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81-3816/12

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

July 15, 1981

J. KEITH KENNEDY, STAFF DIRECTOR
THOMAS L. VAN DER VOORT, MINORITY STAFF DIRECTOR

SECRET

Honorable William J. Casey, Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Director:

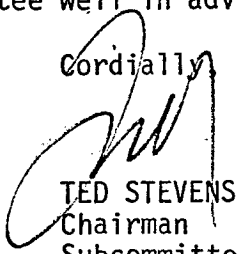
The Committee briefly reviewed your planned pay increase for overseas personnel during its recent CIA budget hearing, and I have extensively reviewed the various correspondence dealing with this matter that has flowed between your office and the various congressional committees concerned with CIA operations. Considering the lack of authoritative data on pay comparability and other information that should be an essential part of a decision on compensation changes, the implementation of a 9.6 percent pay increase would appear to be premature.

As I indicated at our budget hearing to Admiral Inman, a thorough pay comparability study by the Office of Management and Budget should be conducted to ensure that your decision does not continue this "leapfrog" pattern that has developed in compensation rates for federal personnel overseas. Meanwhile, any change in compensation approved under existing CIA authorities should be clearly labeled as temporary in nature or perhaps a bonus that would be subject to later revision based on findings of the pay comparability study.

The Committee will also require the Agency's estimates on the full year cost of this pay raise for Fiscal Year 1982 together with current plans for financing that cost. If the 1982 costs are to be absorbed in whole or in part, we will need details on what funds are being reprogrammed to accomplish this. We also need reprogramming data on the 1981 absorption.

I trust in the future that decisions affecting spending will be discussed with the Committee well in advance of any commitments.

Cordially,



TED STEVENS
Chairman
Subcommittee on Defense

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EXECUTIVE SECRETARIAT
Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	D/DCI/RM				
4	DD/NFA				
5	D/DCI/CT				
6	DD/A				
7	DD/O		X		
8	DD/S&T				
9	GC		X		
10	LC		X		
11	IG				
12	Compt	X			
13	D/PA				
14	D/EEO				
15	D/PPPM				
16	AO/DCI				
17	PB/NSC				
18	D/Pers		X		
19					
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22					
		SUSPENSE	21 July		
			Date		

Remarks: Please prepare reply for Admiral Inman's signature as Acting Director -- forward through OPP/LLR.

JBC
Executive Secretary