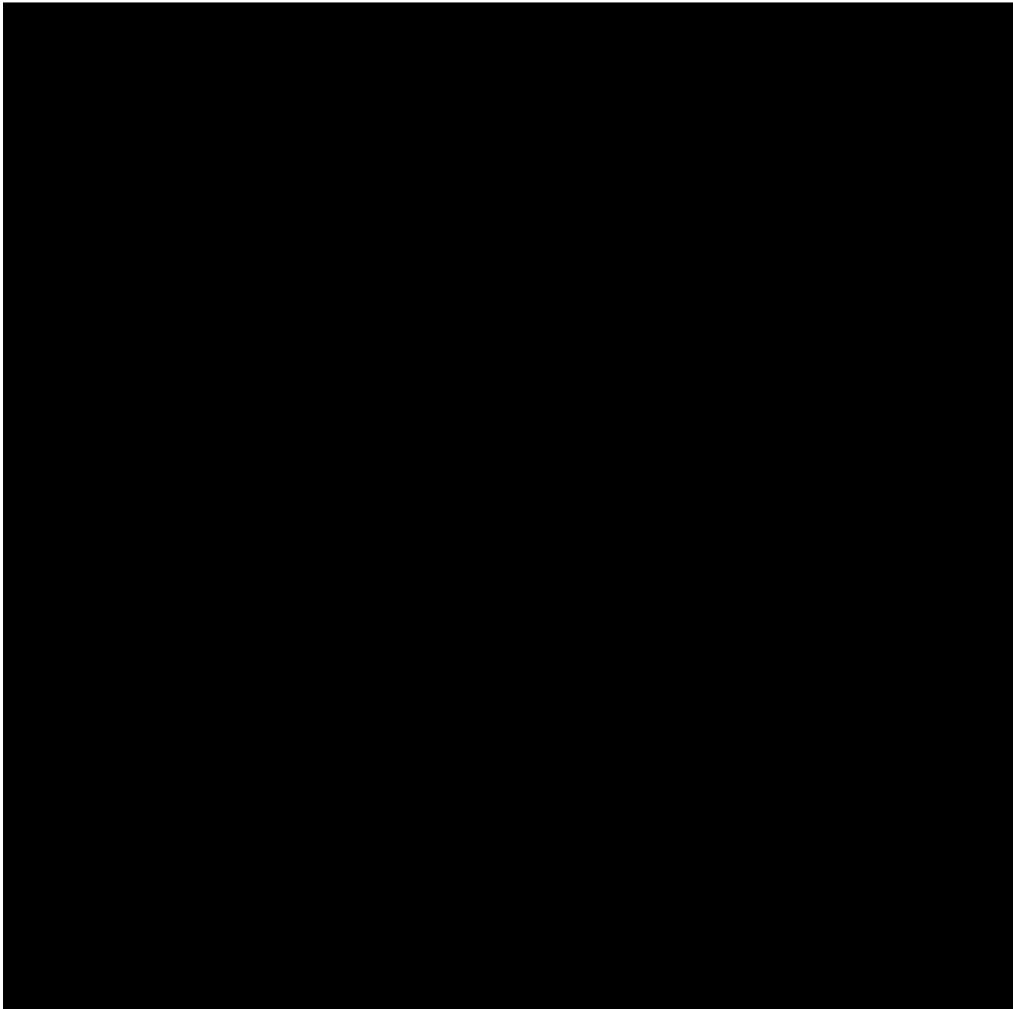
Once an individual has entered on duty with the Agency, the security guard is not dropped. A small staff complement is devoted to maintaining a re-investigation program for staff employees. This program has been established on a five-year cycle in order to identify existing and incipient employee security problems. Here again, if adverse information comes to light, the employee may be directed to undergo another polygraph interview. Inherent in this function is the creation and maintenance of an extensive filing system. This is complicated by the requirement for compartmentation; e.g., files on agents are segregated from those of staff employees. As mentioned previously, specified com-

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partmented clearances are also maintained for the community which further adds to the problem. Fortunately, the computer has reduced this burden considerably and the creation, update, and retrieval facets of this function are done efficiently.

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b. *Physical Security*

The objective of physical security is to protect the target area. The method is to use a series of barriers. Taking the classic example, the outer barrier consists of fencing under surveillance (mechanical, personal, or both), patrols, a building, locked and guarded entrances, controlled corridors, locked or vaulted inner offices, and finally, a locked filing cabinet in a room protected by an alarm system. All of these techniques are employed at Agency installations in varying degrees. Within the metropolitan area a force of some [REDACTED] GSA guards provides protection to Agency facilities. The cost of this force (FY 1974) is reimbursed to GSA.

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Complementing the guard force is the receptionist program consisting of [REDACTED] staff employees responsible for screening and documenting visitors to CIA buildings in the Washington area. The magnitude of this program is re-

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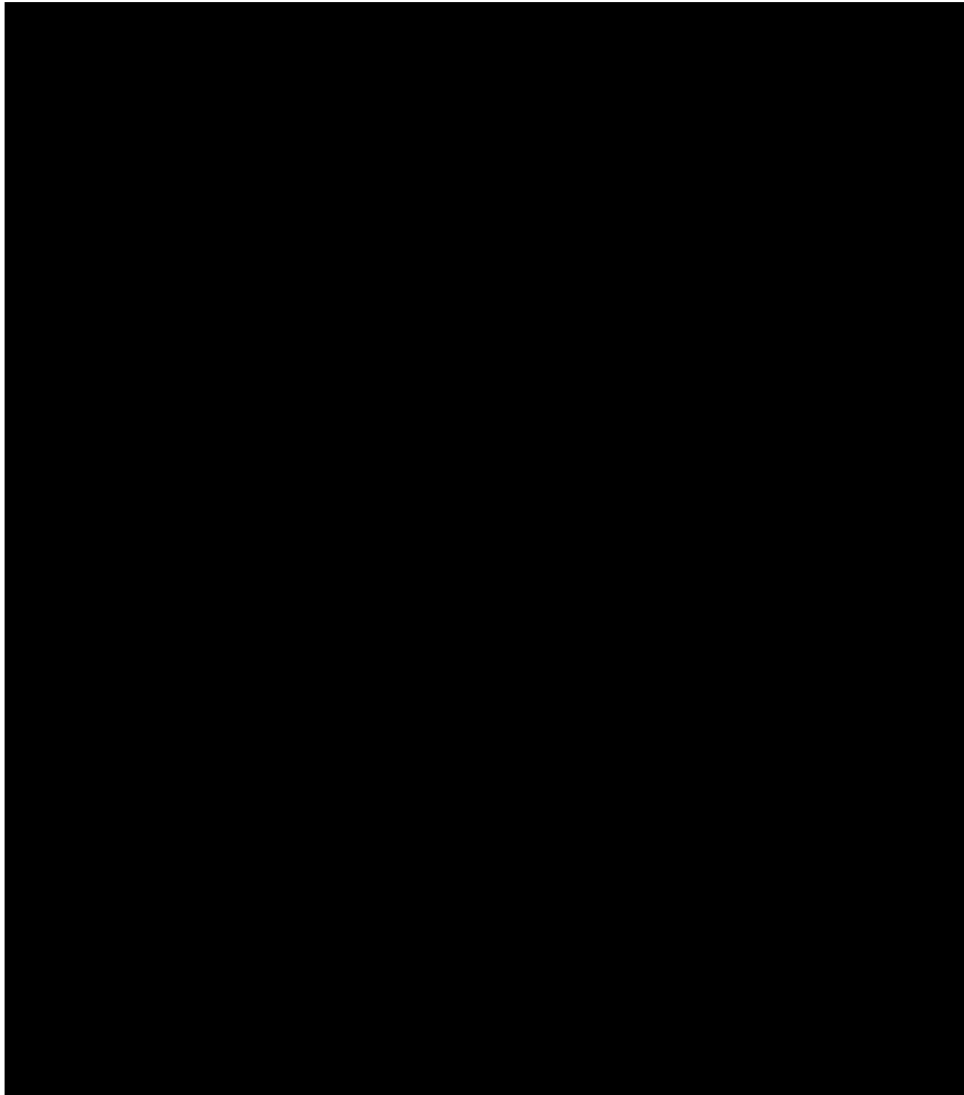
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flected in the statistics for FY 1973 when the receptionists processed 65,000 visitors; 7,300 conferees; accepted 21,000 deliveries; and provided temporary badges on [REDACTED] occasions to employees who forgot to bring their staff badges.

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Because the Agency relies heavily on contractors to perform work within its buildings, an escort service is provided to ensure that classified information and areas are protected while contractor employees are present in the building. Some [REDACTED] full and part-time contract employees under the supervision of a staff security officer perform this function. A number of devices have been devised to protect classified information and conversations. The filing cabinet with a combination lock is the basic method used worldwide. These safes are manufactured to Bureau of Standards specifications and accepted from the manufacturer only after a technical inspection, usually performed at the plant, is conducted. Vaulted areas consisting of thickened, reinforced concrete walls and entry possible only through a locked steel door are used frequently to protect classified information.

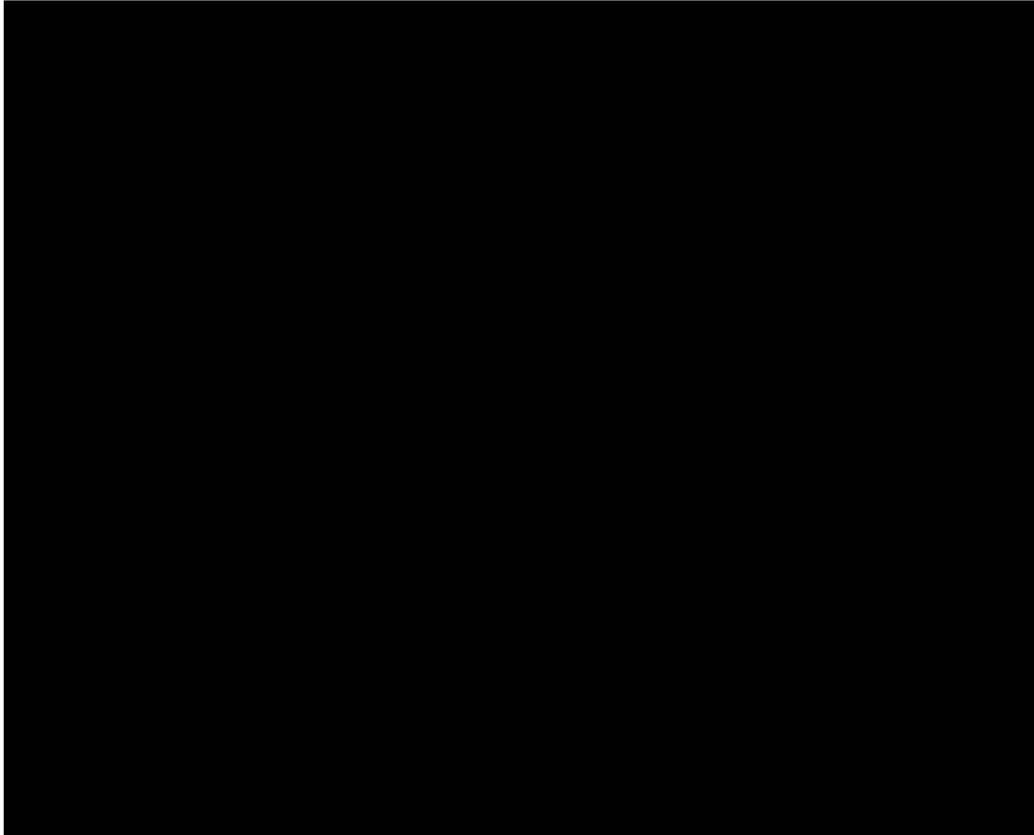
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d. *Industrial Security*

This subject could have been integrated into the discussions of the preceding paragraphs, however, to emphasize the importance of the topic, it will be treated separately. Many of the projects (and much of the material obtained to support projects) undertaken by the Agency require contractor assistance. This is especially true in the Directorate of Science and Technology, but also applies to this Directorate's logistical and communications functions. A group of security officers from the OS have therefore been assigned to specific elements to assist in the security aspects of contractor relations. In procedures and techniques, there is little to distinguish this program from others. Essentially, the same stringent standards of personnel and physical security pertain regardless of whether the work is being performed on an Agency installation or at a contractor site. Physical security inspections are performed and contractor personnel investigated. The scope of the investigation is as thorough as for staff employment although the degree of clearance granted may not be as inclusive as that of a staff employee. It is not unusual for contractor personnel below

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3. *Communications*

Regardless of the terms of measurement applied, the communications function is the Directorate's

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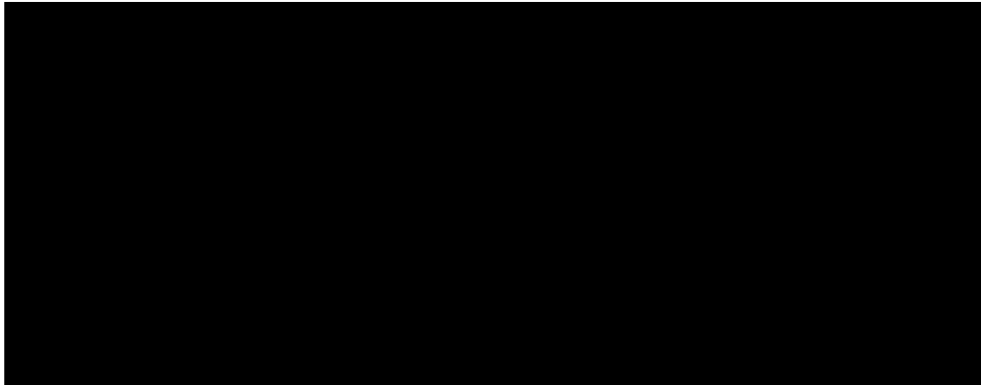
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4. Logistics

In its original usage, the term logistics pertained to the supply, movement, and quartering of troops. The Agency logistics system encompasses these elements and more, but that original definition has stood the test of time well. The Agency's logistics system procures, stores, and issues supplies and equipment, transports people and things, acquires and maintains real property (mostly office space), provides a variety of housekeeping functions throughout the metropolitan area; and provides services of common concern such as printing.

The system is global and highly responsive to the intelligence production and operational needs of the Agency. As with other functions, the logistical function is not the sole province of this Directorate. Other components acquire property, or provide transportation, but the bulk of these responsibilities are centralized within the Directorate or performed by professional logisticians assigned to operating components by the Directorate.

a. Procurement

The CIA Act of 1949 was specific in granting the DCI identical authorities to those found in the Armed Force Procurement Act of 1947. In addition the Act empowers the DCI, notwithstanding any other provisions of law, to expend funds for purposes necessary to carry out its (Agency) functions. Basically, the Federal regulations governing procurement procedures are followed by the Agency; however, for cogent operational requirements, the DCI's exemption may (and has been) utilized. A centralized procurement office exists within the Office of Logistics (OL) [redacted]

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[redacted] Professional contracting teams from the Office of Logistics are provided to operating components (primarily in the DDS&T) having a large contracting function. FY 74 statistics reveal that the Procurement Division and [redacted] Procurement Office spent [redacted] for contracts let and an additional [redacted] for purchase orders; the decentralized contracting teams negotiated contracts valued at [redacted] and the supply element and its depots did [redacted] in direct procurement for a total of [redacted] attributable to the procurement function. This figure does not reflect the total Agency volume of procurements since field stations also have procurement authority to purchase from the local market.

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Complicating the procurement function is the sterility requirement imposed by operational necessity. Any material which is procured for opera-

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tional support, especially to the field stations, cannot be attributable to the CIA and often not even the U.S. government (USG). Such innocuous items as typewriters which are to be shipped to field stations are purchased [REDACTED] and corporations, such as IBM, protect from scrutiny the serial numbers of machines purchased by CIA. Within the OL a small covert procurement facility is maintained which operates three proprietary and five national companies for the sole purpose of obtaining material without the risk of such procurements being traced to the USG. This particular facet of the procurement function is relatively small (approximately \$1 million annually).

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Procurement sources are as varied as the requisitions received. Certain criteria have been established. Whenever possible, GSA and DOD are utilized and machine systems have been set up to allow the appropriate Agency procurement activity to "communicate" with these agencies in their own "language." Recently inaugurated is a program termed Blanket Package Agreements (BPA) in which commercial distributors have been designated to fulfill requests from authorized components of the Agency. This program is to be followed by one called Requirements Contracting which will provide for the periodic and automatic filling of requirements as negotiated between the Agency and a particular contractor. The aim of these measures is to maintain efficiency in the face of continuing personnel reductions.

In addition to material, the procurement element is often called upon to contract for services. Service contracts with such manufacturers as IBM and Xerox are necessary to keep the large quantity of these manufacturer's machines owned or leased by the Agency in good working order.

*b. Contract Administration*

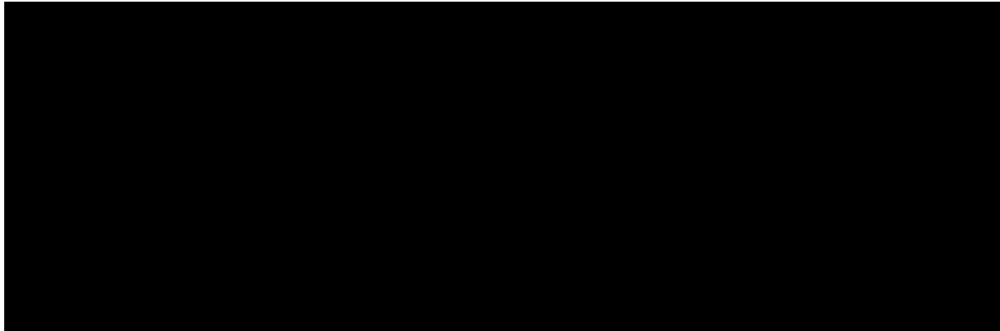
The Director of Logistics (OL) has been designated as the Agency's senior procurement officer. As Agency components became involved in the more sophisticated field of communications, satellites, and telemetry, the contracts involved in producing these systems became more expensive and complicated. To ensure that the proliferation of the contracting function did not lead to abuses or unnecessary costs, a Contract Review Board (CRB) was established in September 1967. Basically, the CRB is responsible for reviewing approved procurement requests, proposed contracts, or amendments in the scope of an existing contract which exceeds \$150,000 in valuation. The Board also reviews costs overruns which exceed \$22,500 or 15 percent of the original cost estimate.

In 1970 the Procurement Management Staff (PMS) was created and this element now acts as the secretariat to the CRB in addition to its many other functions. The PMS provides staff supervision of the activities of the West Coast Procurement Office and lends professional and administrative guidance to the decentralized contracting teams, analyzes the effectiveness of Agency procurement practices, and serves as staff advisor to the D/OL. The PMS represents the Agency at all external meetings and discussions concerning the Federal Procurement Regulations and acts as the focal point for contractors wishing to do business with the CIA.

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c. *Receipt, Storage and Issue*

25X9 In comparison to other supply systems in operation throughout Government, the Agency's is miniscule. For example, the supply officer on a nuclear submarine is responsible for some 30,000 line items required to operate the boat. In contrast, the Agency currently maintains approximately 17,000 line items in its system and concerted efforts are underway to substantially reduce this number.



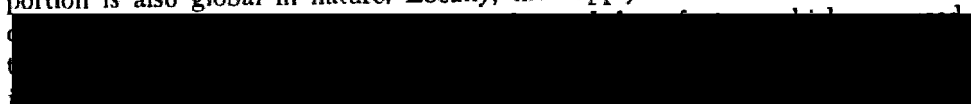
25X9 As a result of the BPA program and Requirements Contracting, it is expected that the line items in stock can be reduced to approximately 8,500 (exclusive of those retained to support the [redacted]). Part of the supply mission at this point is to identify and purge from the stocks slow and non-moving items and to determine which items are suitable for inclusion in a BPA and/or Requirements Contract and can consequently be eliminated from stock.

d. *Transportation*

This function is divided between the transportation of things and the transportation of people. As regards people, the transportation function performed by the logistical system applies only in the metropolitan area of Washington. Three services are provided: passenger vehicle service (both chauffeur and U-drive), shuttle bus, and the executive chauffeur service. Figures for FY 1974 indicate these combined systems carried 226,000 passengers a total of 583,000 miles.

A unit composed of logistics and personnel officers, which actually functions under the direction of the OP, is responsible for arranging the transportation of Agency personnel going TDY or PCS. This unit (Central Processing Branch) not only makes reservations and obtains tickets, but coordinates pickup and delivery of household effects, procurement of passports and other official identification, and in general assures that an individual, whether departing or returning, is provided all necessary administrative assistance. Another unit (Central Travel Branch) processes financial matters for the traveler.

25X9 The transportation of things is the larger of the two divisions and this portion is also global in nature. Locally, the supply element maintains a fleet



this operation has been, or is in the process of being divested (see Chapter V).

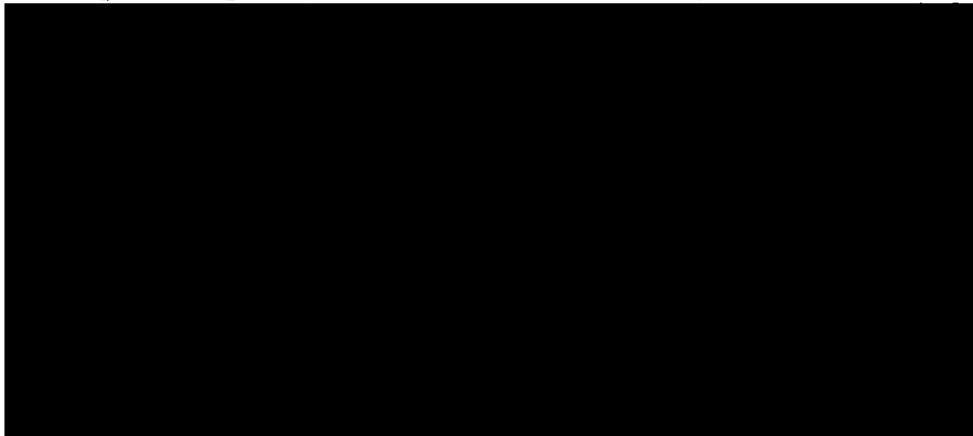
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The transportation system relies heavily on both the air and sea modes provided by DOD. Urgency and, of course, the weight and volume determine which mode is to be utilized. Costs, in the neighborhood of [REDACTED] are incurred for air/sea transport whether military or commercial.

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The Air Force Military Airlift Command (MAC) provides excellent service to most parts of the world. Where shipment via MAC is not possible, material will be forwarded by commercial aircraft. This mode is particularly useful when shipping to out-of-the-way areas or when speed is vital as is the case with vaccines and other medicines which must be maintained at low temperatures. One of the basic requirements is to ensure that material is packed in such a manner as to preclude damage in transit. Towards this end the depots have experienced packing crews adept at packaging everything from transistors

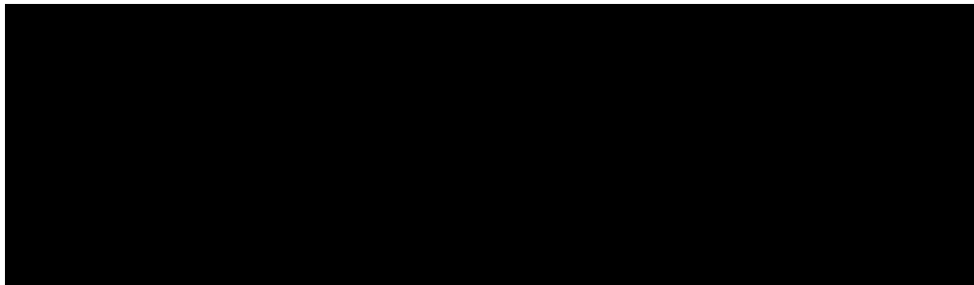
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e. *Real Property*

This function involves the acquisition, maintenance, and disposal of real property in the U.S. and abroad. Overseas construction, renovation, and maintenance are accomplished by architectural, engineering, and technical personnel assigned on a tour basis or TDY at overseas installations. Examples of

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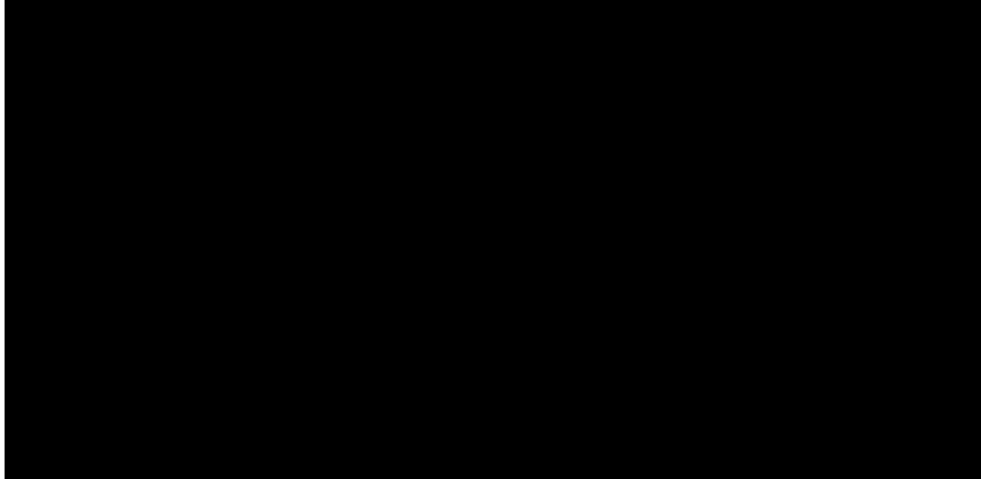
In some cases this burden is borne by GSA on behalf of the Agency. Commencing with FY 1975 the Agency will reimburse GSA a set amount per square foot to cover the costs of maintenance (FY 1975 estimate—\$14 million). The recently enacted PL 92-313 increases GSA's responsibility for providing maintenance and service and makes this reimbursement the main source of funds for future construction and major modifications or renovations. Other leased buildings are maintained by the landlord or through contracts negotiated by the OL.

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Planning is an integral part of the function and thought is being given to reconstituting a Building Planning Staff to concentrate on the future needs of the Agency, particularly at the Langley site. The dream has been to construct sufficient space on the Langley site to house all the staff elements of the Agency which are currently quartered throughout the metropolitan area.

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*f. Housekeeping*

Not the least of the logistical functions involves housekeeping in the metropolitan area with the emphasis on the Headquarters Building at Langley. This is a particularly frustrating responsibility because it is simply impossible to please all of the occupants all of the time . . . and those whose displeasure is incurred can be counted upon to voice their complaints. The fact remains that only so much space is available and ever since the building was occupied in 1961, more and more of the available space has been usurped by machines. The conversion to machines has also unbalanced an already undercapacity utilities system and much effort . . . and money . . . is currently being expended to rectify this situation. Because of the communications system and other vital operations which are housed in the building, automatic, autonomous, and redundant standby systems have been installed including a 2500 KW generator.

Cleaning and maintenance is performed by GSA crews. Complicating this problem is the requirement that such personnel have a security clearance and the fact that the building location is somewhat remote from the population center. The feeding operation is another concern and two cafeterias and one dining room are operated under a GSI contract in addition to the Executive Dining Room which is staffed and managed by the OL.

Included in the housekeeping functions is the provision of the administrative supplies required in the day-to-day operations of any office. A series of Building Supply Offices has been established throughout the metropolitan area. Each major office building has its own supply room (unmanned) where employees may obtain a variety of such supplies. All told, the housekeeping function is an onerous, but necessary task which we strive to do with efficiency . . . and a smile.

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*g. Printing*

Not to be slighted is the critical function of printing. The Logistics printing facility covers the entire printing spectrum including letterpress and offset printing, computer assisted typesetting (the EPIC system) and a complete photographic and motion picture capability. Three printing plants are operated; two with two shifts per day and the third a 24-hour operation in support of intelligence production. The modern printing plant constructed on the Langley site adjacent to the Headquarters Building in the late sixties contains nearly 60,000 square feet and is one of the most modern and sophisticated facilities of its kind in the area. These facilities are valued at \$5 million and consume some 800 tons of paper annually. Many of the White House's printing requirements are handled at this facility and classified printing jobs are also performed for the Atomic Energy Commission, Department of State, and other agencies, normally on a reimbursable basis.

*h. Services*

The mail and courier system handled 747,000 pieces of U.S. mail during FY 1974 incurring postage costs of some \$227,000. Included in this service is an X-ray capability to screen suspicious incoming mail. Because of the covert nature of many operations, numerous addresses and post office boxes are utilized around the area and these must be serviced on a daily basis. A courier system operates within the Washington area and between the major offices in any given building. It requires a staff of [REDACTED] persons to move over one million pieces of correspondence which flow between these offices each year. At the Headquarters Building a pneumatic tube system is operated to assist in moving some of this volume.

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An important function which impacts on the procurement, supply, and transportation elements is the repair and return of equipment. The OL has a limited capability to repair such things as safes and typewriters as well as vehicles located in the Washington area. The OC performs a similar service for items of communications equipment and the DDS&T (OTS) does minor repairs on items such as tape recorders, clandestine TV gear, and photographic equipment.

The OL has been designated as the responsible office for a number of tasks which are requiring an increasing amount of attention. For a number of years the D/OL has been the focal point for the preparation, maintenance, and coordination of emergency relocation plans. He also acts as the CIA Emergency Coordinator with GSA. Although the fear of nuclear attack may have subsided, the Agency is nevertheless prepared to operate from an alternate location if required.

Changing life styles have brought new burdens to management. The Environmental Protection Act of 1972 is one indicator of this. While the Agency has always been conscious of its place and responsibilities in the civilian community, the OL must now assure that proposed construction, renovations, etc., meet Government established standards. Hot on the heels of this Act came the energy crunch. The DD/OL has been designated the Agency's Energy Conservation Representative and the darkened hallways and muggy offices bear mute evidence of the fact that the Agency is abiding by the edicts of the Executive Branch in these matters.

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### 5. Training

Agency training is regulated by Title 5, U.S. Code, Chapter 14 (formerly the Government Employees Training Act of 1955). CIA, however, is exempted by Executive Order 10805 from supervision and control by the Civil Service Commission and from certain administrative requirements of the Code. It is the policy of the Agency to follow the general provisions of the Code as fully as possible, consistent with the Agency's operational and security requirements. Stated briefly, the basic principle of training management which is applied is that no training is given internally that can be done outside CIA with comparable effectiveness, economy, and security.

The lion's share of the training responsibility is vested in the Directorate's Office of Training (OTR). This Office has the task of developing, coordinating, and conducting training programs for staff and contract employees of CIA, for U.S. officials and for members of foreign intelligence services; reviewing the training conducted by other components of the Agency; and administering Agency-sponsored training at external facilities. Other components within the Directorate, namely the OC, conduct major training programs, and each of the Deputy Directors has certain training responsibilities and programs which satisfy parochial needs.

#### a. Language Learning Center

Because the Agency is deeply involved in the collection of foreign intelligence, a great deal of time, personnel and money is devoted to providing language skills to its employees. The acquisition of language skills is encouraged by the granting of cash awards for designated languages and skill levels. Within the DDO, proficiency in languages must be commented upon in a professional's Fitness Report and is a factor weighed by the promotion boards of that Directorate. Certain personnel positions have been designated as Language Positions, and the incumbents must have or attain the degree of language skill stipulated. To meet this requirement, OTR offers 22 language courses taught by a complement of [redacted] contract employees, the majority of whom teach in their native tongue. A staff complement of [redacted] manages, coordinates, and provides support [redacted]

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Special requirements for a particular language or dialect which is not in the curriculum are met by sending the student to an external training facility or by obtaining tutorial assistance. Of course, if a trend develops and the same language requirement becomes repetitive, the Center may find it worthwhile (cost effective) to include it in the regular curriculum. Ten years ago the demand for a knowledge of the Vietnamese language was not appreciable, but during the past six years it has been a stable language . . . and one which it can be predicted will ultimately return to its previous status as a special requirement rather than regular curriculum language.

The Center does more than offer classroom instruction. It also conducts language proficiency tests, the results of which are input into the Agency's Language Qualifications Register maintained by the OP. (Prospective language students are given the Modern Language Aptitude Test by the Psychological Services Staff/OMS prior to enrollment in a full-time course of instruction to eliminate those who may obviously be unable to attain the desired proficiency.)

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d. *Career Training*

The Career Trainee Program began in 1951 and has been one of the principal means of acquiring highly qualified young professionals, particularly for the DDO. Until 1958 training was programmed according to the requirements of each Career Trainee (CT). In July 1958, an integrated program was introduced which required all CT's to take the same basic training. In the spring of 1970 the program was further refined to include interim assignments of approximately six months for each CT before final placement in an Agency component. CT's have entered the program from either internal transfers or external recruiting with the majority entering the program from the college campus.

Once the CT has begun the program, he remains on the Office of Training rolls for a period of from 12 to 18 months. During this time the trainee takes a 4-week basic course followed by an interim assignment and then more specialized training depending upon the area of specialization the trainee and his/her advisor feel is best suited to the individual as well as the Agency. At the end of this combination of study and on-the-job training, the CT is placed in a career service and is removed from OTR's rolls.

The fact that an individual enters on duty under the auspices of the CT program does not automatically guarantee a successful career in the Agency. The scope of the program has been reduced in recent years (to an average of [REDACTED] per annum) as a direct result of the general contraction of the Agency. The CT program is one of the more expensive of the training programs. Eight staff personnel are required to manage, counsel, and monitor the progress of individual trainees.

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e. *Intelligence Community Training*

In 1972 the Directorate inherited from DIA the responsibility of providing training in information science. The curriculum currently offers three courses, with a fourth underway, in computer science, operations research, and systems analysis as they relate to intelligence collection, production, and support tasks. Originally, DIA was to make available three instructional slots, but this commitment was later withdrawn. NSA did make available two instructors and the Agency committed a total of five instructors plus three clericals to support the program. This program is meant to support the training needs of the Intelligence Community in these disciplines and it is hoped that other members of the community will eventually contribute their expertise—and resources—to ensure its success.

In response to another USIB requirement, the OS acts as the executive agent and operates the Inter-Agency Training Center. This facility provides personnel of USIB agencies (including CIA, of course) training in the current and advanced theories, procedures, and equipment used in audio countermeasures (ACM) activities. This program is operated by two staff and seven contract employees at a cost of approximately one quarter of a million dollars annually.

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*f. General*

The training enumerated above is among the larger and more costly programs, but do not represent the total effort by any means. OTR has recently pioneered a self-study program to assist employees. Most of the subject matter at this point concerns management topics, but it is hoped to expand the selection available. An off-campus program has been instituted under the auspices of the University of Virginia. Agency employees, accredited by the University, teach these classes for academic credit on Agency property after duty hours with the costs absorbed by the Agency.

One element of OTR, the Intelligence Institute, develops and conducts courses of the core curriculum which have as their main objective the expanding of knowledge and perspective of attendees about the Agency, the Intelligence Community, and the various factors which impact upon the intelligence profession. These courses include the Senior Seminar for upper level employees, the Midcareer Course and the Advanced Intelligence Seminar for middle-level officers, and the Intelligence in World Affairs Course for new Agency professionals. Area training includes the China Familiarization Course, the Latin American Area Seminar, and such ad hoc courses as are needed to meet specific requirements.

At the other end of the spectrum is OTR's Functional Training Division which, as the name implies, is responsible for the development and conduct of skills training programs (except those given at the DTS). Subjects covered include Collection, Intelligence Research, Intelligence Production, Communications Skills (effective briefings, writing and reading), Information Science, Management, Supervision, Administration, and Clerical skills training programs.

In addition to the OTR and OC training responsibilities, other offices in the Directorate also provide training. The OMS provides courses in first aid and life-saving techniques. The Office of Joint Computer Support (OJCS) presents classes in the mechanical and language techniques pertaining to computers.

One final comment concerning the role of the Training Officer is in order. Each major component of the Agency has an appointed Training Officer. Usually these individuals handle training matters in conjunction with a myriad of other duties. Efforts are underway to upgrade the role of the Training Officer with the ultimate goal of each major component having one officer whose sole function is to monitor the training needs of the members of his component.

*6. Medical*

The medical function is one of the few that is performed *in toto* by a single office within the Directorate—the Office of Medical Services (OMS). This Office predates the formal establishment of the Agency having evolved directly from the medical element of the SSU. OMS also has the distinction of having had the same director since its inception in 1947, Dr. John Tietjen. The basic legal authority for the Agency Medical Program is PL 79-658 which authorizes the establishment of health service programs in Federal agencies. Basic authority for the extension of the program to overseas locations came with the CIA Act of 1949. The Agency Medical Program provides medical support for Agency activities at Headquarters, [REDACTED] and at over-

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seas locations. As a career service, [REDACTED]

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a. *Conventional Health Services*

A Clinical Division within OMS is responsible for the traditional preventive medicine effort and includes first aid, health education, health inspections, occupational health, and certain types of physical examinations such as fitness for duty and medical disability retirement. For several years a Consultative Services Program for employees has been operative. In this strictly voluntary program, an employee may request and receive professional advice and assistance in personal and family problems.

A new clinical program was initiated in October 1973 whereby employees who are not seen for physical examinations on any recurrent basis are provided medical screening tests and a following physical examination when indicated. This program, called the Multiphasic Testing and Periodic Health Examination Program, has proved popular and during the first six months of operation screened a total of [REDACTED] individuals. A number of abnormalities have been uncovered such as hypertension, diabetes, and even tumors, none of which were suspected by the examinees.

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The bulk of the physical examinations are performed by the Selection Processing Division. All applicants for employment receive physical examinations prior to or upon entrance on duty and must meet Agency standards for employment. Prior to certain personnel actions such as overseas assignment, return from overseas assignment, overseas TDY, and special training, the health of an employee is reviewed and, when indicated, another physical examination is given. Supergrade employees are given complete physical checkups on an annual basis. Dependents accompanying employees on overseas assignments are also examined prior to movement and this unit also provides all immunizations for employees and their dependents prior to movement overseas. OMS budgets for and coordinates the examination of individuals [REDACTED]

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[REDACTED] In specialized cases when outside consultation is deemed necessary, the Agency employs the services of such consultants.

In conjunction with the purely physical examination, all applicants are evaluated for their emotional stability. Certain assignments, because of their sensitivity or hazardous nature, require that the nominee be given a psychiatric evaluation in addition to the routine physical examination. The Psychiatric Staff provides clinical assistance to employees on request and fulfills the professional role in Agency activities such as the Alcoholic Rehabilitation Program and the Drug Abuse Program.

A drug display devised by this Staff won recognition from the AMA at its convention in 1972. Programs have been started to assist interested groups of employees who want to lose weight and also those who want to stop smoking.

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A Psychological Services Staff complements the work of the psychiatrists in the area of professional testing, assessment, and evaluation for professional applicants and employees. Assistance is available to management in employee attitude surveys, selection of candidates for new assignments, and selection of potential managers.

Attitudinal surveys have been conducted on a limited scale in the past but thought is being given to producing a massive survey designed to assess the average employee's feelings about his/her job, opportunities for advancement, and other such areas to assist the MBO program. The staff psychologists

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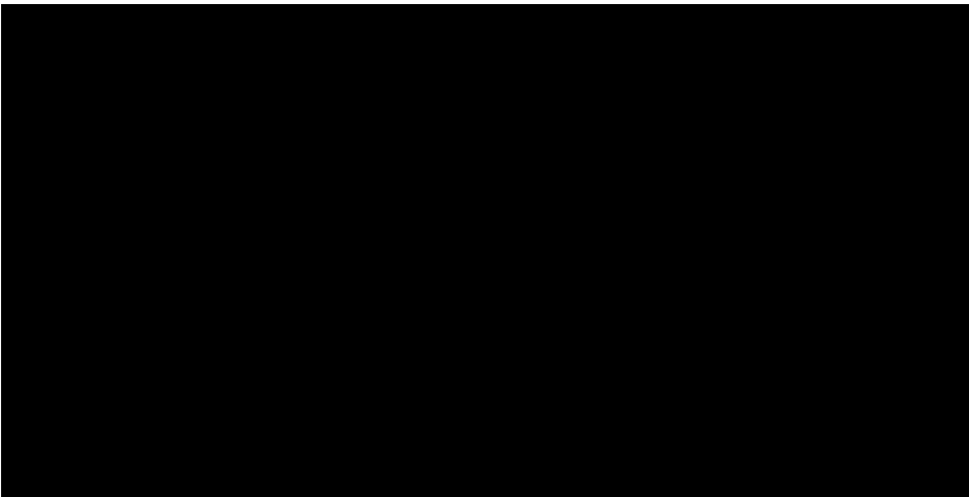
Behavioral and Social Sciences. This has as its purpose the enlightenment of Agency management to the expertise and developments in this dynamic field.

*b. Support to Operations*

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The [redacted] RMO's mentioned above are deeply involved in this support and an Operations Division exists within the OMS for this purpose. Describing this function is difficult for the tasks, whether overseas or at Headquarters, are so varied and depend almost entirely upon the particular needs of the Operations Directorate. Matters such as coordination of overseas hospitalizations, medical evacuation, and other typical medical problems which confront organizations with a large population of employees and their dependents residing overseas are handled routinely.

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*7. Computer Support*

The trend in computer support is towards centralization rather than decentralization. This Directorate's Office of Joint Computer Support (OJCS) is responsible for providing computer services to satisfy the Automatic Data Processing (ADP) requirements which are handled centrally as services of common concern. While the policy on computer services favors consolidation of

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computer equipment and personnel in OJCS, it does not preclude other components having computers when it is clear that a special operational responsibility warrants separate facilities. The DDS&T has, in its Office of Elint and at the National Photographic Interpretation Center (NPIC), organic computer capabilities. This Directorate's OC also has a dedicated computer capability used for message switching. Indicative of the trend towards centralization is the increase in both manpower and money in FY 1975. OJCS staff positions will be increased from the FY 1974 level of [REDACTED] to a new total of [REDACTED] with a corresponding increase in the budget [REDACTED]. Much of this increase will occur from acquisition of the DDO's computer center, consisting [REDACTED]. In November 1973 a similar consolidation between OJCS and the DDI's Central Reference Service resulted in a savings estimated at [REDACTED] personnel positions.

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The OJCS Computer Center operates 24 hours per day, seven days a week. [REDACTED]

[REDACTED] computer applications support the scientific, intelligence, and management operations of the Agency. For example, programs such as mathematical modeling and simulation, analysis of scientific data for overhead reconnaissance, and analysis of antenna design support scientific endeavors. A number of programs dealing with topics such as order of battle information, analysis of foreign missile and space activities, and simulation of air defense systems support the production of intelligence.

Managers have taken cognizance of the variety of applications ADP offers. Routine functions such as payroll, stock accounting, personnel and training records and reports have long been automated. However, in today's atmosphere, the requirement is for sophistication and quicker response. In line with the DCI's expanding authorities and responsibilities a program concerning intelligence community resource allocations has been developed to assist the decision makers. In key areas such as finance and logistics, Data Access Centers (DAC's) have been (or are being) installed to implement the Management Assistance Programs (MAP), developed as a joint effort between OJCS and the office of prime concern.

Another trend, and a logical outgrowth from the policy and technology which gives users direct access to the computer, is the trend towards storing more and more data on-line so that it is immediately available to the user. In recent years, additional systems storage has been effective in a variety of forms—core memory, random access disks, and magnetic drums. Unfortunately, over 25,000 reels of magnetic tape and 400 disk packs are still used in the systems and accounted for in the OJCS tape and disk library. OJCS is developing a mass storage system (termed ORACLE) for storing a trillion bits of data on-line—two to three times the data stored in the existing tape library. This will become operational in FY 76.

An evaluation of the workload, by component, was conducted in January 1974. As could be expected, the DDA turned out to be the largest consumer

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of OJCS' services—42%. The next most voracious consumer of these services is the DDS&T which accounts for 32% of the workload. The remaining 26% was divided among the DDI (18%), DCI (7%), and the DDO (1%). With the acquisition of the DDO functions on 1 July 1974, these percentages changed and the DDO became a much larger consumer than heretofore.

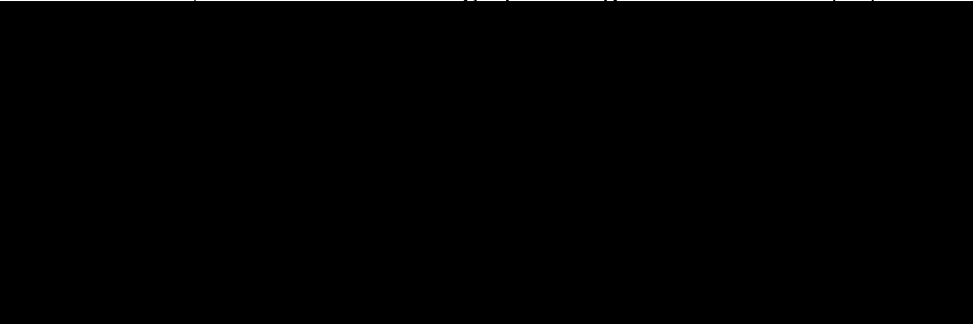
One of the basic problems in this field is keeping pace with the demand. Managers throughout the Agency have been encouraged to acquaint themselves with ADP applications and as their appreciation has grown, so too has the demand. Coupled with this is the need to replace as many manually performed functions as possible with the machine as the Agency personnel ceiling continues to shrink. Outside influences, often unforeseeable, impact on the system. Recently the requirement to make retroactive payment to employees and ex-employees for the seven pay periods spanning the period October 1972 to January 1973 translated into additional work. In short, even though the resources are being increased, it is not at all certain that the capability will match the demand.

#### 8. Finance

The finance function is divided between two elements in the Agency. The Office of the Comptroller is an autonomous unit reporting directly to the DCI. The comptroller function in the Agency is similar to that found in any other Government agency and concerns itself primarily with the budget, liaison with the OMB, and the allocation of funds to Agency components. This Directorate's Office of Finance (OF) performs the classic finance functions of accounting, disbursement, and, because of the unique mission of the Agency,

 The OF is one of the smallest of the Directorate's Offices (only the OMS is smaller) in terms of manpower and budget. Operating with a staff of just over 

 the OF is responsible for a wide variety of statutory functions. As one might expect, the payroll function is the largest single function of the OF. Here again the peculiar nature of the Agency's mission complicates an otherwise elementary function. Since a large percentage of the staff employees are



In addition to pay and allowances, the payroll unit also maintains leave balances for each employee. The current machine program has automated this function and each employee pay slip now includes a running total for both annual and sick leave showing balance at the start of the leave year, amounts earned and taken, and balance available as of the end of the pay period. The payroll function then is pretty much a routine matter, one that most people take for granted, but nevertheless a function of prime importance to the morale of the Agency as a whole.

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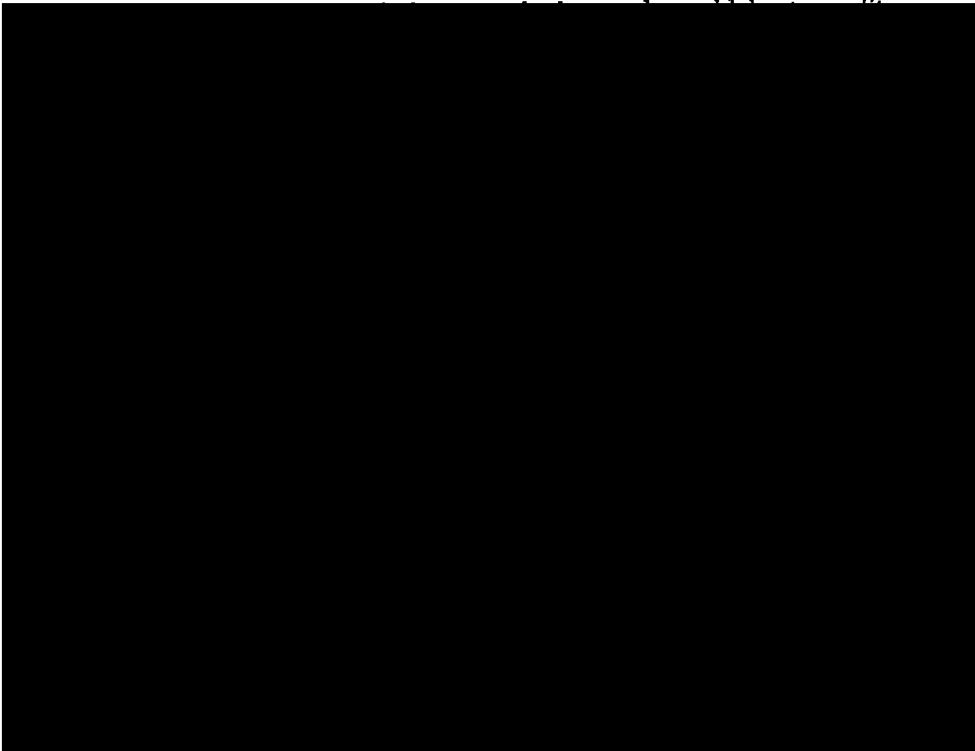
Another major statutory function is the operation of the Agency's accounting system. This involves the maintenance of official records reflecting the status, use, and accountability for all funds, property, and other assets (such as gold) for which the Agency is responsible. Since the Agency is not subject to audit by other Government entities such as the GAO, the OF (complemented by an independent Audit Staff which reports to the DCI through the Inspector General) must be extremely careful to ensure that all financial transactions are conducted in a legal—and ethical—fashion.

To assist the operating components, professionals from the Finance career service are assigned on a rotational basis as Budget and Fiscal Officers or as Certifying Officers. Major field stations are also provided with Finance Officers to ensure that support in this area is efficient, effective, and in consonance with the applicable financial procedures.

The OF and OL have developed a set of procedures for property accountability (FPA) which differs from that found in other Government agencies.

The audit function alluded to briefly in the foregoing paragraph is another split function. While the Audit Staff conducts annual audits of field stations and operating components, the OF is responsible for auditing the industrial and commercial contracts and is also responsible for prepayment audits of all claims and invoices. In the category of industrial contracts, the OF provides contracting officers and procurement personnel with financial information to enable them to achieve the maximum in services and materials at a minimum cost. End products are comprised principally of Survey Reports and Proposal Analysis Reports utilized by the contracting officer and by the Certifying Officer in final settlement of contracts. If the need arises, commercial auditors will be employed.

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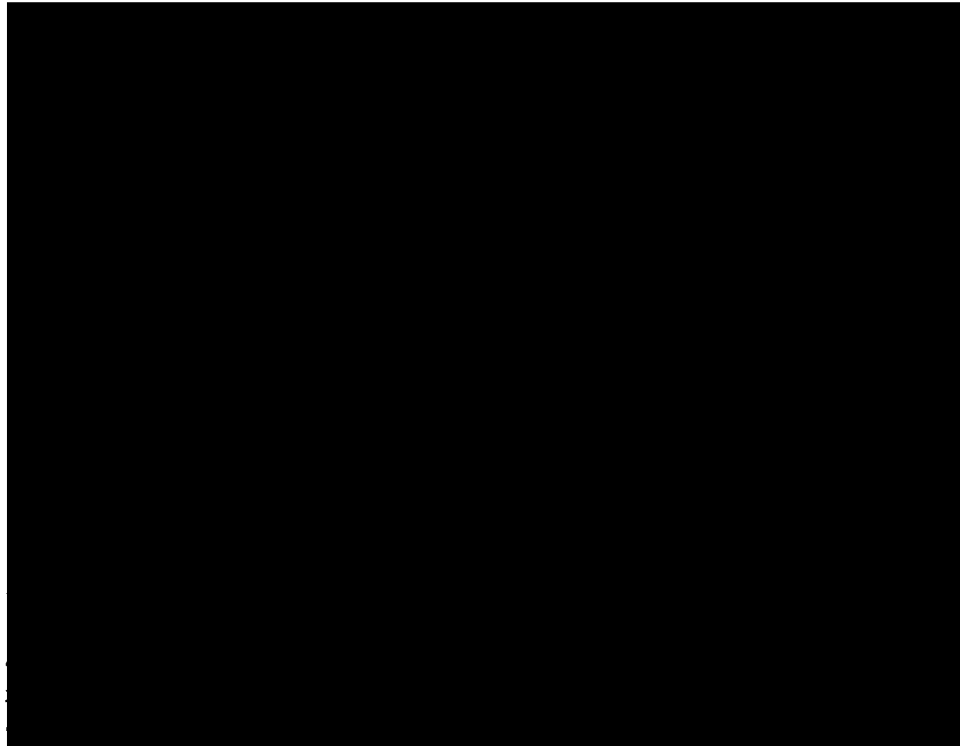


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In the section on Personnel, the Agency retirement system (CIARDS) was mentioned. Under terms of the enabling legislation, the DCI is charged with the administration of the system. Authority has been delegated to the OF to maintain financial records and compute and pay amounts due the annuitants and survivors. A concomitant responsibility is the management of the CIARDS investment portfolio. The workload involved in the function is a steadily increasing one because the number of retirees under this program continues to grow.

9. *Staff Functions*

The Staff of the DDA has recently been reorganized to add two Assistants, one for Resources and the other for Information. In addition to these two Assistants, there is a Special Assistant to the DDA for DDO matters and an Executive Officer. There are also five staffs; Historical Staff, the Information Systems Analysis Staff, the Information Review Staff, the Career Management Staff, and the Planning Staff.

a. *Executive Officer*

The Executive Officer performs the vital function of managing the flow of paper which concerns the Office of the DDA, assigning action requirements upon staff elements or the offices of the Directorate, establishing suspense dates and monitoring those dates and serving as a general aide-de-camp to the DDA and the ADDA.

b. *SSA/DDA*

This is a small staff consisting of two officers and two secretaries which serves as the bridge between the DDA and the DDO. The staff was established in the early 1950's as noted earlier in discussion of the relationships

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between the DDO and the DDA. It serves to keep the DDA advised of those DDO operational problems which impact upon the DDA and likewise to ensure that the quality of support from the DDA elements to the DDO remains at a high level.

c. *Assistant for Information*

This is a newly created position which has general oversight responsibility for all of the information elements of the DDA staff: the Information Systems Analysis Staff, the Information Review Staff, and the History Staff. This position serves as the overall Agency focal point for matters affecting the Agency under the amended Freedom of Information Act of 1974 and the Privacy Act of 1974. As such, the position is responsible for the development of Agency policy with regard to public release of Agency information.

d. *Assistant for Resources*

This position, likewise a newly created one, is responsible for the formulation of recommendations to the DCI relative to Directorate policy on its utilization of resources. In addition to the normally considered resources available to the Directorate of manpower and money, the position also serves as the ADP Data Base Manager for the Directorate.

e. *CIA History Staff*

This element has existed in various modes during the past few years. It was primarily responsible to the DCI, but in 1973 it was determined that the DCI's span of control was stretched too far and thus responsibility for this staff was transferred to the Directorate. It is a small staff (scheduled to be reduced from 7 slots in FY 1975 to 2 slots in FY 1976) with a big job. For a number of years the various components concentrated on producing component histories and narratives of special projects. The problem was both a lack of centralized control and the establishment of a firm list of objectives. This problem has been rectified in the past year. Decisions have been made to allow the component histories to languish. The Agency Management Committee has received and approved a list of topics about which histories will be completed. This list



The Staff, of course, lacks the personnel, and in some instances the expertise, to actually write all the histories. Money has been budgeted to pay for consultants, usually retired Agency employees with an intimate knowledge of the subject matter. Security considerations place certain limitations on the hiring of consultants from outside the Agency "family." A major problem facing the Staff (which will be shared by the IRS) is in the area of declassification. In today's environment there appears to be an almost paranoid demand that the Government "tell all." It is also true that the Agency has had some impact on the conduct of foreign affairs and no recitation of the U.S. Government's activities in the foreign field could be considered complete without a knowledge of what contributions were made by the CIA. Publication of the "Pentagon Papers" gave the public the first real appreciation of the role played by the Agency at the national policy-making level and subsequent revelations seemed to have whetted

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appetites for more. It is anticipated, therefore, that some of these histories, or portions thereof, will ultimately see the light of day.

f. *Information Systems Analysis Staff (ISAS)*

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This Staff is a relatively [REDACTED] personnel. It is responsible for the development and execution of an Agency-wide plan dealing with all aspects of information management other than that information which is processed through ADP. Included in the areas of concern of this Staff are copiers and duplicators, word processing centers, filing equipment and filing systems, micrographics, the operation of the Agency's Records Center and Archives, and the provision of the Directorate Records Management Officer. [REDACTED]

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Aside from the mechanical filing and storage function, ISAS also is the repository of expertise in the area of records management. Many aspects of this function are statutory in nature. The personnel in this field review existing procedures and systems and, where appropriate, recommend improved methods and equipment relating to the management of forms, correspondence, file systems, records control, vital records, filing and storage equipment and copier and word processing equipment. All requests for the purchase or rental of copy machines must be approved by ISAS and the staff also conducts a vigorous program designed to reduce the number of forms in use throughout the Agency. Any request to produce a new form is therefore closely scrutinized before it is accepted into the system. The proliferation of copy machines has likewise caused concern. The rental costs (currently running \$2 million a year)—the paper consumption—are becoming critical factors. ISAS has begun a pilot program to establish machine rooms. If successful, machines will be withdrawn from individual offices and consolidated into such rooms. While the program would result in some inconvenience, it could also reduce the number of machines needed to accomplish the reproduction task.

In conjunction with the records management program, the Staff also functions as the Agency's micrographics expert. Four staff and one consultant provide expertise to this body and their endeavors are concentrated on evaluating proposed micrographic applications, coordinating micrographic programs on an Agency-wide basis, and approving requests for procurement of equipment. A major aspect of this function is to publicize the benefits that can accrue to users of a sound micrographics program and to then render assistance in establishing programs for individual offices. In this manner it is anticipated that a savings in file space and a corresponding increase in efficiency will result.

g. *Plans Staff*

The Plans Staff provides staff guidance on the preparation of plans, programs, and budgets. Basically, the staff prepares the Directorate Programs and Budgets and coordinates these with the Office of the Comptroller. Plans Staff monitors the execution of all Directorate Programs and Budgets and is responsible for recommending the allocation or reallocation of resources within the Directorate. The Chief of the Plans Staff has been designated as the Directorate's MBO Officer and as such coordinates the many objectives meetings and acts as the catalyst for the MBO program.

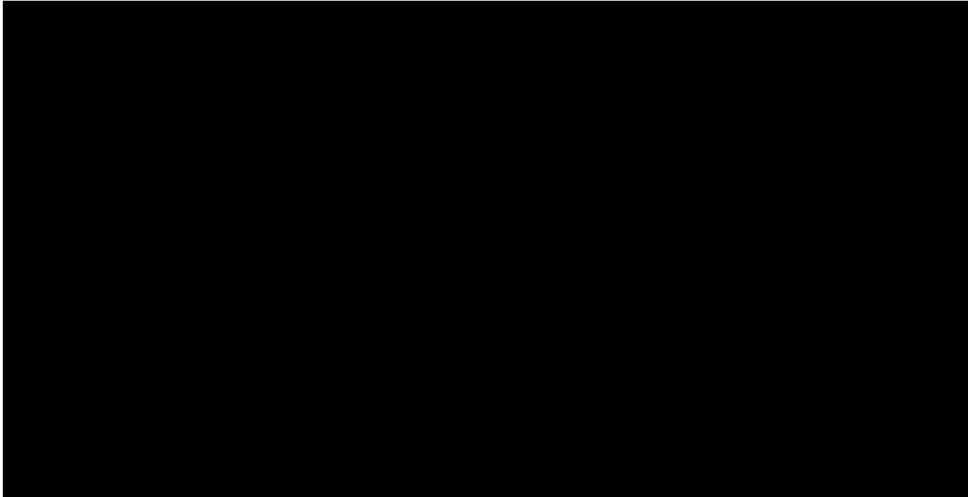
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*h. Career Management Staff*

The Career Management Staff is responsible for the preparation of policy and making recommendations concerning the training, assignment, rotation, and promotion of DDA careerists. The Staff also acts as the focal point for a variety of personnel matters affecting the Directorate and assists in the implementation of the EEO program.

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*j. Information Review Staff*

This Staff is the most recent addition to the immediate support structure to the Deputy Director for Administration. It was created specifically in response to the amended Freedom of Information Act. Originally, the major element of this Staff Declassification Program Branch was part of ISAS. The emphasis given to information access by Congress in 1974 made it quite apparent that when the newly amended Freedom of Information Act became effective on 19 February 1975, this Agency would receive a large number of requests for access to classification information. Prior to 19 February 1975, the Agency had been receiving requests under the authority of E.O. 11652 at a rate of approximately one a day. The anticipated impact plus the very stringent time requirements of the Freedom of Information Act made it advisable to establish a new organization which could focus its entire attention upon requests coming from the public. The Staff began with an authorized T/O of five and a population of eight. Since then, the need for 1 additional person has developed. As a result of Presidential Commission and Congressional Committee reviews the rate of requests for information is far higher than originally anticipated and is presently approximately 50 per day.

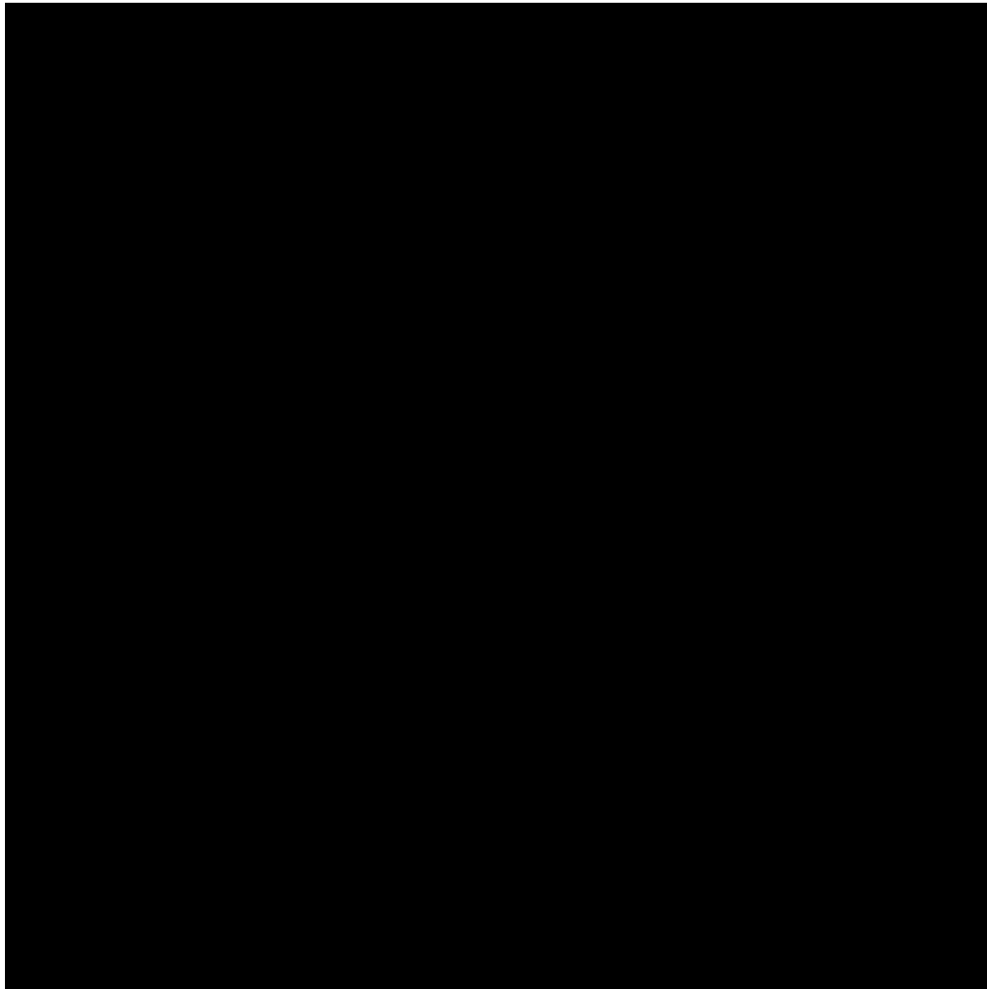
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#### IV. Objectives

During the discussion concerning the management philosophy of the Directorate, the MBO program was stressed. Part of this program is the identification and accomplishment of the designated objectives. Probably the most difficult part is to determine exactly what should become an objective. Once this has been accomplished, it becomes a matter of assigning the resources required and ensuring, through active supervision, that the objectives are accomplished. Subparagraphs B and C below contain the primary objectives outlined for this Directorate. These have been submitted to the DCI and the DDA, as appropriate, and periodic management meetings are held to discuss the progress, or lack thereof, of each objective. The matter of the [REDACTED] is a separate one from the objectives schedule established under MBO, but of such importance to the Directorate that its inclusion in this discussion was deemed appropriate.

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the dissolution of the company. The problems associated with these activities are complex and subject to rapid changes. It is recommended that those readers with a vital interest in this subject contact the [REDACTED] for the current status of this objective.

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*B. DCI Level Objectives—FY 1975*

At the DCI level, there are a number of objectives for which the Directorate is responsible such as:

1. All Offices and special staff sections of the Directorate are to develop during FY 1975 a system to provide an efficient costing methodology applicable to users of the services provided by the Office/Staff. The goal is to make users aware of the cost of such services rather than to have them actually budget for the services.

2. During FY 1975-76 undertake the upgrading and expansion of the Agency secure voice system, particularly in the Washington Metropolitan area. This effort will include an investigation of alternatives, developing cost/benefit analyses for each, with a recommended course of action for management consideration. The ultimate goal is to provide a secure voice instrument of each officer's desk. (OC)

3. During FY 1975 and again in FY 1976, plan for a 20% increase in computer processing workload; a 5% increase in computer personnel resources; and a 10% increase in computer capital equipment resources. (OJCS)

4. By 31 January 1975, have the planned Data Access Centers (DAC) (Headquarters, Ames, and Key Buildings) ready for operation. (OJCS)

5. Put into full operation by 1 January 1976 a mass storage system (ORACLE) for storing at least 200 billion bits of data on-line. (OJCS)

6. Conduct a thorough study during FY 1975 (e.g., political, economic, and environmental impacts) on the consolidation of Agency Metropolitan Washington holdings (except NPIC) at Langley. Present recommendations by 31 March 1975. (OL)

7. Implement, by the end of FY 1975, the Annual Personnel Plan (APP), as revised based on FY 1974 experience, whereby the planning data presented in the Directorate APP's effectively portray advance personnel management; provide a sound basis for advance Administrative Directorate planning; and permit the evaluation of the effectiveness of personnel management implementation within the Agency. (OP)

8. Extend, by the end of FY 1975, the Personnel Development Plan (PDP), as revised based on FY 1974 experience, to include personnel development planning for all professional employees down through grade GS-09 level. (OP)

9. Install by the end of FY 1975 an access control system (badge machine) to further reduce the possibility of unauthorized entrance to the Headquarters Building and ultimately save approximately \$56,000 per year in guard costs. (OS)

10. Develop by 30 June 1975 a comprehensive plan which identifies ways of improving the physical security of the Headquarters compound through

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the location or development of a family of superior perimeter alarms, low light level closed circuit TV's and a system for the automated control of passenger vehicle entry. These security devices should achieve a resource savings through reduced building security requirements for interior vault construction and security containers. (OS)

11. By 31 March 1975, have devices which will provide the principal physical security safeguards using secure doors, locks, and safes in lieu of erecting masonry walls in future construction (after 1 April 1975) of secure areas in the Headquarters Building. (OS)

12. Develop, in conjunction with the Office of the Comptroller, a program by the end of FY 1974 and orient in depth by the end of FY 1975, all Agency Operating Officials and their key line managers in MBO as applied by the Agency, allowing for Directorate variance in the use of MBO. (OTR)

13. Develop by 30 June 1975 a curriculum of accounting, budgeting, and financial management courses tailored to Agency requirements with initial offerings to be made in the first quarter of FY 1976. (OTR/OF)

14. Manage Agency utilization of copier/duplicator equipment including rentals and supplies to achieve an overall cost reduction of eight percent (measured in terms of 1974 dollars). At the same time, identify and quantify the users of such equipment and from this data, devise an equitable and efficient costing methodology applicable to the users. These goals will carry forward into FY 1976. (ISAS)

15. By the end of FY 1975, establish three experimental Word Processing Centers in the Metropolitan Washington area. During FY 1976, evaluate the costs and benefits of the WPC's (essentially clerical pools) and present recommendations on the future utilization of WPC's by 30 April 1976. (ISAS)

*C. Deputy Director Level Objectives—FY 1975*

1. Beginning in FY 1974, undertake the automation of the Headquarters cable dissemination function. For the current and next two fiscal years, the

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2. Should the Congress so act in FY 1975, develop plans for conversion to the metric system within six months after enactment of legislation.

3. Complete actuarial evaluation of CIARDS before 30 June 1975. (OF)

4. Implement payrolling productivity improvement program as follow-on to work measurement techniques developed in FY 1974. (OF)

5. Complete compilation and publication of a "Decision Digest" comprising significant policy decisions by the Director of Finance, General Counsel, Comptroller General, and other management officials which relate to general financial entitlements of employees. (OF)

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7. During FY 1975 identify the areas in which the scope of Commercial Systems Audit Division (CSAD) pre-award and post-award contract audit services should be modified or expanded to meet the needs of Agency procurement officials; establish methods of providing CSAD with periodic feedback on the value of services provided and suggestions for further improvements. (OF)

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9. Study and assess raw and/or finished product materiel shortages within industry to identify actual or potential shortage areas which have impacted on or may impact on materiel requirements essential to Agency operations, and develop plans and alternatives for meeting Agency materiel needs to alleviate short supply situations during FY 1975-FY 1978. (OL)

10. Continue the analysis of energy resource requirements, revise and redesign conservation measures as necessary to assure the Agency is totally committed to the President's energy reduction program and that essential operations are not hindered during FY 1975-FY 1978. (OL)

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11. By 30 November 1974, present a report of the first year impact on all Agency facilities, travel, transportation, etc., [REDACTED] of the energy crisis. (OL)

12. Plan during FY 1974 in consultation with the Directors of Personnel and Training and other Agency elements as appropriate, and be prepared to service four to six requests during FY 1975, such as the establishment of an assessment program for the identification of potential managers; an executive development program for future managers; surveys of the employee population to determine perceptions, attitudes, satisfactions, etc.; and offer assistance as required to the individual career services. (OMS)

13. By the end of FY 1975, with the assistance of the DDA, utilize the Assessment Center technique to identify future leaders/managers in one Office (division in the DDO) of each Directorate. (OMS)

14. By 30 June 1975, with the aid of the OMS BSS program, develop procedures—including appropriate "sensing devices"—for assuring that the present fluid nature of behavioral norms in our society is appropriately considered in the selection of new employees. (OMS)

15. Through the auspices of the BSS program, arrange for the CIA Management Committee to examine some aspects of the Agency's subculture during FY 1975. Areas to be considered are: (1) to examine the impact of technology, especially computers, on the way people work and the resultant impact on Agency effectiveness; (2) to conduct a study as to whether or not there will be problems in preparing the Agency to accept minorities; (3) to conduct a study to determine the effect of anonymity on Agency personnel; and (4) to examine the psycho-

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(OMS)

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16. During FY 1975 review all career service APP's when completed to determine that career services' Black professional goals are consistent with DCI goals; advise management of inconsistencies. (OP)

17. By 31 December 1974, in conjunction with OS and OMS, reduce the pre-employment process to less than 60 days for high priority and minority applicant cases. (OP)

18. In the absence of any currently developed and superior mechanical alternatives to the polygraph, to complete during FY 1975 a study of the impact of a Congressional prohibition on the use of the polygraph and develop possible alternatives to the polygraph as an investigative tool. (OS)

19. Complete during FY 1975 a study of the gasoline shortage and other aspects of the energy crisis on present field investigation and operational support methodology and develop possible alternatives. (OS)

20. During FY 1975 actively participate, wherever possible, in a national level review of statutory and regulatory requirements for clearance actions and to review all procedures in the investigative and appraisal areas to assure continued high quality effort designed to improve the security of classified information through the security of classified information through the personnel security selection process, and to identify, study and qualify all possible avenues to further streamline procedures in order to realize best possible efficiencies and economies. (OS)

21. During FY 1975 explore, in conjunction with ORD/DDS&T, means of preventing the unauthorized xerographic reproduction of classified materials. (OS)

22. Establish a Media Center in the Headquarters Building by the end of FY 1975, contingent upon the acquiring of space, to provide facilities for the Self-Study Program, the University of Maryland Instructional Television Network program, the Language Laboratory, and OJCS Self-Study Program, and related programs. (OTR)

23. By the end of FY 1975, conduct a conclusive study of the cost effectiveness of maintaining [REDACTED] (PMCD/OP to aid in evaluating staff and contract positions.) (OTR)

24. Establish a stringent forms review program to eliminate duplicate or redundant forms. The goal for FY 1975 will be to reduce the forms inventory by five percent while simultaneously increasing the use of standard forms by two percent. These same goals will carry forward into FY 1976. (ISAS)

25. By 31 March 1975 complete a study and present a recommended solution and alternatives regarding the problems of the current Agency correspondence system. (ISAS)

26. During FY 1975 review declassification procedures for Agency histories against the contingency that we may be required to release some histories, sooner rather than later. (HS)

27. In FY 1975 establish a small, unclassified reference room of reading and mementos for general Agency use.

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D. DCI Level Objectives—FY 1976

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1. By 30 June 1976 convert 10 additional high-frequency field stations to [REDACTED] operation. (OC)
2. Install and activate by 10 November 1975 a secure voice trunk switch to interface the Headquarters Area Agency secure voice system with the overseas system and with the systems of other agencies. (OC)
3. By 31 May 1976 complete the installation and acceptance of the Headquarters Cable Dissemination System (CDS). (OC)
4. As part of the Imagery Transmission System (ITS) program, procure a switched wideband secure distribution system using high resolution photographic quality facsimile terminals to support the Intelligence Community imagery transmission requirements. (OC)
5. Complete by 31 December 1975 development and, by 30 June 1976, implementation of the General Accounting System (GAS). (OF)
6. By 30 June 1976 complete development and implementation of revision of the payroll system to accommodate requirements of the Fair Labor Standards Act as it relates to employees eligible thereunder for additional overtime payments (FLSA). (OF)
7. Put into operation by 1 January 1977 a mass storage system for storing at least 200 billion bits of data on-line (ORACLE). (OJCS)
8. SAFE. Define, design, and bring into operation a reliable and expandable on-line data processing system to facilitate the Intelligence Analyst's access to and use of intelligence data so that the quality and timeliness of intelligence information can be improved. By 30 September 1976 the objective is to complete the design, specifications, and RFP for the initial complement of equipment and software. (OJCS)
9. Complete development, programming, testing, and implementation of a new General Accounting Computer System (GAS) for the Office of Finance by June 1976. (OJCS)
10. By June 1976 develop a system to provide management and administrative information about Agency funded contracts negotiated by the Office of Logistics' contracting teams. Also to provide automated invoice processing in support of OF/C&L, and to support OF/CSAD's contract auditing activity. (OJCS)
11. By June 1975 implement for the Office of Security an automated system (SPECLE II) for query of status of special clearances for the intelligence community. (OJCS)
12. By 31 December 1975 complete and report on an analysis of competitive procurement actions being undertaken by the Agency to determine the causes of the large number of "no bids." (Among the possible causes to be

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analyzed are: poorly formulated requests for proposal, improper bidder lists, deliberate attempts by technical or contracting officers to influence competition, unsatisfactory contractor experience with the Agency, or contractor reaction to the Agency's negative press.) (OL)

13. By 30 June 1976 prepare a status report for the DCI evaluating the effectiveness of each Directorate's personnel management based upon implementation of PASG. (OP)

14. By 30 June 1976 provide the DCI an evaluative study of cost-effectiveness of Agency personnel administration along with such recommendations as may be appropriate. (OP)

15. By 30 December 1975 complete a study of current Agency policies, rationale, techniques, responsibilities and decision processes as related to the Agency position management and classification function in terms of Agency manpower management, utilization and control programs. Such a study will include comparative reviews of approaches used elsewhere in the Federal government, local government and private organizations. From this study develop recommendations relative to the conduct of the functions within the Agency and proposals for suggested changes to improve the effectiveness of Agency manpower management, utilization and controls to best serve today's Agency requirements and responsibilities. (OP)

16. By 30 June 1976 implement PERSIGN and STAFFING. (OP)

17. By 1 December 1975 prepare and submit to the DCI a Consolidated Agency Report of the Career Service FY 1976 APP and PDP. The report is to include an analysis of the FY 1975 achievements and a review and evaluation of the FY 1976 goals and projections. (OP)

18. By 30 June 1976 implement General Archives Project (GAP), capable of overnight response. (OP)

19. By 31 December 1975 complete a study and propose a plan to reduce by at least 10% the total volume of Office hard-copy records as measured in the FY 1975 Records Management Inventory. Such reduction would be carried out by identifying types of material that must be permanently collected and by identifying for destruction duplicate and other unnecessary file material so that its legal destruction could be accomplished as soon as authorization was granted following the conclusion of current investigations of Agency activities. (OS)

20. Install and have operational in the Headquarters Building, by 30 September 1976, the Security Access Control System. (OS)

21. Complete the development and implement by the end of FY 1976 a program of training for Intelligence Analysts. (OTR)

22. Working through the Records Management Officers, by 30 June 1976, reduce each of the following inventories by 10%: (a) Safes and other records storage equipment in use as of 1 July 1975; (b) Records holdings in office space as of 1 July 1975. (ISAS)

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23. By 30 June 1976 reduce by 5% the cost of rental and supplies of Agency copier/duplicator equipment calculated in terms of 1975 dollars. Measure in constant 1974 dollars from 1975 base. (ISAS)

24. During FY 1976 review for current relevancy all regulatory issuances dated 1970 and earlier, and by 30 June 1976, complete and publish all necessary revisions to such issuances. This objective will carry forward into FY 1977 for all material dated 1973 and earlier. (ISAS)

25. By 30 June 1976 establish an additional Word Processing Center in an Office of the DD/A. (ISAS)

26. By 31 March 1976 identify Agency file systems maintained on U.S. citizens and those foreign nationals covered by the Privacy Act; determine criteria for establishing, maintaining and discontinuing such systems. By 30 June 1976 evaluate criteria and make recommendations for improving procedures. (ISAS)

*E. Deputy Director Level Objectives—FY 1976*

1. By 30 November 1975, complete all preparatory work for AFT and enter into a contract for up to 5 terminals. Contingent upon vendor delivery schedules, test and evaluate the first system by 30 June 1976, and install the first system overseas within 60 days of factory acceptance. As part of the AFT development, determine the most feasible way of interconnecting AFT with Headquarters computer data bases. (OC)

[REDACTED]

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3. By 31 March 1976 complete pre-construction processing and begin installing a sprinkler system and heating, ventilating and air conditioning (HVAC) suitable to assure proper humidity and temperature control of areas storing Agency records and archives, [REDACTED]

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4. By 30 September 1975 develop preliminary planning with the Corps of Engineers for the construction of a [REDACTED]

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5. Complete actuarial evaluation of CIARDS. (OF)

6. By 30 June 1976 complete development and implementation of the Contract Information System with a capability for computer assistance processing of contract invoice payments (CONIF III). (OF)

7. By 30 June 1976 complete system enhancements to facilitate timely input of commitments and accommodate OL desired ICS modifications impacting on automated PRA procedures. (OF)

8. By 30 June 1976 develop additional EDP training courses for presentation to OJCS user components to facilitate user interface with OJCS equipment and software. (OJCS)

9. By 31 October 1976 provide a processing system to help COMIREX manage the collection and exploitation of intelligence. (OJCS)

10. By 30 May 1976 complete contract award for procurement of computer software, hardware and graphic display terminals in support of OWI and OEL Basic Telemetry and Radar Analysis. (OJCS)

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11. Eliminate unnecessary or marginal computer reports and services by conducting an annual review of ongoing computer jobs with user components. The desired result from this activity is a saving of \$500,000 in annual service charges for FY 1976. (OJCS)

12. By 30 November 1976 complete reprogramming or phaseout of 14 computer jobs that currently require processing under the RCA 501 simulator. (OJCS)

13. Increase OJCS computer processing capacity so that the following production levels are available by the end of the fiscal year shown:

	FY-76	FY-77
Batch Processing (CPU Hrs/Day)	200	240
GIMS Production (Transactions/Day)	12000	24000
General Purpose Time Sharing (Concurrent Users)	140	225

14. By February 1977 complete the priority modifications to the Agency payroll system and conduct feasibility studies of OF requests for future modifications or enhancements. (OJCS)

15. Continue with the review, begun in FY 1974, of automated text processing systems and techniques and implement those which are approved. This review will continue through FY 1976 and FY 1977 and will involve technical reports and recommendations of consultants, equipment procurement approvals, and extensive coordination with other using components. (OL)

16. Conduct space audits throughout FY 1976 and FY 1977 to verify and/or correct the data in the CRAMS system and, in conjunction with those audits, program relocation projects to achieve the best utilization and most equitable distribution of available space. (OL)

17. Conduct a study to determine the feasibility of establishing a relatively

[REDACTED]

This study will be conducted in coordination with the [REDACTED] DD/O, the Office of Technical Service, DD/S&T, and the Office of Training, DD/A. Recommendations are to be provided to the DD/A by 31 December 1975. (OL)

18. By 31 December 1975 conduct a feasibility study on the incorporation of the Multiphasic Testing concept as a base for all current medical evaluation procedures. A successful study would permit the implementation of this program in FY 1976 at a rate compatible with progress in the computer support area. (OMS)

19. Continue the implementation of the Assessment Center concept within the DD/A and other Directorates as interested. (OMS)

20. By 30 June 1976 develop procedures including appropriate "sensing devices" for assuring that the present fluid nature of attitudes in our society is appropriately considered in the selection of new employees. (OMS)

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21. By 31 December 1975 refine and re-present a proposal that the CIA Management Committee consider the desirability of authorizing a study on Career Commitment in the Agency. (OMS)

22. Continue development of the counterterrorism program including: support and guidance to Agency employees and dependents, Agency components, and the Cabinet Committee Working Group; and preparation of guidelines for protective psychology and interdisciplinary research involving the study of terrorists, victims and negotiators. (OMS)

23. By 30 June 1976 review counseling programs and needs Agency-wide, pointing to a better coordination of present efforts and augmentation of capabilities where necessary. (OMS)

24. By 30 June 1976 in conjunction with OJCS produce computerized biographic profiles using the PERSIGN data base. (OP)

25. Implement completely by 30 June 1976 an Agency automated inventory system for the control of collateral Top Secret material. (OS)

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27. Develop and implement by 30 June 1976 new mechanisms for conducting covert investigations. (OS)

28. During FY 1976 the Center for the Study of Intelligence will further develop the program of research and study of the intelligence process; expand the discussion program and begin the publication program. (OTR)

29. During FY 1976 support the improvement of Agency MBO systems by conducting, with contractor support, a series of tailored MBO training courses. (OTR)

30. Decide on the continuation or termination of the on-duty, part-time language classes at Headquarters; if continued, acquire adequate classroom space in which to conduct the program. (OTR)

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31. Select ■■■ CT's for EOD during each fiscal year and assist in their training and placement. Two groups of approximately ■■■ CT's each will be brought on in April and September of each year. (OTR)

32. During FY 1976 determine the training requirements for selected categories of Agency employees and develop or adapt appropriate OTR training programs, including core courses, to fit their needs. (OTR)

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25X1A 34. During FY 1976, through the use of seminars and research projects, provide for further professional development among the faculty at the [REDACTED] which will contribute to the Operations Directorate doctrine, policy, and objectives. (OTR)

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35. In conjunction with Operations Directorate guidance, during FY 1976 restructure operations training at the [REDACTED] (OTR)

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36. Conduct a feasibility and cost study during FY 1976 of installing terminals, etc., for a data handling capability at the [REDACTED] (OTR)

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38. Establish a stringent forms review program to eliminate duplicate or redundant forms. The goal will be to reduce by 30 June 1976 the forms inventory by 5% while simultaneously increasing the use of standard forms by 2%. These same goals will carry forward into FY 1977. (ISAS)

39. By 30 June 1976 conduct feasibility studies for the conversion of one or more functions in two offices of the DD/A to micrographic technology. If the study indicates such conversion would be cost beneficial, design a conversion plan and implement it. (ISAS)

40. Devise by 30 June 1976 systems and procedures to develop and establish a series of positive indicators against which the significant program missions (functions) can be judged. (All Offices)

#### V. Internal Budgetary and Review Procedures

##### A. Reprogramming

Approval of the DD/A is required for any planned reprogramming of \$100,000 or more. Office memorandum requesting approval must include explanation for and purpose of the reprogramming.

##### B. Imminent Action

DD/A approval is required for any plans to commit \$100,000 or more in a single transaction. Approval should be secured at least five (5) working days prior to commitment date. Office memorandum should explain the requirement and why funds should be obligated at that time.

##### C. Management by Objectives (MBO)

Management by Objectives is a dynamic, internal review process used by the DD/A. It is a mechanism for tracking at the Deputy Director's level, broad goals considered to be significant to the DCI and the DD/A. Each DD/A Office Director also continues this process at the Office level. MBO is an important and innovative management technique being used by the DD/A, not only for review, but also as a problem-solving device.

The development of each fiscal year's MBO program in the DD/A begins early each calendar year when broad goals are developed by the various Offices. Each Office is then asked to submit for review their draft objectives regarding these goals. After a review and revision process which includes the DD/A, the Associate DD/A, the DD/A Executive Officer, the DD/A Assistant for Resources, and the DD/A Plans Staff, action plans are prepared for the agreed-upon objectives. The DCI also reviews the DD/A objectives. The DD/A coordinates with other Directorates those objectives which will impact upon them. Action plans which contain milestones and show the personnel and dollar resources allocated to each objective are developed following the review and approval of the objectives.

The objectives and action plans are reviewed during bi-monthly management conferences which enable the Office Director and the DD/A:

- (a) to review regularly the progress of the Office toward the achievement of its objectives;
- (b) to determine whether the established objectives continue to be a high priority;
- (c) to identify areas where corrective action is or will be necessary to meet a milestone or to achieve an objective;
- (d) to assign specific responsibility for carrying out the corrective action, and to ensure that such action is taken;
- (e) to evaluate the performance of the people responsible for the achievement of an objective in relation to meeting key milestones and achieving objectives; and
- (f) to discuss in a non-crisis atmosphere all areas of management concern.

For example, discussion might center on the need for reallocation of manpower or dollar resources, re-ordering of priorities within the Office, program budget execution to date, etc. Another important result of these bi-monthly management conferences is to provide a further means of communication for the Deputy Director and his Office heads. During the conference, items related or tangent to the objectives may be raised and assigned to a specific officer as an action item. Significant substantive revisions or modifications of objectives or actions plans are also raised for discussion during management conferences. Occasionally, budgetary changes, new legislation or new OMB or Agency initiatives require modification of Office objectives. In such cases, Office Directors submit a new statement of objectives to be added to the list of objectives for that Office or to be substituted for an existing objective.


Annual performance evaluations are required by each Office Director at the end of the fiscal year. In the evaluation each Office Director reports and comments on progress and shortfalls in the accomplishment of his objectives for the fiscal year. If an objective was not completed, the evaluation should include a brief statement as to why and the prognosis for its completion, including whether or not it is to be carried as an objective in the next fiscal year. At this point, the cycle has started again.



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VI. DIRECTORATE OF ADMINISTRATION BUDGET

FY 1976 Personnel and Funding  
(As submitted in Congressional Budget)

<u>Office</u>	<u>Ceiling</u>	<u>Funds</u>
O/DDA		
Security		
Medical		
Training		
Career Training Program		
Personnel		
Finance		
Logistics		
Communications		
Joint Computer Support		
GSA SLUC		
TOTAL		

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