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had four major divisions: Inspection, Security, Special Security, and Audit.¹ With the shift of the Audit Division, in April 1951 (to become a separate office), the other divisions were continued and remained in that arrangement, as of March 1953.² In addition, the Security Office had three special staffs, by early 1953, for Administration and Training, Security Research, Alien Affairs,³ and Security Control, respectively.

¹ CIA Regulation No. 70, July 1, 1950, previously cited.

² Regulation R 1-140, March 20, 1953, previously cited.

³ The Alien Affairs unit had special responsibilities for a number of matters, including certain phases of the defector program. See DCI's staff conference minutes, Dec. 8 and 18, 1950; and Regulation No. 50-110, Jan. 26, 1954, all Secret.

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to continue to have charge of "all" the Agency's financial, personnel, and supply activities, as well as other support activities previously grouped under his predecessor.¹ In addition, the announcement called for a new, separate "division" for training (also under the Executive), charged initially with developing "a program of career training," with the expectation that "at a later date it will coordinate and supervise all training."²

With this re-establishment of the Executive's jurisdiction over both covert and overt administrative affairs in CIA, there was also some internal re-grouping of functions among the several administrative staffs under the Executive. The Special Support Staff (covert) and the Administrative Staff (overt) were discontinued, and their financial, personnel, and supply functions (divisions) were re-merged with the staff offices which had policy supervision over those three fields of administration; and those three senior staffs were, in turn, renamed. The Budget Staff, thus expanded, became the Comptroller's Office, the Personnel Staff became the Personnel Office, and the Procurement Requirements Staff became the Supply Office.³

¹ The only "staff" no longer under the Executive's jurisdiction by Nov. 15, 1950, was COAPS. COAPS, however, was not, strictly speaking, concerned with the Agency's internal administrative affairs, and was at the moment being reorganized and renamed as the Office of Intelligence Coordination; see Chapter III, above.

² Memorandum by McConnell, Nov. 15, 1950, cited above.

³ Ibid.

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to the DD/A, in several recommendations culminating in a study on November 17, that the two offices be united, under a "Director of Supplies and Services," with Ball himself as the Director.¹ This consolidation, as proposed, would leave the internal organization of the two offices essentially intact, however, except that a new Field Installations Division would be established (for constructing and maintaining domestic installations of various kinds). In addition, the Printing and Reproduction Division would be renamed simply the Reproduction Division, "in order to avoid competition with the G. P. O. [Government Printing Office]," Ball said. Furthermore, Ball proposed that the procurement components, in particular, should be expanded to provide for a number of "technicians from the electronics, small-arms, and ammunition industries," in order to make CIA "self-contained" and independent of the military supply agencies.²

This merger proposal was rejected by the DD/A, Walter R. Wolf, with a forceful directive, addressed to Ball personally on November 28, stating categorically that the Procurement and Administrative Services Offices each "will remain a separate and independent...Office," and that each chief will remain "responsible directly to me."³ While the DD/A indicated that he might entertain the possibility of changes sometime later, he would not make them "without the prior recommendation

¹ Ibid. Evidently anticipating the DD/A's formal approval of the merger, Ball was signing his correspondence "Director of Supplies and Services" as early as October 25, 1951. (Ibid.)

² Memorandum by Ball to DD/A, Nov. 17, 1951, ibid.

³ Memorandum by DD/A to Ball, undated (probably Nov. 28, 1951), in DD/S "O&M 5" file.

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and covert procurement, in particular, would be combined into a single Procurement Division, except for the several kinds of common services in headquarters (building maintenance, telephone service, motor vehicles, printing, etc.), which would be re-established in a second division, to be called the Services Division.¹ Two weeks later, on December 1, with the redesignation of the CIA Executive as the Deputy Director for Administration, the logistical reorganization was formally announced, with a slight change of nomenclature. The Procurement Division was left as named, while the Services Division was renamed the Administrative Services Division, and certain re-alignments of functions were crystallized.²

The new Procurement Division, headed by Andrew E. Van Esso, was made responsible for "all Agency procurement of equipment and supplies," excluding real estate and construction, which was transferred to the Administrative Services Division. Three major procurement branches were established, for Requirements, Contracts, and Supply, representing a consolidation of functions previously divided among the Procurement Requirements Staff, the Services Division (overt), and the Procurement and Supply Division (covert).³

¹ Ibid.

² CIA Regulation No. 70, Dec. 1, 1950, Secret, in CIA Records Center.

³ Ibid. Van Esso's appointment was listed in General Order No. 38, Dec. 1, 1950, Secret, in CIA Records Center. On Nov. 1, 1951, Van Esso was replaced by James A. Garrison. (See CIA Notice 69-51, Oct. 30, 1951, Confidential, in CIA Records Center.)

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There has to be an umpire some place, and no one, directly responsible for operations, should be his own final authority and judge in the utilization of funds and personnel.¹

The DCI also denied that the administrative group was dominating the operational and intelligence groups in CIA. He acknowledged that the administrative staffs did "advise" on policy matters, when financial, personnel, and other support problems were involved, but they had "no voice in...operational direction, guidance, and production, nor should [they] ever have."²

Theoretically, he said, the issue of administration vs. operations provoked a "never-ending argument," but as a practical matter CIA needed to achieve a workable solution:

The operating people would like to be given a lump sum for their operations and complete latitude with regard to numbers and grades of personnel, travel authorities, new projects, etc. The results of such action, without controls, is obvious--chaos....It simply cannot be done where government funds are involved....No agency, regardless of its nature, and emphatically one that handles confidential government funds, can possibly avoid such controls.³

Accordingly, the DCI decided to leave intact the reorganization of December 1948, apparently with the support of the Budget

¹ Ibid., p. 4.

² Ibid., p. 4.

³ Ibid., pp. 3-4.

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joint direction, were placed most of the principal administrative offices, including (as renamed) the Comptroller's Office, the Personnel Office, the Medical Staff, the Office of Training, the Procurement Office, and the Administrative Services Office.¹ The other three administrative officers were shown as exempt from this dual control, and responsible (instead) directly to the DD/A: the Assistant DD/A for Inspection and Security; the General Counsel; and the Advisor for Management.² One other office (the proposed Office of Communications) was by now (Jan. 4, 1951) omitted entirely from the DD/A's group, and presumably was once again to be left under OSO's jurisdiction, in the new DD/P group.³

These organizational arrangements for compartmenting administrative matters within the DD/A's group apparently did not achieve the goal of centralizing "all administrative support" in the Agency, as the reorganization of December 1950 had specified. At least no liquidation of the existing administrative staffs in OSO and OPC took place. On the contrary, there appeared to be a

¹ Ibid.

² Ibid. The status of only two of these positions (General Counsel and Management) was changed on the new chart of January 19, 1951. The Assistant DD/A for I&S had already had that position on December 1, 1950, according to the list of key personnel for that date (General Order No. 38), previously cited.

³ See below, pp. 54-59.

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CIA's Organization for Logistics
and Related Administrative Services, 1950-53

The Agency's material assets and requirements, like its manpower and money resources described above, involved internal administrative problems which were subjected to further management review and which led to reorganization during the period of General Smith's directorship. Between October 1950 and February 1953, there were no major jurisdictional changes in CIA's broad discretionary authority, previously defined by statute, to procure necessary operational equipment and other items of property, supplies, and related technical services. Nor were there any fundamental changes in CIA's relationships to other Government agencies on which it depended for a substantial part of its material resources. It was, however, a period of expansion for CIA's procurement and supply organization, as it was for the rest of the Agency. With this expansion there were a number of internal jurisdictional and organizational changes among those units of CIA's administrative group which had staff responsibility for providing for the material needs of the operational and intelligence groups.

As suggested earlier in this chapter, material resources remained one of the four principal ingredients of support (along with personnel, finance, and security) that were vital to CIA's operational and intelligence activities.¹ On balance, however,

¹ See Chapter X, pp. 3-14 above.

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policy, to the detriment of the latter."¹ To remedy this situation, the heads of the intelligence and operational offices should also be included as members of "the immediate staff of the Director," the Survey Group said.²

On the issue of covert administration, the Dulles Group urged that the clandestine offices be given "a great measure of autonomy as to internal administration, the control of their operations and the selection of personnel,"³ and criticized CIA's recent administrative reorganization (in September 1948) as "unsound and contrary to the principles advocated in this report."⁴ Specifically, it urged that administration for OSO and OPC (as well as for the OO Contacts Division) be separated from the Executive's group, and that the proposed covert administrative staff establish

¹ Ibid., p. 11. Elsewhere (p. 136) the Dulles report charged that "The Directorate [sic] has given positions of pre-eminence to officials who are primarily administrators yet exert policy control over the intelligence Offices without being qualified to do so."

² Ibid., p. 11. The DCI's "immediate staff" would include the heads of the four new non-administrative "divisions" (recommended by the Survey Group) as follows: Coordination, Estimates, Research and Reports, and Operations. (Ibid., p. 11)

³ Ibid., pp. 23-24.

⁴ Ibid., p. 32.

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control of its administration, he had found "duplication, inefficiency, and wasted effort," as well as frictions which required the personal efforts of himself and the AD/SO to "keep under reasonable control." He reminded the Director that the Executive's administrative branch chiefs were, after all, all fully cleared and trustworthy, and asserted that they were of "somewhat higher caliber" than OSO's administrative-service chiefs. He charged that the use of the term "operational security" by OSO and OPC was a subterfuge "to achieve covert autonomy."¹

The issue of centralized administration vs. covert autonomy was resolved, for the time being, in September 1948, by a reorganization which attempted to re-consolidate administrative support services under a single Executive for Administration. The reorganization order, dated September 14 and effective December 1, 1948,² provided for the merger of the Executive's staff offices and OSO's Administration and Services Staff into a single group of divisions for personnel, budgetary matters, supply services, and management, respectively. Each of these divisions would be organized into overt and covert branches, and "where practicable," the covert units would be located physically near the operational activities to be supported. As a compromise, OSO and OPC were at the same time

¹ See memoranda to DCI by Shannon, June 21, Aug. 2, 1948, cited above.

² General Order No. 11, Sept. 14, 1948, Secret, in CIA Records Center.

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~~SECRET~~Support in Relation to the Field

These and other supporting services for clandestine operations, whether they were special services under DD/P control or more common administrative services under the DD/A's jurisdiction, were handled by numerous compartmented headquarters units, as outlined above, and each unit operated according to a particular pattern of inter-office relationships. Furthermore, most of these functions were represented at various echelons of CIA's field organization. In the field, moreover, there were not only the normal problems of headquarters-field relationships, but also problems stemming from CIA's dependence, overseas, on various U. S. military and diplomatic agencies for a variety of support services controlled by them.¹

¹ CIA's dependence, especially on the State and Defense Departments, for a variety of local support services at overseas stations was not, of course, a new situation in the period October 1950--February 1953. In March 1950, the DCI had discussed (with Under Secretary of State Webb) CIA's dependence (in this case, for communication facilities) on military and commercial sources, except for certain facilities established jointly with the State Department in Latin America and the Middle East. (Letter by Admiral Hillenkoetter, DCI, to Webb, March 17, 1950, Secret, in O/DCI/ER, filed under "State.") CIA's local support arrangements (for communications, personnel, funds, etc.) with the State Department's Foreign Service posts abroad were regularly outlined in the State Department field instructions. (See various editions dated 1947, Oct. 5, 1948, and Oct. 2, 1950, issued in the style "STOSI-1", in O/DCI/ER, filed under "State.") The corresponding arrangements with the Defense Department are apparently recorded in other documents which were not seen in this study, but which were the subject of correspondence and conferences between General Smith and Secretary of Defense Marshall, 1950-51, mentioned in records filed in O/DCI/ER, under "Defense Department...."

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material matters were far more common in clandestine operational activities than in overt intelligence research and evaluation. While equipment items were important in some phases of the work of the intelligence group (under the DD/I) they were far more significant in the activities of the operational group (under the DD/P), as far as the variety of items, their money value, and the volume of staff work were concerned.¹

The administrative tasks of providing such material support, known commonly as "procurement and supply" in 1950-51 and "logistics" in 1952-53, involved a variety of functions, procedures, and staff work. Included, typically, were requirements planning, procurement negotiations with industrial contractors and Government supply agencies, warehousing, shipping, and property accountability. With respect to real property, there were somewhat comparable tasks of facility planning, negotiations for purchase or rental of real estate, and the construction, equipping, and maintenance of the facilities. Whether the property was classified as real estate, non-expendable equipment, or expendable supplies, the transactions were financed with vouchered funds or (more commonly) unvouchered or confidential funds.

Related to these logistical services, in the sense that they were obtained to a large extent from outside industrial firms or Government agencies, were a variety of "housekeeping services"

¹ Ibid., pp. 44-53.

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~~SECRET~~CIA's Organization for Personnel Management, 1950-53

Between October 1950 and February 1953 the personnel strength of CIA increased almost three-fold. During that period CIA's headquarters (excluding the DD/P group) grew in size from 2,783 regular staff employees, on duty in July 1950, to 7,014 such employees, by the end of February 1953.¹ In terms of total manpower ceiling, including personnel vacancies and recruits awaiting security clearance and appointment, CIA's authorized table of organization meanwhile increased from about 3,300 staff-employee positions, in July 1950, to about 9,200 in February 1953,² again exclusive of the T/O for the DD/P group.

This expansion over two and a half years represented, first of all, a considerable recruitment effort, both by the DD/A's personnel units and by the operating offices which needed the additional personnel. This expansion also involved CIA, in a greater scale than before October 1950, in a variety of other, related types of personnel-management activities, such as (for example), security investigations and clearances, position classifications, on-the-job training programs, efficiency rating systems, employee welfare activities, and the development of a career corps. Along with all of these and other personnel activities there were also numerous record

¹ Computed from office strength figures listed in Personnel Office's memorandum to Historical Staff, March 2, 1956, Secret.

² Ibid.

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Regardless of these internal organizational shifts, however, each of the other support offices mentioned earlier, including the Personnel Office, participated in these periodic reviews. So also did the operating offices themselves, whose substantive programs were at stake as their T/O's were increased or decreased. Furthermore, whether CIA's manpower requirements went up or down, they also came to the attention and, if necessary, final arbitration of the Director himself. One of General Smith's last official acts, in fact, was to reappraise once again CIA's manpower ceilings, this time (in January 1953) in relation to the probability that the new national administration would call for fiscal economies throughout the Government. Anticipating this probability, as President Eisenhower prepared to take office, the DD/A (Mr. Wolf) had reviewed CIA's personnel ceilings (as well as its construction budget and its substantive programs). By means of that review, Wolf reported early in February:¹

CIA had "jumped the gun" on this and was in quite good shape; ...we had voluntarily reduced our original personnel requirements by approximately 25 per cent and, further, ... General Smith had established a ceiling which was approximately 25 per cent below even this revised figure.²

Such a lower ceiling was being maintained as of February 9, 1953, so Wolf announced, but "it allowed no margin for expansion to enable us to carry out properly our increased missions, nor would it provide for personnel in an 'on-duty' training status to meet normal

¹ Remarks by Walter R. Wolf, DD/A, at DCI's staff conference, Feb. 9, 1953, SC-M-43, Secret, in O/DCI/ER.

² Ibid.

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of the Agency, partly on personnel-management matters related to the career corps, and partly on training matters inherited from the Personnel Staff or developed later. The scope of these direct-support responsibilities in 1951 and 1952, was simultaneously somewhat broader and somewhat less inclusive than its formal charter indicated. As announced by Regulation in December 1950 and reiterated in January and April 1951, OTR's "mission" was simply to take charge of "developing and directing all Agency training," but in practical effect this was not accomplished until much later. In the list of its "functions," announced in the same Regulations, training "operations" appeared, in fact, to be somewhat subordinated to two other related functions: (1) to select and recruit "qualified personnel for career development," modified in January 1951 to require "coordination with the Director of Personnel" (in the DD/A group); and (2) to "develop" the Agency's continuing programs for personnel "orientation" and for their "in-service training," which had been taken over from the Director of Personnel in December 1950.

Of OTR's four support activities, as they were planned late in 1950 (and previously outlined above), the personnel "orientation" program for new recruits was the first to be transferred

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to have endorsed the rest of OTR's plan. According to the minutes, he directed the heads of OTR and of the Personnel Office to "proceed with the implementation of the proposals for a Career Corps, calling upon such personnel as necessary from the various offices."¹

During the next nine months (to June 1952) OTR participated both in the establishment of the new career-development organization, in the DD/A group, and in some of the personnel-management activities that resulted. Sometime late in September 1951 a temporary Career Service Committee was established,² with the DD/A as chairman³ and with representatives of several offices (probably including OTR)⁴ as members, in order to undertake more detailed planning. In October that Committee appointed four "working groups" (on which OTR was also represented)⁵ to study certain career-service

¹ Ibid.

² This was a planning committee, not to be confused with the operating board established later--the Career Service Board. OTR's history, 1951-52 (1955 version), p. 17, does not date the beginning of this Committee, but mentions that its second meeting was held on Oct. 1, 1951.

³ W. R. Wolf, DD/A, was chairman at least in June 1952, if not from the beginning. (See the Committee's final report, June 1952, attached to CIA Notice 78-52, June 19, 1952, Secret, in CIA Records Center.)

⁴ OTR's participation is inferred from OTR's history (1955 version), p. 17, cited above.

⁵ Inference from ibid., p. 17.

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"delegations of authority," previously addressed customarily to the CIA Executive, were simply re-addressed, on December 1, to the new DD/A and his immediate Assistants.¹ Similarly the DDCI placed the DD/A (and his Comptroller) in charge of liaison with the State and Defense Departments (and other agencies) on all administrative and budgetary matters, including those of special concern to the operational group.²

The need for such a new name for an old position was obviously also related to the other reorganizations that were meanwhile taking place among the operational and intelligence offices served by the administrative group. By the same order of December 1, 1950, the offices for secret collection, clandestine operations,

¹ These "delegations of authority" covered, for example, personnel appointments, transfers, and terminations, payment of travel and transportation costs, execution of contracts, settlement of claims, and property accountability. (See memorandum by DCI to DD/A, Dec. 1, 1950, Confidential; in CIA Comptroller "Bible," in CIA Records Center, collection No. 54-177, item 93.)

² Letter by William H. Jackson to Secretary of State, Nov. 28, 1950, Secret, re-issued (for intra-CIA use) in memorandum by DD/A to CIA offices, unnumbered, Dec. 4, 1950, Secret; in O/DCI/ER, filed under "State Department." Similar authorizations were issued for "administrative" liaison with the Defense Department, the Budget Bureau, the Comptroller General, and the Civil Service Commission. In general these DD/A responsibilities did not vary essentially from the practice established four years earlier (in November 1946), when the "Executive for Personnel and Administration" (predecessor of the CIA Executive) had been given control (exempt from ICAPS' liaison control) over "normal administrative contacts" with outside agencies. (See CIG Operations Memorandum No. 2, Nov. 18, 1946, in CIA Records Center.)

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~~SECRET~~Re-Centralization Under the Deputy Director for Administration

General Smith's first major decision affecting the administrative group was to reactivate the office of CIA Executive, which had been vacant for some months, Lyle T. Shannon having been serving as acting Executive. On October 16, 1950, Smith appointed Murray McConnell as Executive,¹ on the recommendation, apparently, of the new Deputy Director, William H. Jackson.² Simultaneously, Lyle T. Shannon was re-appointed Deputy Executive³ (to the position he had had previously). The duties of these two officers, as previously defined in the job descriptions and in the Agency's organizational manual, were left undisturbed.

Four weeks later, on November 15, McConnell announced an internal reorganization of the Executive's staffs,⁴ whereby it was evident that the Agency's administrative activities would remain centralized. His announcement was limited chiefly to a new organization chart and a list of key personnel, and did not contain a detailed charter for each component. It was clear, nevertheless, from his brief memorandum, that his group would expect

¹ General Order No. 35, Oct. 16, 1950, Secret, in CIA Records Center.

² McConnell was one of "several" men appointed to top posts on Jackson's recommendation, according to James Q. Reber. See Historical Staff interview with Reber, 1953.

³ General Order No. 35, cited above.

⁴ Memorandum by McConnell to all Assistant Directors, subject "administration," Nov. 15, 1950, Confidential, in DD/S file entitled "O&M 5"; and attached organization chart dated Nov. 13, 1950.

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was formulated and issued in March 1953.¹ Although this charter was not issued until some weeks after General Smith's departure as DCI, it had probably already been prepared and approved before his departure.² In any case it tended to confirm what the IG had, in fact, been responsible for during the preceding 15 months, if the evidence presented above is typical. That is, his mission (by March 1953) was to make "investigations" on behalf of the DCI and to "inspect," in particular, the "missions and...functions" of "all" offices in the Agency.³ Of the four particular "functions" of the IG as outlined,⁴ one was the very specific responsibility of hearing individual complaints, while another was a very general or miscellaneous responsibility (characteristic of most operating offices) of handling "such other functions" as might be assigned to him by higher authority.⁵ The two other major functions outlined in the regulation emphasized the internal aspects of CIA's

¹ CIA Regulation 1-100, March 20, 1953, Secret, in CIA Records Center.

² Since the Regulation of March 20, 1953 (ibid.) was a lengthy manual that actually covered all offices and components of the Agency (including the IG), it doubtless had been in preparation for many weeks before it was finally issued.

³ CIA Regulation 1-100, March 20, 1953, Secret, in CIA Records Center.

⁴ The IG's four "functions," as distinguished from his "mission," in ibid.

⁵ Ibid.

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varying degrees on other agencies of the Government for such matters as budgeting and accounting, personnel management, and contracts with industrial sources of equipment and services. The Bureau of the Budget, the General Accounting Office, the Civil Service Commission, and the General Services Administration were a few of the established administrative agencies which figured prominently in CIA's support activities.¹ Likewise the Appropriations and Armed Services Committees of the Senate and House of Representatives each had legislative and investigative responsibilities which extended to CIA. Liaison with these and other executive and legislative agencies was characteristically handled by CIA's administrative group.

Although there were external ramifications in most of CIA's administrative programs and practices, the scope of CIA's responsibility was nevertheless limited to its own internal operating needs for supporting services. In particular, CIA had no formal responsibility for providing administrative services to the other intelligence agencies that were represented on the Intelligence Advisory

¹ Remarks by Lyle T. Shannon, Assistant DD/A, Feb. 14, 1951, at OTR Agency Orientation Conference; disc recording, Secret, in OTR files.

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while they were still in the "provisional clearance" stage, to what was represented to them as "training" assignments. Particularly in the case of recruits who were in danger of being lost to the Agency (in favor of another employer with less rigorous clearance standards), they were given temporary assignments and offered a variety of worthwhile, unclassified work projects, including unclassified study courses, to occupy their time pending full clearance and regular assignment. This program had been expanded by the DD/A, in January 1951, to accommodate an increasing number of recruits awaiting processing for the DD/P group, in particular,¹ and in subsequent months these holding units were gradually turned over to OTR to operate.

In April 1951, the first of these pools was re-established under OTR's management--specifically the pool for intelligence analysts and other "non-covert, professional employees" of GS-5 and higher grades.² This group of provisionally-cleared appointees

¹ In January 1951 OPC requested that the DD/A establish "training and holding pools" for specialized support-type personnel awaiting full clearance and overseas duty, especially personnel (recruited against OPC's T/O) intended for supply work, personnel management, and security activities. (See memorandum by AD/PC to DD/A, Jan. 31, 1951, Secret, in DD/S "O&M 5" file.) By August 1951 the DD/A had set up "administrative training pools," totalling 294 positions, divided into seven units assigned (respectively) to the Personnel, Security, Administrative Services, Procurement, Finance, Medical, and General Counsel's Offices. (See memorandum, Aug. 24, 1951, Secret, in *ibid.*) Whether these pools were all transferred later to OTR is not known.

² See OTR's history, 1951-52, including 1951-52 version, pp. 37-38, and 1955 version, p. 6 (both Secret, in O/DCI/RS files); and CIA Notice 76-52, June 9, 1952, Secret (in CIA Records Center). Details as to the predecessor of UTG/A, in the Personnel Office, have not been found.

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of various kinds were one of the normal activities in the Security Office;¹ financial inspections and audits--in the Audit Office and in the accounting sections of the Comptroller's Office; organizational and related T/O inspections--in the Personnel and Comptroller's Offices; and legal investigations--in the General Counsel's Office.²

In the DD/P group, inspection was an incidental but vital step in many of the stages of operational planning, control, and assessment, and the "chain of command" for such investigations and audits included (in the DD/P's immediate office) the Chief of the Inspection and Review Staff--a position that was commonly referred to

¹ This function was suggested in the very name of this office, "Inspection and Security" (I&S), by which this office was known from some time in 1947 to about November 1951. Although the word "inspection" was dropped from I&S's name early in 1952, its inspection functions were actually not shifted, except for financial audit inspections in particular, which (in April 1951) had been re-established as a separate office in the DD/A group. It is interesting that the omission of the word "inspection" from I&S's name occurred almost simultaneously with the establishment of the Inspector General. That coincidence might seem to imply that an actual transfer of functions between them had, in fact, been consummated. No evidence at all has been found for such an unwarranted conclusion, in the records used in this study. It is, instead, more likely that the omission of this word "inspection" was merely intended to tidy up the Agency's organizational nomenclature, in order to avoid unnecessary confusion (in an employee's mind) of finding two "inspection" offices in the telephone directory, when he had a complaint that he felt should be investigated.

² For these offices, and the relationship of their inspection functions to their other administrative responsibilities, see index below.

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by year, to a new high of 587 millions for the year July 1952-June 1953.¹
 In relation to CIA's first budget of 15 millions in 1946-47, this tremendous expansion indicated that, by the end of General Smith's administration in February 1953, CIA had "developed from a ten million dollar Agency to a half-billion dollar Agency in a few years."²

As of October 1950, when General Smith came on duty as Director, CIA's organization for handling its financial affairs was, for the most part, located under the CIA Executive and consisted of a number of staff sections for handling the budgetary, disbursement, accounting, auditing, and monetary-intelligence aspects of the work. Three principal units handled the major burden of the work: the Budget Staff, headed by Edward R. Saunders;³ and two operating divisions, for vouchered and unvouchered funds, respectively, established in two other staffs. One of these divisions, called the Fiscal

¹ CIA Comptroller's Office, "Historical Notes. . . 1945-52," 1952, (Top Secret, TS #74650), p. 19, in O/DCI/HS files. The appropriation totals by fiscal year were as follows: 1950, \$52,000,000; 1951, \$143,630,000; 1952, \$367,800,000; and 1953, \$587,000,000. (*Ibid.*, p. 19.) Elsewhere in the latter study (Tab C, Dec. 20, 1951, p. 2), the estimated total for 1953 was given as \$598,000,000.

² *Ibid.*, pp. 2-3. According to the Comptroller's study (*ibid.*, p. 15), most of this expansion was attributed to new projects that were being assigned to OPC and to the Office of Communications.

³ Saunders had served in various key positions in CIA's financial-management organization since 1946, successively as chief of CIG's Finance Division and its Budget Division (beginning July 22, 1946), chief of CIG's Budget and Finance Branch (July 1947, ff.), and chief of CIA's Budget Office (from Sept. 14, 1948 on), renamed the Budget Staff on Sept. 20, 1949. (See Comptroller's "Historical Notes....," cited above, pp. 6-7, 10, 11, 14.)

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A measure of control by OTR over all of these and other training processes in the operating offices was recognized from the beginning. In December 1950, for example, OTR was given responsibility for conducting "or supervising" all training programs in the Agency, and for developing "in-service" training programs in particular.¹ Early in 1953 this responsibility was re-stated, somewhat more clearly, in a revised charter,² which authorized OTR to "review" the individual office training programs, "including on-the-job training" and to "advise and assist the Offices in the development, direction, and conduct of such training."³

The position and status of OTR in the Agency's general organizational structure remained, by February 1953,⁴ a unique one,

¹ CIA Regulation No. 70, Dec. 1, 1950, Secret, p. 44 (in CIA Records Center).

² CIA Regulation 1-110, March 30, 1953, Secret, p. 3 (in CIA Records Center).

³ Ibid. One method whereby OTR kept in touch with office training programs was through Training Liaison Officers (TLO's), who were appointed in each operating office, usually on the AD's immediate staff and responsible to him.

⁴ On March 20, 1953, the Agency's organization chart was re-issued (by CIA Regulation 1-110, ibid.), unchanged as far as OTR's position and status was concerned.

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Finance Division. The latter two handled overt and covert matters, respectively, and each had a number of branches that were not essentially different, except in size, from those in operation before 1950. The Fiscal Division, for example, had branches for Payroll, Travel, Fiscal Processing, Accounting, and Claims.¹ In addition to these three major divisions, three special staffs were attached to the Comptroller's immediate office by 1953: the Organization and Methods Service (mentioned above); the Program Analysis Staff; and the Technical Accounting Staff.²

Something of the growth of CIA's finance-management organization, by February 1953, is indicated in the size of the principal staffs involved. In July 1950 the Budget Staff consisted of fifteen men,³ while the finance and accounting divisions of the Administrative and Special Support Staffs had about 140 employees.⁴ By

¹ This branch organization, as it existed in March 1952, is outlined in CIA Notice 41-52, March 24, 1952, Restricted (in CIA Records Center).

² The Technical Accounting Staff was organized, sometime during fiscal year 1952, as a "management improvement" service to "improve... accounting techniques and reports." (See letter by DD/A to Director of U. S. Bureau of the Budget, Sept. 5, 1952, Secret, in O/DCI/ER, filed under "Budget Bureau.").

³ Memorandum by Personnel Office to Historical Staff, March 2, 1956, Secret, containing personnel-strength figures for each office in July 1950 and February 1953.

⁴ This figure is an estimated one third of the total strength of these two Staffs (442), based on the assumption that the other two thirds, roughly speaking, were concerned with the functions of personnel management and logistics, respectively.

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Training as a support function had ramifications, furthermore, that went beyond both OTR's courses and those courses that were available (through OTR) at external facilities. First of all, every operating office conducted some on-the-job training, of one kind or another, for its new personnel, and every employee in turn, whether he was new or old to the Agency, experienced some measure of training opportunity whenever he was rotated or otherwise transferred from one office to another. Next, certain offices had particular operating programs that were recognized as having a particular training by-product value for other offices in the Agency.¹ The Foreign Documents Division of OO,² for example, was regarded by its chief as "a good training ground for intelligence work, partly because of the real grasp of a language that comes from continued translation, and partly because it teaches the translators from a practical viewpoint what is intelligence and what is not."³ Somewhat similarly, OCD's Library and its several Registers provided experience in certain phases of

¹ Besides the offices in the DD/I and DD/P groups, the administrative offices under the DD/A also participated in giving certain types of technical training. The Security Office, for example, regularly handled security indoctrinations and security training lectures for OTR.

² Another division of OO (the Contacts Division) regarded the debriefing of U. S. officials (returning from abroad) as an exercise that was primarily of training value. (See comments by AD/O, in minutes of DCI's staff conference, July 31, 1951, SC-M-25, Secret, in O/DCI/ER.

³ Historical Staff interview with J. J. Bagnall, C/FDD, May 24, 1955. Many FDD analysts later "graduated," so to speak, to important positions in the production and operational offices.

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recruitment (ultimately a personnel and security matter) "need to be checked centrally in every possible way"; agent documentation must be "as nearly perfect as possible"; training must be thorough; counter-espionage files must be organized and used centrally; and the development of operational devices must be centrally directed, managed, and supplied. At the same time, however, certain other support problems did call for better control in the field, Shannon found: communication activities "consider themselves autonomous and subject to direction only from Washington"; lines of communication were too long; prior consultation by headquarters with the field on new projects was inadequate; and more "harmony" is needed with the local U. S. military commands, on which CIA is "dependent... to a major degree for support."¹

¹ Annex D (Shannon's report), in *ibid.* The whole matter of Far East relationships from October 1950 to February 1953, between CIA and the U. S. military command (headed by General MacArthur and later, after about April 1951, by General Ridgway and others), is outside the scope of this study, except (at this point) to suggest some of the support aspects of these relationships. In April 1950 an "agreement" had been concluded between General Willoughby (MacArthur's intelligence chief) and Mr. Frank G. Wisner (AD/PC in CIA), which was revised in November 1950 and January 1951. Under these agreements the Far East Command agreed to give "sympathetic consideration" to CIA's needs for "logistical and operational support," including training areas, "safe havens," etc., but within the "economic limitations [redacted]". In addition, it was agreed that all CIA personnel to be stationed there must be "acceptable" to General MacArthur, that all agents recruited [redacted] must be "cleared" by his G-2, and that G-2 would "cooperate in recruiting." (See letter to DCI by acting C/S, CHQ, FEC, Jan. 1st, 1951, Top Secret, TS #43568-D, in O/DCI/HS, filed under "CIA-FEC Relations...") Besides these support matters, the agreement (*ibid.*) also dealt in greater detail, with clandestine operational jurisdictions and command lines, which are omitted here because they are outside the scope of the present study.

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embarked on operational and intelligence subjects of concern to the DD/P and DD/I operating offices in particular.¹

As to the first of these two broad categories (support-type courses), a course in "reading improvement" (rapid-reading techniques) was the first to be inaugurated, about January 1951,² and certain "clerical-refresher" courses were organized soon thereafter, about April.³ Both of these programs continued during the two years following.⁴

Meanwhile, another somewhat more ambitious support-type course was planned, from early 1951 to mid-1952, whereby supervisors (at

¹ In January 1952 OTR took over the DD/P group's covert operational and support training program; see above, pp. 52-72. For overt intelligence courses, see below, pp. 109-114.

² This course was intended to help especially those analysts and librarians who had to scan masses of documents in their daily job. Rapid-reading devices had been used in 1950 by OSO's Training Division, and its equipment was shared with OTR beginning early in 1951. (See OTR's history, 1951-52, 1955 version, p. 7.) From about January 1951 to June 1952 the OTR course (extending to 30 hours over 6 weeks) had been taken by 474 employees. (*Ibid.*, 1952 version, p. 36; see also *ibid.*, p. 46, which accounts for only 248 employees so trained.) According to OTR's evaluation of this program (*ibid.*, p. 36), the employees' speed in reading increased from 362 to 607 words a minute, and their "reading comprehension," from 79.9 to 80.2 per cent. ("Percentage" of what optimum is not indicated.)

³ The date April 1951 is given in OTR's history, 1951-52 (1952 version), p. 31. The later version of this history (1955, p. 13) states that the course was first given a "trial" run, in May, and offered regularly beginning July 16, 1951. By the end of June 1952, 393 clerical employees had been so trained (excluding new personnel given initial refresher courses in the Personnel Office's "Personnel Pool"). See *ibid.*, 1952 version, p. 31; and 1955 version, pp. 12-13.

⁴ See footnotes 2 and 3 above.

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all levels, and in all operating and administrative offices) would be trained in the use of the new personnel-evaluation forms and related procedures which were being developed by OTR and the Personnel Office (as part of the career-management program discussed earlier).¹ This supervisory-training program, besides providing instruction in personnel-management techniques, was also intended to serve as a device for encouraging direct inter-office conferences and consultation among supervisors (monitored by OTR) on a variety of internal administrative and management-control problems, in the hope that specific problems might be adjusted or corrected with the help of the seminar technique.² This supervisory program was formally launched in August 1952, and during the next ten months included two related courses, given by what (by then) was called OTR's Management Training Division: (1) "basic instruction on the personnel evaluation form," which was addressed

¹ ^a Supervisor training was/necessary preliminary to the Career Corps program, according to Col. Baird's staff study of July 3, 1951, previously cited (especially tab I, p. 1, par. 5); OTR's history, 1951-52 (1952 version), pp. 30-32, 43; and OTR's history, 1952-53 (prepared in 1955), pp. 18c to 18e.

² According to OTR's history, 1951-52 (1952 version), p. 31, such administrative conferences would help to identify "those problems which required resolution by simple procedural adjustments and those in which more complicated solutions were required, perhaps involving training." This dual administrative-training and management-consultation concept is also implied in statements by John B. Whitelaw, chief of OTR's Management Training Division, 1952-53, quoted in OTR's history, 1952-53 (prepared in 1955), pp. 18c to 18e; and in some of Whitelaw's lectures in 1953.

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the detailed plan of July 1951 were a further T/O of 123 "trainee slots" for OTR and the operating offices to administer jointly;¹ revised procedures for the classification,² evaluation,³ and rotation⁴ of employees; new courses for the advanced training of careerists;⁵ and certain special employee benefits for them.⁶

¹ Ibid., tab H. Of the 123 employees to be hired and trained by OTR, 85 would go to the DD/P group, 26 to the intelligence group (then under the DDCI), 9 to the DD/A group, and 3 to the O/DCI. Of the latter 3, 2 would go to OTR's staff. Presumably these 2 trainees would be groomed for instructional work, in particular, since all 123 would be OTR trainees (in all specialties), to be administered by OTR.

² Ibid., especially tabs I, K, and N, and unnumbered appendix "Appraisal Form." The personnel classifications (in the latter appendix) included four basic types according to OTR: (1) "operational" (the "extrovert and man-of-action" type); (2) the "analytical-research" type ("the professional or specialist" with "an absorbed interest in new factual minutiae" and a "feel" for analysis); (3) the "administrative" type (one "with a large facility in picking the flaw and in saying, no"); and (4) the "technical" type ("the technician, the linguist, the engineer, and the scientist"). Another classification (within each of these 4 groups) was the "generalist" and the "specialist" (see *ibid.*, "Introduction," p. iv, and "Discussion," pp. 12, 13, 15). No mention was made of the numerous occupational classifications used in the punch-card program of 1949-50 (mentioned earlier in the present chapter).

³ OTR staff study, July 3, 1951 (previously cited), especially tabs C, G, I, J, K, and N, and tabs on "Appraisal Form" and "Skimmer Chart."

⁴ Ibid., tabs K and N.

⁵ Ibid., tab Q. The plan for employee benefits, addressed chiefly to "hardship" or "hazardous" occupations in clandestine operations, were based in part on ideas developed by a DD/P "task force" on "Rights, Privileges, and Benefits of Covert Employees and Agents." (*Ibid.*)

⁶ Ibid., tabs E, F, K, L, M, N, P, and R. Another tab (tab "O") considered the possibility of CIA giving training to career employees of the IAC agencies, especially of the Army, Navy, Air Force, and State intelligence agencies. This proposal was apparently not implemented (as of February 1953, the end of the present study).

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~~SECRET~~The Inspector General, 1951-1953

The one other support office, besides OTR, that had a special position on the Agency's organization chart was that of the Inspector General (IG).¹ This office was established sometime late in 1951,² to serve the Director as a special investigation unit, apparently for the purpose of handling certain types of internal administrative problems which cut across or were common to the DD/I, DD/P, and DD/A groups, or which were of special, confidential concern to the Director. On January 1, 1952,³ Stuart Hedden was transferred (evidently from the DD/P group)⁴ to become Inspector General, and

¹ The IG and the Director of Training were the only two officials, along with the Executive Assistant to the Director, who were actually shown (on the Agency's organization chart) as parts of the Director's immediate office before February 1953. For reasons not known, the several other assistants to the Director (described earlier, in chapter II) were customarily omitted there, although most of them did appear regularly in the 1951-52 editions of the Agency telephone directory (in CIA Records Center).

² This office was officially mentioned for the first time on January 2, 1952 (by CIA Notice 1-52), on the occasion of announcing Stuart Hedden's appointment as the IG. The above Notice implied (but did not expressly state) that the position was already established somewhat earlier. In fact, it is known that as early as November 1951, Hedden was already performing investigative functions, in his capacity (then) as a special assistant to the DD/P working in collaboration with William H. Jackson (special assistant to the DCI). (See "OO Survey" file, in O/DCI/ER; Historical Staff interview with J. B. L. Reeves, March 16, 1953; and minutes of meeting of DCI and DD/P representatives on the CIA/OPC budget, Nov. 23, 1951, Secret, in O/DCI/ER, filed under "Budget Bureau.")

³ Hedden's appointment, effective Jan. 1, 1952, was announced in CIA Notice 1-52, Jan. 2, 1952, Secret, cited above.

⁴ For Hedden's position in the DD/P group, see footnote 2 above. Before coming to CIA, Hedden had been Finance Chairman of Wesleyan University. (See biographical statement, in OTR course outline no. 6, April 1952, Confidential, for Agency Orientation Conference; in OTR files.)

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THE DCI HISTORICAL SERIES

HS 2

ORGANIZATIONAL HISTORY OF THE CENTRAL INTELLIGENCE AGENCY
1950-1953

CHAPTER X THE CONDUCT OF AGENCY BUSINESS

by

George S. Jackson
Martin P. Claussen

May 1957

HISTORICAL STAFF

CENTRAL INTELLIGENCE AGENCY

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kinds made to contractors and other vendors and claimants; and the maintenance of necessary files for post-audit by independent groups of auditors. The covert finance division had a further intelligence function--to gather and compile information relating to "world monetary rates and exchanges."¹

In addition to these three principal staff units, the CIA Executive depended on still other units for certain phases of financial management, according to the organizational pattern prevailing in October 1950.² The CIA Executive himself headed an inter-office committee, called the Project Review Committee (PRC),³ which included

¹ Ibid. This organizational arrangement had been in effect, under various names, since September 1948, and represented a re-merger of overt and covert finance accomplished at that time. (See General Order No. 11, Sept. 14, 1948, Secret, in CIA Records Center; and Comptroller's "Historical Notes," cited above, p. 11.) Before that time, that is, between 1946 and 1948, these two phases had first been merged (July 1946-July 1947) and then divided (July 1947-September 1948). The latter experiment of divided financial control, with covert finance managed not by the CIA Executive but by the operating office involved (OSO) represented "a fundamental cleavage of opinion. . . within the Agency," the Comptroller concluded later. (See his "Historical Notes. . .," p. 10, previously cited.) For further historical details on the relationship of administrative support to covert operations after October 1950, see present chapter, pp. 44-53 above.

² CIA Regulation No. 70, July 1, 1950, Secret (previously cited), outlined the functions of these other staff units, but did not mention the Project Review Committee.

³ The Project Review Committee was established by General Order (unnumbered) dated January 1, 1948 (in CIA Records Center). Under this order, apparently unrevised up to October 1950, the PRC's members were the DDCI (chairman), the Executive Director, a "fiscal advisor" (from the Finance Division), the head of the office "sponsoring" a given project, and the chief of the Advisory Council (serving as Secretary of the PRC). This Order provided that "all new projects" will be submitted to the PRC so to provide "adequate advance planning, proper control of funds, and [proper] utilization of personnel." (Ibid.) On Nov. 2, 1950, the membership was changed; see footnote below.

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were derived for the most part from assignments made to him orally and in informal memoranda by the Director. These assignments, furthermore, were evidently for the most part ad hoc projects rather than a matter of continuously handling a given program (again with one exception).¹ Furthermore, his investigations seemed to have been conducted in an organizational situation in which his inspection function was shared with previously established investigative units and officials in the DD/P, the DD/A, and (to a lesser extent) the DD/I groups. Finally, the nature of the Inspector General's responsibilities and his status and position (accessible directly to and by the DCI) may have been intended by General Smith to make him somewhat comparable to the IG's in the Army, the Navy, and the Air Force, with which he was obviously familiar from his previous military experience.²

The nature of the Inspector General's support activities, in 1952, is suggested in a few of his projects that have been recorded in the Director's correspondence files, and by an understanding of the relationship of these projects to other investigative

¹ Ibid.

² This tentative conclusion is an inference drawn from the fact that, in other fields of CIA administration (outside of IG activities), General Smith not infrequently called attention to parallel problems (and solutions) in the military services. As to General Smith's views on the IG function in particular, no discussion by him expressly on this matter has been found in the minutes of his staff conferences in 1951-52 (in the SC-M files in O/DCI/ER) nor in his general correspondence files (also in O/DCI/ER).

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departmental agencies did on occasion consult on administrative matters, informally and bilaterally.¹ Furthermore, in one special case of the NSC Staff, CIA did have the function of providing budgetary, accounting, personnel-management, and other housekeeping services to that office.² In this case, however, CIA provided a service of convenience to the NSC, which after all was a planning body and not an intelligence agency, and there was no suggestion that inter-agency coordination or control was intended or involved in CIA's assistance to the NSC.

¹ In Jan. 1949, for example, the Eberstadt Task Force reported to the Hoover Commission that the Service departments participated to an extent in CIA's budget preparations, but whether CIA reciprocated was not mentioned. (See "Confidential" version of Eberstadt report, p. 58.)

² Memoranda by Executive Secretary, NSC, to DCI, 1947-50, passim, requesting administrative services for NSC Staff; in DD/S policy file "O & M5." See also CIA Reg. No. 70, July 1, 1950, especially the section on the Budget Staff. The NSC's dependence on CIA for such administrative services was reiterated on December 1, 1950, when the NSC Executive Secretary sent a revised "delegation of authority" to CIA, authorizing the DCI and his two recently renamed administrative officials (the Deputy Director for Administration, Murray McCannel, and the Assistant to the Deputy for Administration, Lyle T. Shannon) to handle NSC's administrative affairs. Personnel management, pay and travel funds, contracts, and other expenditures were mentioned as specific types of services. (See NSC memorandum, Dec. 1, 1950, Confidential, in DD/S "O & M5" file.)

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ensure "effective, timely, and secure" financial support to CIA's operations and activities. Of these four types of functions, budgeting involved the assembling of facts and figures, review of office and project "justifications," a system of "allotments," and accountability and expenditure controls over appropriations; and throughout these steps the budget became "an instrument of management." Next, disbursing and monetary activities involved a host of security controls, including special methods for exchange activities, special agreements with other Government agencies in concealing funds, the use of "sterilized" moheys and money investments, and disbursements protected by various means, including concealing, dispersing, and multiplying the number and location of disbursing points. Accounting, furthermore, involved the use of itemized vouchers (in some cases) or simply "positive statements" from an expending officer (in other cases), and included fiscal examinations at some 150 major installations or project offices, and at some 1500 smaller units as well. Audit and inspection, finally, involved a variety of tasks that were corrective and preventive in purpose. The post-audit of vouchers, accounts, and other records, along with other types of investigation of transactions that were less fully documented, permitted the auditors to seek to discover and prevent "opportunities for indolent and unethical financial practices" which might "flourish behind a screen of 'security.'"¹

¹ Ibid.

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which was developed by OTR between January and June 1951 and submitted to the Director on July 3,¹ these academic recruits would be selected, hired, trained, and evaluated by OTR, then rotated among the CIA intelligence and operational offices,² further evaluated and assessed by OTR and the using offices, and eventually developed into members of the Career Corps, along with older and experienced employees who would meanwhile also have been selected, trained, rotated, and assessed for membership in that "elite" corps.

¹ OTR evidently had not expected to submit its plans to the DCI as early as July 3, but was prompted to do so by what appears to have been a leak to the press. Thus, Colonel Baird told the DCI (on July 3) that his planning work "merits more than a six-months attack by my limited staff," but that he was "impelled" to submit his plan now because of "the recent news release" on the Career Corps program. (See memorandum by Director of Training to DCI, July 3, 1951, Secret, covering his staff study, "A Proposal for the Establishment of a Career Corps.")

² It is not clear, from OTR's histories for 1951-53, previously cited, whether OTR's recruits for basic training were, in fact, to be assigned to both the overt and covert offices. The 1955 version (*ibid.*, p. 19) suggests that by 1953 students were coming only from the DD/I group. The OTR plan of July 3, 1951 (previously cited) nevertheless called for Agency-wide basic training, and General Smith himself had said earlier (in March 1951) that "I do not want this basic training compartmented, and I see no difficulty in handling it under centralized direction." (Quoted in OTR's history, 1955 version, p. 4). Whether General Smith was referring to the "basic" course, or to the Agency-wide "orientation" course, is not clear from the context of his remarks as quoted in that history (*ibid.*, p. 4).

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problems, especially in relationships with the DD/P's operating group and with the DD/P's own technical services organization.¹

There also remained the question, posed in Ball's recommendations of October 1951 and not to be resolved until 1954,² of merging completely the logistical services (of LO) and the headquarters administrative services (of GSO).

¹ See Chapter X, pp. 44-53, above. In addition, certain specialized supply items remained under the control of the Office of Communications, the Medical Office, and the Comptroller's "Organization and Methods Service." (See CIA Notice 51-52, April 9, 1952.)

² On February 15, 1954, the General Services Office was abolished and its functions were divided between (1) the Logistics Office (printing and reproduction; mail and courier service; and headquarters building, utility, and telephone service); and (2) the Comptroller's Office (machine records; forms and reports control; and records management and the CIA Records Center). See CIA Notice 1-140-2, Feb. 8, 1954, Secret, in CIA Records Center.

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organizational management problems--to make recommendations on (1) office "missions..., procedures, and methods," and (2) "proper assignment of missions and functions" throughout the Agency.¹

Support Services Under the DD/I, 1952-53

In addition to the above two support offices (attached to the Director's Office)² and the many other support units in the DD/A group (previously described),³ there were still other support

¹ Ibid. This regulation made no reference to the relationship between the IG's investigation of such organizational problems and the Comptroller's "management improvement" and other organizational surveys of such problems. In November 1953, Hedden's successor, Lyman B. Kirkpatrick, explained that relationship as follows. The IG, he said, handles "jurisdictional disputes," within CIA, as an "arbitrator--to take the burden off the Director and the Deputy Director in working out jurisdictional disputes which cannot otherwise be worked out." In contrast, he said, the Comptroller's "Organization and Methods Service," (that is, the successor to the Management Staff of previous years) "is here in CIA's DD/A group basically to be of assistance to the offices with respect to organization and in the solving of their management problems." (See remarks by Kirkpatrick, Nov. 6, 1953, at OTR's Agency Orientation Conference, circulated later in OTR Bulletin No. 12, Nov. 23, 1953, Secret; in CIA Records Center.) This relationship was probably what it also was in Hedden's time in 1952. At least the statement of November 1953 is not inconsistent with the evidence, presented above, for 1952.

² See pp. 118-124, above (on the Inspector General), and pp. 75-117 (on OTR).

³ See above, pp. 34-52; and below, pp. 133-89.

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Examples of ad hoc inspection projects handled by the IG in 1952 included the following. During his first month (in January 1952) Stuart Hedden seems to have spent the major part of his time in directing a survey of OSI,¹ especially its production organization and its relationship both to scientific intelligence production procedures (in the Defense Department in particular) and to the collection organizations (there and elsewhere) among the IAC member agencies.² For this purpose he retained an outside consultant, Edward L. Bowles, to assist him, and their report (jointly rendered) was delivered to the Director on February 1, 1952.³ In March, Hedden undertook to survey one of the DD/A's offices, the Security Office,⁴ but in this case he seems to have depended wholly on an outside investigator--the security officer of the

¹ His survey of OSI was completed by February 1, 1952 (see footnote below), but the beginning date is not known. It covered so much ground and was so lengthy that it could hardly have begun later than January 1, 1952, when Hedden officially became IG. The survey may, indeed, have begun as early as December 1951, when he was presumably still on the DD/P's staff.

² See "OSI Survey Report," signed by Stuart Hedden, IG, and Edward L. Bowles, "consultant," Feb. 1, 1952, about 17 pp. and appendixes, Top Secret (TS #63309), in OSI files.

³ Ibid.

⁴ See memorandum by Stuart Hedden, IG, to Patrick Coyne (NSC staff member), March 25, 1952, subject "Inspection and Security Survey," unclassified; in O/DCI/ER, filed under "NSC."

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~~SECRET~~Organization of Administrative-Support Functions by October 1950

Between 1946 and 1950, through a series of reorganizations in CIG and CIA, the administrative-support functions of the Agency had been increasingly centralized, under an official who was successively called the Executive, from early 1946 to July 1947, the Executive Director from July 1947 to September 1948, the Executive for Administration from September to December 1948, and the CIA Executive, from December 1948 to November 1950.¹ While in practice there were limits to the Executive's support responsibilities, especially with respect to clandestine administrative matters, in many cases his responsibilities extended beyond what might normally be regarded as internal administrative services; and his authority between 1946 and 1950, as stated in official regulations, was virtually as broad as that of a Deputy Director.

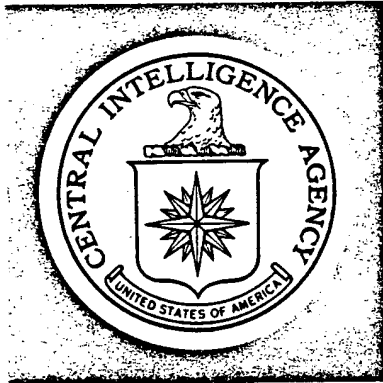
In 1946, for example, the Executive was made responsible for "performing the normal duties of an executive office in planning,

¹ The men who filled this position between 1946 and 1950 were as follows: Capt. Walter C. Ford, USN, 1946-48; Capt. Clarence L. Winecoff, USN, Jan. 1949 to about June 1950; and Murray McConnell, Oct. 16 to Nov. 30, 1950. (On Dec. 1, 1950 McConnell became the first Deputy Director for Administration.) Lyle T. Shannon was the Deputy Executive during most of this entire period, and acting Executive at various times as well, including the period June-October 1950. On Dec. 1, 1950, he was redesignated Assistant Deputy Director for Administration, under McConnell.

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Chapter X The Conduct of Agency Business

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Under its basic mission, to provide "world-wide communication security and support for the Agency,"¹ the O/Commo engaged in activities that were partly administrative, partly operational, and partly intelligence in character and scope. From an advisory and planning point of view, it consulted with the DCI on broad questions of "communications and electronic policy," including both intelligence matters and "all other...matters" in that field "bearing upon the security of the United States," insofar as CIA had the assigned responsibility (that is, from the NSC).² From a day-to-day support point of view, O/Commo managed the Agency's field communications system (except for domestic communications, handled by DD/A, and certain special non-electronic communications systems handled by TSS/DDP).

As part of that support responsibility O/Commo managed the Agency's signal center and (after July 1952) provided its Cable Secretary³ in Washington. This communications support

¹ CIA Regulation No. 70, July 1, 1950, Secret, in Annex G, below.

² Revised draft of missions and functions of O/Commo, undated, Secret, marked "o. k."d by Mr. Wolf [DD/A] 5 October [1951?], in DD/S "O&M 5" file.

³ The Cable Secretary was established as a position separate from the Signal Center apparently about July 1952. (See minutes of DCI's staff conference, July 7, 1952, SC-M-38, Secret, in O/DCI/ER.)

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which OCI had responsibility, on behalf of the entire Agency.¹ In another field of administration, OCI, ONE, ORR, OSI, and OIC, each had a unit which provided secretariat services to the inter-agency intelligence production committees to which the substantive programs of those offices were related;² and in one of those cases (ORR) this support activity was so extensive that it was segregated, organizationally, from the production divisions and re-established under a separate chief for "coordination" (that is, inter-agency committee and consultative business).³

¹ Known sometime in 1951 and 1952 as the Security Division of OCI. By March 1953 OCI had two staffs besides its production staffs and divisions: the Special Support Staff; and the Administrative Staff. (See organization chart, March 20, 1953, in CIA Regulation R 1-130, figure 5, Secret, in CIA Records Center.) The importance of administrative-support considerations in OCI's work is also illustrated by the fact that, in 1954, the delay in reorganizing the Watch Committee and national-indications activity was attributed chiefly to "the funding problem" and to building-space problems. See memorandum by DD/I to DCI, June 29, 1954, Secret, in O/DCI/ER, filed under "State Department" (sic).

² For previous discussion (in earlier chapters) of these committees and their secretariats, see index, especially under IAC, EIC, SIC, SEC, IWG, EDIC, and Watch Committee.

³ Organization chart for ORR, March 20, 1953, in CIA Regulation R 1-130, figure 3, Secret, in CIA Records Center. This "coordination" group included the EIC Secretariat, the Economic Defense Division, and the Basic Intelligence Division. In actual practice, this group had both administrative and research functions, although on the chart (*ibid.*) the implication was that it was a support group, only, distinct from the two so-called "research" groups (geographic and economic).

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move toward strengthening the administrative staffs in the operational offices, a month after they were brought together under the DD/P. On February 12, 1951, the Assistant Director of OSO ordered a consolidation of his Executive and Budget Staffs into a new Administrative Staff (under Harry W. Little, Jr.),¹ and separate sections were established for handling such typical administrative problems as budget planning, personnel management, training,² supply and services, and "organization and methods."³ Whether a similar strengthening of OPC's administrative staff was attempted is not clear.

In any case, by June 1951 the situation between the administrative and operations groups had apparently not improved, since

¹ OSO Notice 19-51, Feb. 12, 1951, Secret, and OSO Notice 20-51, Feb. 12, 1951, Secret; copies of both in DD/S "O&M 5" file.

² In addition to this Training Officer (John Gerry), OSO also continued to operate its Training Division (under Rolfe Kingsley) until July 1, 1951, when it was placed directly under the DD/P, for the common support of OSO and OPC. (See Memorandum by DD/P to OSO and OPC, June 26, 1951, Secret, in ibid.)

³ OSO Notice 19-51, Feb. 12, 1951, cited above. The key administrative officers appointed in OSO, besides Little (Chief), were Edward A. Maurelius (Deputy Chief), Anthony P. Flynn (Personnel), John Gerry (Training), Henry C. Woodward (Supply and Services), Robert P. Warner (Budget Planning). The position of "Organization and Methods Examiner" (corresponding to the DD/A's Advisor for Management) was left vacant for the time being. (OSO Notice 20-51, Feb. 14, 1951, Secret, in ibid.)

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At the same time, there were still other personnel functions that were divorced entirely from the DD/A's support group, in 1951 and 1952, and established in separate offices elsewhere in the Agency. As indicated earlier in this chapter,¹ a new Office of Training, established in December 1950, was gradually given a number of personnel responsibilities, including (notably) the development of plans for a career corps, the operation of a special recruitment program for "junior intelligence officers," and the management of some of the "holding pools" for provisionally cleared recruits in various occupational classifications.² The Agency's employee training programs were also gradually shifted to OTR, partly from the old Personnel Staff (beginning in December 1950) and partly from the DD/P group (in 1952).³

Similarly, personnel relations were one aspect of the work of the new Inspector General's Office, established in January 1952. Among his responsibilities, as noted earlier,⁴ was the delicate task of handling confidential complaints of dissatisfied employees, in collaboration with the Personnel Office's section for employee relations.

¹ Chapter I, above, pp. 75-79.

² Ibid., pp. 81-95.

³ Ibid., pp. 105-115.

⁴ Ibid., pp. 121-122.

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(1) First of all, with respect to the handling of new personnel in the Agency, plans had been approved, by General Smith's predecessor (probably in June 1950 or earlier) for undertaking an "expanded orientation program to include all present and future employees of the Agency," along the lines of an experimental program that had been conducted by the Personnel Staff, in 1949 and 1950, for indoctrinating new employees of GS-5 and lower grades to the Agency, as part of their induction, processing, and their morale and security indoctrination.¹ (2) Second, by June 1950 (at the time of the outbreak of the Korean war), the Personnel Staff had a continuing recruitment program, conducted under the guise of "training" by which (in order to hold personnel applicants in the otherwise tight, competitive labor market in Washington) it was giving temporary appointments to provisionally cleared personnel and entering them in various unclassified "courses" of interest to the administrative, intelligence, or operational offices, with the objective of holding them (and paying them), pending the completion of what was normally a protracted period of security investigation and personnel processing.² (3) Next, for several years OSO had had a continuing

¹ CIA "Statement of Management Improvement Activities," Sept. 1, 1950, p. 24, accompanying CIA Budget Estimate for Fiscal Year 1952, Secret; attached to Comptroller's "Historical Notes..., 1945-52," in O/DCI/HS. The revised personnel orientation program is mentioned (*ibid.*, p. 24), as being a "management improvement" objective for fiscal year 1951-52, hence the inference that it was approved sometime before July 1950, when that new year began.

² "Introductory Statement," Sept. 1, 1950 (p. 7), to CIA Budget Estimate for Fiscal Year 1952, Secret; attached to Comptroller's "Historical Notes..., " cited above.

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keeping and accounting tasks for facilitating the planning, supervisory, and control aspects of CIA's personnel-management activities.

In 1951 and 1952 CIA's organization for handling these personnel management activities underwent some changes, including the consolidation of certain functions, the segregation of others, the expansion of all sections concerned with personnel, and certain changes in leadership. Some of these organizational changes occurred largely within the DD/A's group, which replaced the CIA Executive's staffs in December 1950, while others affected the Agency's operating units generally.

On November 15, 1950, shortly before the CIA Executive was renamed the Deputy Director for Administration, his personnel-management components, which had been divided (before October 1950) among a Personnel Staff, a Personnel Division (overt) and a Personnel Division (covert), were merged into a single Personnel Office, and the parent staffs for the latter two divisions (the Administrative Staff and the Special Support Staff) were abolished.¹ With this merger a degree of compartmentation was nevertheless retained between overt and covert personnel matters, and in subsequent understandings between the DD/A and the DD/P, in 1951, autonomy for covert matters was further strengthened.²

¹ Chapter X, above, pp. 34-35.

² Ibid., pp. 44-53.

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facilities.¹ Of notable significance to OTR's training program were the Defense Department's several senior service schools,² the State Department's Foreign Service Institute, and a number of other government and academic institutions.³

¹ As with language training (above), the policy on courses in other subjects was to use outside institutions as far as feasible, with OTR expected to set up an "internal" course "only when the specialized nature of the instruction, lack of outside facilities, or security make it necessary." (See OTR's staff study on the Career Corps, July 3, 1951, especially tab P, p. 1.) Enrollment in these outside courses would be subsidized by CIA, of course. (Ibid.) On the other hand, graduate work by potential Career Corps selectees (before they were actually brought on duty by OTR) would not be subsidized, OTR had said elsewhere (ibid., "Discussion" section, p. 6), "since any one who is good enough for this Career Corps junior trainee⁷ program will have no difficulty in obtaining a fellowship or assistantship."

² OTR was negotiating with the Defense Department in July 1951 with respect to some of these schools (see ibid., tab D). Other offices may also have participated. For example, in January 1951 the DD/A, rather than OTR, was handling arrangements with the National War College (see minutes of DCI's staff conference, Jan. 29, 1951, Secret, in O/DCI/ER); and in May 1951 the Assistant Director of ONE reported having been urged by the commandant of the Naval War College to have CIA send at least one CIA student to Newport. (See memorandum by AD/NE to DCI, May 5, 1951, Confidential, in ONE "chrono files.") By February 1952 the list of service schools at which CIA had "limited quotas" for "highly qualified career officers" included: the National War College (but apparently not the Naval War College); the Industrial College of the Armed Forces; the Air War College; the Army War College; the Air Force Staff College; the Air Command and Staff School; the Counter Intelligence Corps School; the Naval Intelligence School; and the Strategic Intelligence School. (See CIA Notice 16-52, Feb. 4, 1952, in CIA Records Center.)

³ See OTR's history, 1951-52 (1952 version), pp. 20-26, 29-30, 44-45; and OTR's history, 1952-53 (prepared 1955), pp. 24-32. For OTR's negotiations with the Social Science Research Council on an "area studies" program to be divided among numerous colleges and universities, see minutes of DCI's staff conferences, March 19, March 26, and June 4, 1951, Secret, SC-M-12, 13, 20 (in O/DCI/ER). These negotiations seem to have been abandoned later.

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The Agency's financial situation in 1950, measured functionally in relation to the intelligence and operational programs for which the moneys were allotted, indicated that by October 1950 almost 3/4 of the Agency's annual appropriations were being used for clandestine operations, and less than a fourth for intelligence production and supporting overt services. Thus, about \$3,730,000 a month were being obligated by the covert offices directly, and an additional \$1 million a month were being spent (mostly on their account) by the administrative staffs for equipment, supplies, and contractual services. In comparison, about \$1.5 millions a month were being spent by the intelligence offices, including about \$800,000 by ORE, about \$80,000 by OSI, about \$400,000 by CO, and about \$200,000 by OCD. Although the intelligence offices accounted for only a fourth of CIA's budget in October 1950, the allotments to them, totalling about \$1.5 millions a month by then, were the largest in the history of CIA's intelligence programs up to that time.¹

In terms of personnel strength, too, CIA had grown considerably by October 1950. By that time a total of 5,721 regular staff employees were on duty in its headquarters and field organization, compared with about 4,100 employees a year before (on July 1, 1949), and about 3,200 employees the year before that (on July 1, 1948). In addition, CIA had some 863 prospective employees undergoing

¹ CIA "Statistical Summary," October 1950, Secret, and CIA "Summary of Operations," Fiscal Years 1948-50, Secret (both cited above), especially unnumbered pages labelled "Budget Staff."

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~~SECRET~~CIA's Organization for Financial Management, 1950-53

The Agency's money resources, like its manpower resources discussed above, underwent a considerable expansion during the period of General Smith's directorship, and incidental to that expansion there occurred a number of internal organizational changes among the administrative staffs concerned with the management of the Agency's finances. Certain functions were consolidated; others were further compartmented, and still others were shifted to new jurisdictions within the Agency, while further attempts were made to strengthen procedural arrangements and policy precedents that had been developed in years previous. Aside from organizational changes, there were no fundamental changes, however, in the basic types of budget and fiscal functions performed within CIA, nor was CIA's financial jurisdiction extended to the other intelligence agencies of the Government.

The Agency's financial responsibilities, measured simply in terms of appropriations, grew some eleven-fold between 1950 and 1953, compared to the three-fold increase in manpower resources discussed earlier in this chapter.¹ Thus, during the fiscal year ending June 30, 1950, CIA's appropriations had totalled 52 millions, and during the next three years they increased progressively, year

¹ See Chapter X, pp. 133-147, above.

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~~SECRET~~Recommendations of the Dulles and Eberstadt Investigations in 1949

Most of the changes in the Executive's administrative group up to 1950 had been made, it appears, in response to studies and recommendations generated within the Agency during its formative years. In addition, however, during 1948-9, there had been two influential investigations on the outside, by the Dulles Survey Group and the Hoover Commission Task Force headed by Mr. Ferdinand Eberstadt. Although those two surveys were concerned principally with the organization of CIA's intelligence and operational groups (as indicated in previous chapters), the administrative group also had come under their scrutiny, and their resulting recommendations, delivered to CIA early in 1949, were still germane to CIA's organizational problems when General Smith took office as Director. Smith studied both reports, as he prepared to take office,¹ and cited the Dulles report, in particular, as his principal organizational guide, during his first weeks in office.²

¹ During the Senate hearing on his nomination, on Aug. 24, 1950, General Smith singled out the Hoover Commission report as one study he had recently read, along with the directives governing CIA. (Transcript of testimony before Senate Armed Services Committee, Aug. 24, 1950, in CIA Office of Legislative Liaison.) Although he did not mention the Dulles Survey Group's report (*ibid.*), it is obvious from other evidence (see chapter II above) that he familiarized himself with it before October 7, when he came on duty.

² Minutes of IAC meetings of Oct. 12 and 20, 1950, in O/DCI/HS files.

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have been unprecedented (having been tried in 1946-47 in CIG¹), the move was not consummated. In a further Agency reorganization order (on January 4, 1951), the Communications Office was omitted entirely,² with the implication that it was to be left in OSO, and shortly thereafter (on January 19), this situation was confirmed.³

Although a component of OSO, the Communications Division continued to have a somewhat autonomous status, with the responsibility for serving both OSO and OPC (as well as the Agency generally). After further study in the spring of 1951,⁴ the DCI recognized the special status of this activity, by detaching the Communications Division from OSO, on July 1, 1951, and re-establishing it as the Office of Communications (O/Commo), responsible directly to the DD/Plans.⁵ Perry T. Johnson was named acting head of the new

¹ In November 1946 a "Communications Branch" was planned in OO, but the CIG organization chart for Nov. 22, 1946 added that the plan was "not implemented pending operational need." Shortly thereafter a Communications Division was established in the Personnel and Administrative Branch (predecessor of the Executive's staff), and on July 1, 1947 all of that Division's functions were transferred to OSO, "except telephone, central records, and courier service." (See General Order No. 3, June 18, 1947, effective July 1; Secret, in CIA Records Center.)

² General Order No. 40, Jan. 4, 1951, Secret, in CIA Records Center.

³ The Communications Division was shown as a part of OSO, in CIA Regulation No. 70, Jan. 19, 1951, Secret, in CIA Records Center.

⁴ On May 1, 1951, Maj. Gen. Spencer B. Akin was named "Communication Consultant" to the DCI, presumably to survey the situation. (See Notice 20-51, May 1, 1951, Secret, in CIA Records Center.)

⁵ Memorandum by DCI to AD/SC and to "Chief Signal Officer," June 27, 1951, Secret, in DD/S "O&M 5" file.

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personnel strength, the Office more than doubled in size, from 462 employees, early in 1951,¹ to 1,066 (including 93 military officers and enlisted men) on duty in February 1953.²

Several other special types of support besides communications likewise remained outside the DD/A group, in 1951 and 1952, but at the same time underwent some organizational change within the DD/P group. Covert training, clandestine operating devices and equipment, and espionage and counter-espionage records were examples of such special support functions.

Training for Covert Operations

Training for covert operations had been managed, up to October 1950, by a separate staff division in OSO, continuing an arrangement which dated back to the origins of OSO, in 1946, and based (before then) on precedents established in OSS during World War II. With the advent of a second office in CIA for clandestine activities (OPC), in 1948, the prospect of having two parallel programs for covert training was halted by combining that support

¹ As of Feb. 28, 1951, the OSO Communications Division had a total T/O of 807, of which 462 were on duty, 89 in training, 104 undergoing recruitment and processing, and 152 were unobligated slots. (See memorandum by OSO to Assistant DD/A, March 24, 1951, Secret, in DD/S "O&M 5" file.) In August 1951 there were 599 employees on duty in O/Commo. (See memorandum by R. D. H. Harvey, Special Assistant to DD/A, Aug. 24, 1951, Secret, in ibid.)

² The T/O totalled 1,437 on Feb. 28, 1953. (See memorandum by Director of Personnel to Historical Staff, March 2, 1956, Secret, on "T/O and Personnel Strength For Selected Offices...28 February 1953.")

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By mid-1948 the pending assignment of a second clandestine operations office (the Office of Policy Coordination) to CIA provoked further demands for maintaining a covert administrative system separate from the Executive's central administrative staff. In July 1948, OPC proposed to the Director that such an autonomous administrative unit be established for OPC and OSO, to be built upon OSO's Administration and Services Staff. Under this plan, this unit would be made responsible for all covert support functions except personnel investigations of covert and semi-covert recruits, which (CPC granted) should be left in the Inspection and Security Staff. In addition, OPC and OSO would each have its own personnel officer, and, finally, OSO and OPC would be represented by a combined staff chief to be located in the Director's office.¹

This proposal was vigorously opposed by the Executive, especially in several studies by Lyle T. Shannon, the Deputy Executive.² Shannon charged that duplicate administrative staffs would lead to confusion in CIA's relations with the Budget Bureau and the Congress, internal competition between overt and covert offices for the Agency's administrative resources, and a weakening of the cover arrangements for administrative services needed by OSO and OPC. He added that, on the basis of his past experience with OSO's quasi-autonomous

¹ Memorandum by Mr. Galloway, OPC, to DCI, July 28, 1948, Secret, in DD/S policy file "O&M 5."

² See memoranda to DCI by Shannon, June 21, Aug. 2, 1948, cited above.

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DCI.¹ OTR retained this special relationship to the Director's Office for the rest of General Smith's time (to February 1953) as well as for two years after that.²

The support responsibilities of OTR, as they were initially formulated in the fall of 1950, seem to have represented a consolidation of four somewhat different personnel-management programs that had been under way or under consideration for some time in CIA.³

¹ It was not until April 18, 1951, that OTR was shown for the first time as a part of the O/DCI. No order has been found, however, which explicitly directed and announced the shift from the DD/A group, nor is the exact date of the transfer known. In practice, Baird had already been working directly with the DCI as early as January 3, 1951 (if not earlier), when he was receiving the DCI's instructions on career-corps planning (discussed in footnotes below). On January 12, the minutes of the DCI's staff conference mention Baird's office for the first time, and seem to imply that he was operating independently of the DD/A. Thus, the minutes recorded that "Mr. McConnell /DD/A/ brought up the question as to whether Mr. Stevens /ex-ORE staff employee/ should work for Mr. Baird, and was told that this had been decided and that Stevens was already working for Baird." (Memorandum by Joseph Larocque, Jr. to Lyman B. Kirkpatrick, Jan. 12, 1951, Secret, in SC-M file, in O/DCI/ER.) Two months later (on March 19, 1951) Baird started to attend the DCI's regular staff conferences, (see minutes, in SC-M file, *ibid.*). In this context, the Regulation of April 18 (cited above) was merely a confirmation of an earlier arrangement.

² In February 1955, OTR was once again made part of the administrative support group, headed (by then) by the Deputy Director for Support (DD/S).

³ Before October 1950, the responsibility for most of these training and related matters was in the hands of the CIA Personnel Staff, which "provides training and indoctrination for CIA employees as needed." (Undated memorandum about 1949 or early 1950, describing the functions of the Executive's several administrative staffs; in DD/S "O&M 5" file). Career Management "research" was specifically mentioned as a function of the Personnel Director, in CIA Regulation No. 70, July 1, 1950, Secret.

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called "a limited and elite group,"¹ which (while it would draw eventually on experienced personnel within the Agency) would initially be built upon a "nucleus" of carefully chosen college undergraduates and graduate students still to be recruited, by OTR, from selected academic institutions.² Under this plan,

¹ This phrase, which became probably the most controversial part of OTR's plan (after it was formally circulated to the operating offices in August 1951), seems to have been OTR's phrase, and was first used in OTR's staff study proposing a career corps, July 3, 1951. (See especially Tab I, p. 1, previously cited; see also OTR's history for 1951-52, 1952 version, pp. 13-14, and 1955 version, pp. 8, 13.) OTR seems to have attributed this phrase, however, to General Smith, when OTR asserted in July 1951 (staff study, Tab I, p. 1) that by its plan it had "carried forward the conception of a limited and elite group implied in General Smith's letter to...McCloy, 17 March 1951." (See also OTR's history, 1955 edition, p. 13, attributing "small elite corps" idea to Smith, without citing any source for this conclusion.) From the viewpoint of historical evidence, no such inference can be drawn from General Smith's letter (see partial text of that letter in OTR's staff study, p. 1, as well as in the present study, pp. 80-81 above). In that letter of March 17, Smith spoke only of "a corps of well qualified men...interested in making a career with the Central Intelligence Agency," not of any "elite" corps. Smith, in fact, later (in September 1951) vetoed the idea of a "small elite corps." (See below, p. 101.) Whether his view in September was a shift from what OTR inferred from his letter in March, or whether he had consistently opposed an "elite corps" during this entire period, is not known, in the absence of any other records of his views available to O/DCI/HS.

² OTR's history, 1951-52 (1952 version), pp. 16-17. The 1955 version (p. 8) concludes that these academic recruits "could become the nucleus of the 'small elite corps' to which General Smith had referred [sic]," citing (again) Smith's letter to McCloy in March 1951. This interpretation of a "nucleus" is somewhat at variance with OTR's plan of July 3, 1951 (cited previously), which, while it did urge the need for such a recruitment program "at the junior level" and a program for special training and attention to these recruits, went on to say emphatically that "the Career Corps itself could not and should not be recruited from without the Agency, but rather should be selected from those employees who have demonstrated their ability through a period of service in the Agency." (See covering memorandum by Director of Training to the DCI, July 3, 1951, Secret, attached to his Career Corps staff study, same date, previously cited.)

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August 1951, some months after the merger of those three units under the Comptroller, the latter's total force was 168 employees on duty, with a further expansion planned and approved, in terms of a total T/O of 233 employees.¹ By February 1953 the Comptroller's personnel strength had increased again, now to 275 employees on duty, against a total T/O of 368.²

Meanwhile the other two principal offices concerned with financial matters remained far smaller, but they also experienced some expansion. The Audit Office grew from nine employees in 1950 (when it was the Audit Branch of I&S), to twenty employees, in August 1951, to twenty-eight in February 1953, against T/O's of nine, twenty-five, and forty, respectively.³ The General Counsel's Office, with only part of its manpower devoted to finance matters, grew from ten men in July 1950, to twenty-two in February 1953, against T/O's of ten and twenty-four, respectively.⁴

¹ Memorandum by R. D. H. Harvey to DD/A, Aug. 24, 1951, Secret, in DD/S "O&M 5" file.

² Memorandum by Personnel Office, March 2, 1956, cited above.

³ Ibid.; and memorandum by R. D. H. Harvey, Aug. 24, 1951, and Audit Office's history, June 1952, both cited above.

⁴ Memorandum by Personnel Office, March 2, 1956, cited above.

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was organized by OTR into a so-called "Unclassified Training Group A" (UTG/A), where they were provided with a 6-weeks series of unclassified courses dealing with intelligence concepts, international relations, "general administration," and "reading improvement."¹ If after six weeks a recruit was still not fully cleared, he was put to studying Russian or given a "full-time work project" (using unclassified materials) assigned by the sponsoring office. By June 1, 1952, some 235 appointees had gone through the UTG/A program, and of them 185 had studied Russian as well.² At the end of June 1952, UTG/A was discontinued.³

Similarly, for the covert offices provisional recruits were organized into separate "training and holding pools," which included (by August 1951)⁴ separate units for operational personnel

¹ "Reading improvement" was also a course open to fully cleared personnel; see below, p. 107.

² OTR's history for 1951-52 (1952 version), Secret, pp. 37-38. The Russian language course offered as a supplement to these provisional recruits was variously described as 6 and 8 weeks long. (See ibid., p. 38, and 1955 version of OTR's history, p. 6, both Secret, in O/DCI/HS files.)

³ Ibid., 1955 version, p. 6. The subsequent holding-pool arrangements, if any, after June 1952 for handling the provisional recruits destined for the DD/I offices are not explained (ibid., p. 6), nor are they mentioned in OTR's history for 1952-53 (in O/DCI/HS files.)

⁴ See above, p. 88, note 1.

~~SECRET~~Other Support Services Outside the DD/A Group

Aside from the special administrative and support needs, outlined above, that were somewhat peculiar to the operations of the DD/P group,¹ there were still other special support matters which were of common interest to both overt and covert activities and which were similarly exempted, in 1951 and 1952, from the DD/A's jurisdiction. Some of these support activities,² like the indexing and servicing of the massive documentary accumulations of intelligence reports, were left in OCD, where they remained available to the covert and overt offices alike, and to the administrative offices as well.³ Others represented problems which, for one reason or another, were kept in the DCI's office. Three new staffs, in particular, were established in 1951 and 1952 and were attached to the Director, instead of being assigned either to the administrative, the intelligence, or the operational groups. These special support staffs were:

¹ See above, pp. 44-72.

² Besides OCD, certain other offices in the DD/I's intelligence group, especially OIC, OCI, and OO, had incidental "support" responsibilities outside their major responsibilities for intelligence production. See above, chapters III, IV, V, and VIII, and see below, pp. 128-132.

³ See above, chapter V on OCD, passim.

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Director of Training (also called the Assistant Director of Training), established in November 1950 under the DD/A and re-established in the DCI's office early in 1951;¹

Assistant to the Director (for press relations and historical investigations),² planned first as an activity in OIC in January 1951 and re-established in the Director's Office in August 1951;³

Inspector General, established in January 1952 as an outgrowth of certain personnel relations and organizational review activities previously divided between the Personnel and Management Staffs, before 1950, and between them and certain special assistants to the DCI, in 1951.⁴

¹ See below, pp. 75-117.

² The Historical Staff, which was a section under the Assistant to the Director (beginning May 1951), performed certain specified research and writing assignments, between 1951 and 1953 and in the period following, for the Director's Office rather than for the Agency at large. At the same time, historical investigations of one kind or another also figured significantly in certain aspects of the support functions of the operational, intelligence, and administrative groups, respectively. Notable examples were the DD/P's progress reporting system, OTR's production of operational case studies for instructional use, and (after 1953), the IAC's subcommittee on "Validity Studies" (applied to national intelligence reports). Historical research was also an incidental but important aspect of some of the DD/A's organizational, legal, and administrative inspections and investigations undertaken, for example, by the Management Staff, the General Counsel's Office, the Inspector General's Office, and the Audit Staff. Also noteworthy were the incidental historical reference functions of the Executive Registry (under the DCI), the CIA Records Center (under the DD/A), the Archives Section (under the DD/P), and the Historical Intelligence Collection (first in OCD and later, after 1953, directly under the DD/I).

³ For the origins of this office, see above, chapter II, p. 56 note, on the relationship of this Assistant Director to the broader re-organization of the DCI's immediate office in 1951 and 1952.

⁴ For the office of the Inspector General, see below, pp. 118-127. The General Counsel also frequently served the DCI directly and personally as the Director's immediate legal advisor, although on the organization chart he and his staff were a component in the DD/A group. As such, the General Counsel is discussed historically elsewhere in the present chapter and in other chapters; see index, "General Counsel."

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recruitment and clearance as of October 1, 1950, and some 1,717 unfilled vacancies. In all, approved table-of-organization strength of the Agency stood at 8,337 employees.¹

The personnel resources of CIA, furthermore, were more extensive than the number of "staff employee" positions indicated above, and included several special categories of manpower which were outside CIA's normal employment procedure. Among these special categories, each involving special administrative practices, were the covert agents who were serving overseas or in various stages of recruitment; the unpaid contacts available to CIA through its domestic field offices; the consultants who were retained from industrial, academic, and other non-governmental institutions; and a number of civilian and military personnel (39 in all, as of July 1, 1950)² who were detailed to CIA by the IAC member agencies.

In terms of property and equipment, CIA had administrative responsibility for accountable assets totalling about \$9,742,000 in July 1950, while additional purchases of material items were averaging about \$190,000 a month, for both overtly and covertly

¹ CIA "Statistical Summary," October 1950, Secret, and CIA "Summary of Operations," Fiscal Years 1948-50, Secret (both cited previously), especially unnumbered pages labelled "Personnel" and "Security"; and statistical memorandum from Personnel Office to Historical Staff, March 2, 1956, also previously cited.

² Memorandum by Personnel Office to Historical Staff, March 2, 1956, Secret, cited above.

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General Smith's first major organizational change affecting financial management was to reconstitute the CIA Executive as the Deputy Director for Administration, announced on December 1, 1950.¹ One effect of this move was to re-centralize, under the DD/A, the responsibility for budgetary and accounting matters.

Simultaneous with this move, a new Finance Office was established, in the DD/A group, in which were merged the financial functions of three of the Executive's staffs (Budget, Administrative, and Special Support Staffs),² and with this merger the latter three staffs were discontinued. Edward R. Saunders, the former Budget Officer, was re-appointed Finance Officer,³ and a month later, on January 4, 1951, his position was renamed the Comptroller.⁴ On January 19 his charter of responsibilities was issued in Regulation form.⁵

¹ See Chapter X, pp. 34-44 above.

² The formal directives for the merger have not been seen, but are inferred from the reorganization as it was announced in General Order No. 38, Dec. 1, 1950, Secret, (in CIA Records Center). Somewhat the same merger had already been informally indicated, two weeks earlier, in the CIA Executive's revised organization chart of Nov. 15, 1950, circulated by Murray McConnell to all Assistant Directors.

³ General Order No. 38, Dec. 1, 1950, cited above.

⁴ General Order No. 40, Jan. 4, 1951, Secret (in CIA Records Center). As early as Nov. 28, 1950, Saunders was called the "Comptroller." (See letter by William H. Jackson, DDCI, to Secretary of State, Nov. 28, 1950, Secret, in O/DCI/ER, filed under "State Department.")

⁵ CIA Regulation No. 70, Jan. 19, 1951, Secret (in CIA Records Center). Earlier, on Dec. 4, 1950, the Comptroller's responsibility for representing CIA at the U. S. Bureau of the Budget was re-established by William H. Jackson, the Deputy Director. (See Jackson's memorandum on liaison matters, Dec. 4, 1950, Secret, in O/DCI/ER, filed under "State Department.")

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There were still other offices (outside of OTR) where training programs continued to be conducted, in 1951 and 1952, either for security reasons of compartmentation or for reasons of administrative convenience. While these special programs, including normal on-the-job training, were left to continue, OTR was given the authority to "advise and assist" the offices concerned in "the development, direction, and conduct of such training."¹

Other Specialized Services Under the DD/P

The development, production, and supply of special devices, "operational aids," and other types of "technical services" for the clandestine operations represented another type of special support activity that underwent a somewhat comparable consolidation and compartmentation in 1951 and 1952, outside the DD/A group. Up to 1951 CIA had had two somewhat related activities in this field; the Operational Aids Division (OAD), in OSO; and the Research and Development element (R&D), in OPC.² After OSO and OPC were brought together under the DD/P, in January 1951, their two technical units were merged into a single division, again called Operational Aids Division (OAD), by a merger announced in June 1951.³

¹ Ibid.

² Mentioned in memorandum of June 26, 1951, cited below. These activities, especially OSO/OAD, had origins dating back to OSS days of World War II. See History of OSS, Top Secret, in O/DCI/HS files.

³ Memorandum by DD/P to AD/SO and AD/PC, June 26, 1951, Secret, in DD/S "O&M 5" file.

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As of October 1950 CIA's procurement work and related technical and administrative services were organized, for the most part,¹ under the CIA Executive, in a pattern somewhat comparable to its personnel-management and finance-management activities, in the sense that they were represented at three echelons of the Executive's group, as follows.² First, at the policy level, there was a separate Procurement Requirements Staff³ (headed by Andrew E. Van Esso), which corresponded somewhat, in its senior position and its relatively small size, to the Personnel and Budget Staffs. Next there were two procurement and supply divisions for handling the details of property transactions, one for overtly-financed and the other for covertly-financed transactions. The overt division, called the Services Division, was headed by Howard J. Preston and formed a part of the Administrative Staff (overt), headed by Martin I. McHugh. The covert division, called the Procurement and Supply Division, was headed by Thomas K. Strange, and was located in the Special Support Staff (covert), headed by George E. Meloon.⁴

¹ With the notable exceptions of the Office of Communications and the Technical Services Staff, mentioned above.

² See CIA Regulation No. 70, July 1, 1950 (Secret), in effect as of October 1950.

³ Announced Sept. 22, 1950, by General Order No. 33, cited below.

⁴ Ibid. For names of key officials, see General Order No. 30, June 7, 1950, and General Order No. 33, Sept. 22, 1950, both Secret, in CIA Records Center.

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the Budget Officer, the General Counsel, and the heads of the operating or support offices concerned with a given project as "sponsors."¹ This Committee reviewed special requests for funds by the operating or support offices, insofar as such requests deviated appreciably from normal annual budget estimates or required further justification in the course of a fiscal year. In practice the PRC's deliberations were not confined to finance matters alone but extended as well to questions of personnel utilization and to problems of internal and external jurisdiction that might be reflected in a new project.²

Three other staff units had certain financial review functions. The General Counsel, besides sitting on the Project Review Committee (as of November 2, 1950),³ also had continuing responsibility, as the Director's principal law officer and his Congressional liaison officer, for reviewing the Agency's proposed budgets from a legal and legislative point of view, and he and his staff participated

¹ The PRC was so re-constituted, with the membership indicated, on November 2, 1950. (See CIA Administrative Instruction No. 60-2/1, Nov. 2, 1950, Secret, in CIA Records Center.)

² See General Order of Jan. 1, 1948, cited above; and draft of revised regulation on PRC (CIA Reg. 5-3), Sept. 27, 1952, Secret, in O/DCI/ER, file number ER-3-2975.

³ Administrative Instruction No. 60-2/1, Nov. 2, 1950, cited above. The General Counsel was called the PRC's "legal advisor," without vote.

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Committee, nor was CIA expected to provide an inter-agency coordination mechanism for consulting on budgetary, personnel, and other administrative problems that might be of common concern to the IAC member agencies. The several standing directives which the NSC had issued, up to October 1950,¹ for the organization of U. S. intelligence contained no provisions for administrative services of common concern, presumably because the IAC agencies were organized on the fundamental premise of departmental autonomy, in which matters such as budgets and manpower were regarded as a "function of command" in each agency, and not something to be subjected to inter-departmental scrutiny.

[redacted] the IAC rarely if ever discussed such administrative problems.² At the same time there is some evidence to suggest that CIA and the

¹ National Security Council Intelligence Directives (NSCID's), Nos. 1-9, 1947-50, in O/DCI/HS.

² No agenda items for administrative-support problems have been found in the minutes of the IAC for 1947-50 (except on one occasion, on July 21, 1950, when the personnel situation was discussed), nor for General Smith's period, 1950-53. [redacted]

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current reorganization which was then coming to a conclusion.¹

This "conference" subsequently became a quarterly (then 3-times-a-year) affair, and by mid-1952, it had been attended by almost 2,500 employees, including, by then, some of the older employees as well.² Beginning in November 1951, a second, briefer "indoctrination" program was launched, consisting of about three hours of lectures,

¹ No correspondence has been seen, for December 1950-January 1951, which would explain more clearly the intended purposes of this program. According to OTR's history for 1951-52 (1952 version, Secret, p. 34, in O/DCI/HS files), the need for explaining the reorganization of 1950-51 to new employees was, indeed, the primary object to be served. Most of the early "orientation conference" lectures, in February, and April and June 1951, did, in fact emphasize (in some cases in great detail) the issues in the current reorganization (disc recordings, Secret, in OTR files). If that were the principal purpose, it is difficult to understand, historically, why these lectures were not presented, instead, to old employees, who would more readily have recognized and understood the issues discussed, rather than to new employees (like the present writer, who attended in June 1951) who could hardly be expected to recognize, let alone, appreciate the fact that CIA had any organizational issues that needed explaining. In any case, old employees were admitted later, probably not until about March 1952. OTR's history for 1951-52 (revised edition of 1955, p. 5) does not give the date of this revised policy, but does say (in August 1952) that this conference was "finally" opened to "all Agency members [employees] who had not previously attended," (*Ibid.*, p. 5), and that in March 1952 it was made "mandatory for all employees GS-5 and above, who had not previously had it" (*Ibid.*, p. 5, note 7, paraphrasing CIA Notice 36-52, March 10, 1952).

² On the policy of attendance by older employees, see footnote above. On the total attendance figures (2,473 by June 1, 1952), see OTR's history for 1951-52 (1952 version), p. 34, previously cited. This figure would seem to indicate that somewhat less than a third of all employees, old and new, had actually attended the "Orientation Conference by mid-1952.

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and Construction Division and the Transportation Division, both of which were transferred to the Procurement Office.¹ With these shifts, the GSO's remaining functions were limited primarily to providing CIA's headquarters with certain "selected" services, and only incidentally was it concerned with supporting CIA's field establishment. The resulting organization was further defined in subsequent months, and by February 1953² consisted of three principal divisions, as follows: (1) the Printing and Reproduction Division, headed by Austin H. Young; (2) the Space, Maintenance, and Facilities Division, headed by J. D. H. Kress; and (3) the Records, Statistics, and Reports Division, headed by Louis G. Carrico.³

The Procurement Office, meanwhile, had been renamed the Procurement and Supply Office (PSO), about April 1, 1952,⁴ and in

¹ CIA Notice 100-52, Aug. 5, 1952, and CIA Notice 108-52, Aug. 19, 1952, both Secret, in CIA Records Center. By now the Procurement Office had been renamed the Procurement and Supply Office.

² Although dated February 1953 (the end of the present study) this organizational outline was not issued until March 20, 1953. (See CIA Regulation 1-140, March 20, 1953, Secret, in CIA Records Center.)

³ Division chiefs indicated above were those listed in memorandum dated May 25, 1953 (in DD/S "O&M 5" file). By that time Martin I. McHugh was chief of the General Services Office. (Ibid.)

⁴ The official order for the change in name has not been found. The first reference to "PSO" is on April 9, 1952. (See CIA Notice 43-52, Secret, in CIA Records Center.) Since Nov. 1, 1951, James A. Garrison had headed the office. (See CIA Notice 69-51, Oct. 30, 1951, Confidential, in CIA Records Center.)

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had been "running the show," and he recalled that he and the Director both had exerted the "strongest pressure" to have that group "serve" rather than "control" the Agency's substantive activities.¹

In the same vein, the DD/A took some pains to explain its position to the CIA staff generally, after the change was put into effect. McConnell described his support responsibilities as a "service function" for the rest of the Agency, and while those responsibilities also involved a "staff" position in the Agency's top echelons, it was "not a command position."²

Similarly, Walter R. Wolf, his successor after March 1951,³ explained that the DD/A and his group exist "only for one reason..., not to dictate to the operating divisions but only to aid them in successfully accomplishing their mission, provide them with tools, and protect the Agency from violating regulations."⁴ From the

¹ Ibid.

² Remarks by Murray McConnell, DD/A, at OTR's Agency Orientation Course No. 1, Feb. 14, 1951; disc recording, Secret, in OTR files.

³ Walter R. Wolf, who had been a Special Assistant to the DCI since Feb. 16, 1951, was appointed to replace McConnell as DD/A on March 23, 1951, effective April 1; and in this shift McConnell was redesignated Special Assistant to the DCI. (See General Order No. 43, Feb. 16, 1951, and Notice 14-51, March 23, 1951, both Secret, in CIA Records Center.)

⁴ Remarks by Walter R. Wolf, DD/A, at OTR's Agency Orientation Course, Oct. 3, 1951; disc recording, in OTR files. At another conference, on June 14, 1951, (ibid.) one of his principal assistants (John O'Gara), protested that the DD/A's group is "not the principal part of the whole show," although the size of its organization chart (displayed at the course) "would indicate as much," he said. (Ibid.)

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activity in a single Training Staff in OSO. At first (in 1949) the combined program was limited to the category of "basic training"¹ and later (by about August 1950) it was extended to "all...covert training,"² in a move that was applauded in September 1950 by Admiral Hillenkoetter for having achieved a "resultant increase in efficiency."³

This arrangement, with OSO serving as the training executive for both operational offices, was left undisturbed in January 1951, when OSO and OPC were re-grouped under the new DD/Plans,⁴ and the Division underwent some expansion.⁵ In June 1951, however, the OSO training staff (or division as it was called by then) was

¹Under this arrangement, OSO conducted the "basic training," but with the "standards to be established by the Office of Policy Coordination." At the same time the AD/PC was authorized to withdraw personnel from OSO Training Staff for "his overseas training program." (See memorandum by Executive to AD/SO, July 11, 1949, Secret, in DD/S "O&M 5" file.)

² "Introductory Statement," Sept. 1, 1950, p. 24, to the CIA Budget Estimate for Fiscal Year 1952, Secret; appended to CIA Comptroller "Historical Notes..., 1945-52," Top Secret (TS #74650), in O/DCI/HS files.

³Ibid.

⁴ As of February 1951, OSO's "Director of Covert Training" (as the position was then called) was Col. Peers. (See DCI's staff conference minutes, March 6, 1951, SC-M-11, in O/DCI/ER.)

⁵ Plans were developed by OSO and the DD/A in March 1951 to increase the OSO Training Division's staff to 464 positions, in order to absorb the more than doubled strength of operational personnel which, according to OSO's current plans, would need to be "trained, indoctrinated, and integrated" in the year ahead. (See memorandum by AD/SO to DD/A, March 24, 1951, Secret, in DD/S "O&M 5" file.)

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A further consolidation, but without an actual merger of courses and instructional personnel, eventually took place, apparently early in 1952. Already on July 1, 1951, OTR's new organization chart¹ showed both an "overt" and a "covert" branch. (This was at the very moment, coincidentally, when the covert training division was being re-established under the DD/P.) The shift to OTR was apparently not actually consummated, however, until January and February 1952, when Rolfe Kingsley (the former DD/P training chief) was re-appointed in OTR, to occupy a new position of "Deputy Director/Training (Special)."² For security reasons the covert training organization remained compartmented from the rest of OTR. Organizationally, covert training remained in a separate branch, as envisaged by the chart of July 1951, mentioned above. The courses in covert operations for the most part continued to be managed separately, and they were conducted in generally separate

¹ Organizational chart for OTR dated July 1, 1951, in CIA Regulation No. 70, Jan. 19, 1951 (with individually revised pages of later date), Secret, in CIA Records Center. According to OTR's history for 1952-53 (p. 37, Secret, in O/DCI/HS), covert training was "definitely" placed in OTR, but January 1952 seems more realistic (see below).

² Kingsley's appointment was first announced in CIA Notice 8-52, Jan. 8, 1952, Confidential (in CIA Records Center); the position of DD/Training (Special) as one of two "main subdivisions" of OTR, was announced on Feb. 13, 1952, in Notice 23-52. The order of January 8 mentioned that Kingsley was replacing Col. Oscar W. Koch (*ibid.*), but neither it nor the later order explained Kingsley's previous position in the DD/P Training Division. Kingsley remained as head of covert training until Feb. 2, 1953, when he was replaced by James S. Kronthal. (See CIA Notice P-3-53, Feb. 6, 1953, in CIA Records Center.)

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In reply,¹ Davison agreed that such a reorganization would be "based on principles of sound management organization," but he demurred, saying that "I certainly do not relish...taking on any additional responsibilities, for, as you know, we have plenty of unresolved problems without asking for more." The Medical Office, Davison acknowledged, would be the easier to be reassigned, and could be shifted "at any time you might wish to make the change." The task of "integrating" the Training Office, on the other hand, would be "a little more difficult," he said. The difficulties were several, he said: OTR was responsible not to the DD/A but to the DCI directly; OTR had "a large and growing program"; and "the working arrangement between our two offices is unusually happy." Again, however, as with the Medical Office, Davison did not actually non-concur, saying instead that "if you decide to go ahead..., I would of course be glad to take on this related activity."²

Neither of these organizational moves was actually consummated, however, during the period ending February 1953. Neither General Davison nor his successor as head of the Personnel Office, General W. H. H. Morris, Jr.,³ were assigned these additional responsibilities. The Medical Office remained, instead, co-equal with the Personnel Office (both of them under the DD/A), presumably

¹ Ibid.

² Ibid.

³ Davison resigned about April 1, 1952, and was replaced by Morris on August 1, 1952. During the interim the acting AD/Personnel was Colonel Matthew Baird, Director of Training. (See CIA Notices P-11-52, July 1, 1952, P-15-52, July 29, 1952, and P-17-52, Aug. 1, 1952, all Secret, in CIA Records Center.)

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as the "clandestine IG."¹ In the DD/I group, finally, there was also a measure of formal inspection activity (but somewhat less elaborate than that under the DD/A and the DD/P), whereby the OIC in particular (and other offices to a lesser extent) on occasion would investigate the numerous inter-agency organizational arrangements for an aspect of intelligence production.² Another inspection activity in that group was ONE's "post mortem" procedure, shared with OIC, for investigating alleged collection and production deficiencies in the preparation of intelligence estimates.³

In the context of this rather extensive inspection, investigative, and post-audit apparatus throughout CIA, the Inspector General's function seems to have been essentially a supplementary one, and probably a coordinative one. As the task was actually performed by Stuart Hedden (in the first experimental year, 1952), the IG apparently handled a variety of problems--problems that were common to two or three of the major groups; problems that were identified from employee interviews (mentioned earlier); and problems that were assigned by the Director, perhaps quite arbitrarily, when he was in search of a further new or independent viewpoint on an old issue.

¹ The chief of the DD/P's Inspection and Review Staff was Winston Scott. (See CIA Notice P-22-52, Secret, in CIA Records Center.)

² See Chapter 3, above.

³ See IAC Minutes, 1951-52, in O/DCI/ER.

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General Smith's decision to give Deputy Director status to CIA's administrative affairs was unprecedented, in the sense that there had been no hint of such a move in the major reorganization plans (those of the Eberstadt and Dulles surveys in particular), which had confronted him between August and October 1950. His decision may have been influenced, instead, by the experience of other Government agencies, where budgetary, personnel, and other management controls and administrative services were more and more commonly being grouped together under a top-level deputy. Such a top-level assistant, in fact if not in name, had, indeed, already been achieved in CIA by the reorganization of December 1948 and by the modified restatement of that reorganization on November 15, 1950, discussed earlier. In the light of these precedents, General Smith's appointment of a Deputy Director for Administration seems to have been essentially a renaming of the position of CIA Executive. In any case the responsibilities of the DD/A, as stated in the order of December 1, were not essentially different from those of the Executive. In a single sentence, he was simply placed "in charge of all administrative support for the Agency."¹ Similarly, his principal Assistant was, by the order, "charged with furnishing all administrative support for the Agency, except security and communications."² Furthermore, the DCI's numerous administrative

¹ CIA Regulation No. 70, Dec. 1, 1950, Secret, in CIA Records Center.

² Ibid.

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and overt operations were grouped under another new Deputy (the Deputy Director for Operations, soon to be renamed the Deputy Director for Plans), while the several offices concerned with intelligence research and production were re-grouped under the Director's senior Deputy (the Deputy Director for Central Intelligence).¹ In the context of these changes, the re-grouping of the administrative offices under a third Deputy (the DD/A) was more than a matter of symmetrical organizational nomenclature. It was also a recognition that administrative support problems would be continuously represented in the counsels of the Director's office.

While the Dulles Survey Group's recommendations against centralization were thus deferred, its concern for administrative "domination" of the Agency's substantive activities² apparently continued to be of special interest to the Director and his immediate office. For example, the senior Deputy, William H. Jackson, who himself had been a member of the Dulles Survey Group, recalled later that the reorganization of the administrative group in December 1950 was intended to give it a "subordinate" status in the Agency.³ He had found, he said, that the administrative offices

¹ Ibid. See also Chapter II above.

² Dulles Survey Group, Report, Jan. 1949, p. 136.

³ Remarks by William H. Jackson, DDCI, at OTR's Agency Orientation Course No. 2, June 13, 1951; disc recording, Secret, in OTR files.

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By the end of June 1951 OTR's recruiting, evaluation, and initial-training programs for these 100 career-service selectees were partially under way, and on July 3 Colonel Baird (the Director of Training) described the progress to date, in connection with submitting his comprehensive staff study to the DCI, along with his "proposal for the establishment of a Career Corps" in CIA, and (with it) his plan for OTR's own activities in the months ahead.

In that study of July 3, OTR proposed a Career Corps that would be restricted, first, to "non-clerical personnel" of grades GS-9 to 13 (as "the most likely career group," OTR said), and next, further confined to an estimated 30% to be selected from that category.¹ Such a group would be a "limited and elite group," and one which was "implied," OTR said, in certain views expressed by General Smith in March 1951.² Along with this basic proposal, OTR presented a variety of recommendations on the Agency's personnel-management system in general and on career management in particular, based (OTR said) on a survey of "ten or twelve comparable industrial plans," on career-management plans of the Navy and the Air Force, and on a study of CIA's present efficiency-rating system.³ Included in

¹ Ibid., tab I, p. 11.

² On the authorship of the concept of "a limited and elite corps," see above, page 92, footnote 1.

³ OTR staff study on the Career Corps proposal, July 3, 1951 (previously cited), tab I, p. 2.

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(payroll matters), there seems to have been no controversy over the established policy that salary disbursements and payroll accounting were proper functions of the Finance Office, nor was there any issue over the assumption that salary and wage schedules and rates were properly a function of the Personnel Office.¹ Similarly, control over personnel security matters, whether they pertained to the recruitment, employment, or termination states, remained an undisturbed responsibility of the Security Office.²

Manpower ceilings, on the other hand, represented one type of personnel problem that was difficult to isolate and segregate into a single office. Actually, manpower requirements (also called personnel ceilings and "tables of organization") had ramifications throughout the entire Agency. They involved the substantive programs of each operating office, the Agency's budgetary policies, and various problems of external and internal organizational structure. Because of these ramifications, jurisdiction remained divided, in 1951 and 1952 as before, between the Personnel Office and several other offices directly concerned with these related policy matters. As of October 1950, the Management Staff (rather than Personnel) had the principal authority to determine "Agency personnel staffing patterns and minimum manpower requirements," and to prepare final drafts of "tables of organization."³ By January 1951 these functions,

¹ Conclusion based on examination of CIA regulatory documents and of DD/S "O&M 5" file for the period 1950-53.

² Ibid.

³ CIA Regulation No. 70, July 1, 1950, Secret, in CIA Records Center.

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necessary for the day-to-day functioning of the Agency. These services, called "administrative services" in 1950-51 and "general services" by 1952-53, included office space and building maintenance for the Agency's headquarters in Washington, telephone service, courier and motor-vehicle service, printing and reproduction, and record-keeping, registry, and archival services.

The increasingly time-consuming character of these logistical and administrative services, as a support activity in CIA, is suggested by the fact that between 1950 and 1953 the personnel engaged in providing them increased from about 190 employees in July 1950 (or 7% of the Agency's total force of overt employees) to about 840 in February 1953 (or almost 12% of the total).¹ Compared with the other major support offices under the Deputy Director for Administration (that is, Personnel, Finance, and Security), the Logistics and General Services Offices, with their 840 employees, accounted for almost 37% of the total employees of the DD/A's group, by February 1953.² The Logistics Office, with 440 employees, and the General Services Office, with 400 employees, were each larger than either the Personnel Office (355 employees) or the Comptroller's (Finance) Office (295).³ Only the Security Office was larger, by

¹ For T/O and on-duty personnel strength figures, July 1950 and February 1953, see memorandum by Personnel Office to Historical Staff, March 2, 1956, Secret.

² Ibid.

³ Ibid.

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This situation was further confirmed in December 1950. With the redesignation of the CIA Executive as the Deputy Director for Administration (on December 1, 1950), the security officer was designated as a separate Assistant DD/A for Inspection and Security, while all the other administrative offices were brought together under another Assistant DD/A for "administration."¹

With this special organizational status, the Security Office also enjoyed a continuity of leadership between 1950 and 1953. Colonel Sheffield Edwards, who had been in charge of the Agency's security programs since 1947, continued in office uninterrupted during General Smith's directorship, as well as in the period following. So also did his Deputy, Robert L. Bannerman.

In size, the Security Office was the largest office in the administrative group, both in 1950 and 1953. With a total staff of 174 employees in July 1950, I&S grew to 529 employees by February 1953. In each case it accounted for almost twenty-five per cent of the entire administrative group.²

In terms of internal reorganization, there was little basic change between 1950 and 1953. In the fall of 1950 the I&S Staff

¹ General Order No. 38, Dec. 1, 1950, Secret, in CIA Records Center. In March 1952, this status as Assistant DD/A for security matters was reiterated.

² Memorandum by Personnel Office to Historical Staff, March 2, 1956 (Secret), on CIA personnel strength figures, 1950-53.

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Of the two, the Eberstadt report ¹ had less to say about CIA's administrative-support activities. It did not analyze in detail the specific financial, personnel, supply, and security functions and procedures, except to say that budgetary arrangements "appear to work satisfactorily";² but it did comment at greater length on the size of CIA's administrative group and on its relationship to the covert offices.

As to the size of the administrative group, Eberstadt's committee regarded the Inspection and Security Staff as "probably reasonable" but found the rest of the group "excessive," and it concluded that the "reduction of the administrative overhead is possible and desirable."³ Instead of citing specific cases, however, the committee urged that CIA itself undertake "a careful survey...of its administrative procedures, with a view to greater economy," and correct the "danger that the tail may be wagging the dog."⁴

¹ "Confidential" version of the report of the Eberstadt Task Force, about Sept. 1948; copy in O/DCI/HS files. The published version, Jan. 1949, was briefer, and barely mentioned CIA's internal administration, except to say that CIA had a continuing "problem [of]...recruitment of qualified personnel."

² Confidential report, cited above, p. 58.

³ Ibid., p. 36.

⁴ Ibid., p. 48.

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function assigned to OCD. Field-communication services were controlled by OSO; graphics work was an incidental function in ORE, and special types of reproduction work for the clandestine offices were handled by OSO, separate from the Executive's printing and reproduction plant. The development and procurement of special equipment and devices were shared by the Executive's supply organization with OSO (for covert operational devices) and with OCD (for overt machine equipment used in intelligence indexing work). The Agency's training program, which by 1950 was directed chiefly at the development of operational personnel, was almost wholly in the hands of OSO. Finally, each overt intelligence office, like OSO and OPC on the covert operations side, also had at least a small administrative staff for handling certain types of fiscal and personnel transactions of interest to its immediate programs.

Aside from these exceptions, the Executive's authority, as it was re-stated in July 1950, was nevertheless a broad one, especially from the budgetary and personnel point of view, and affected all aspects of the headquarters and field organization of CIA. His responsibilities, as they were re-stated in July 1950 in the new edition of the Agency's organizational manual, were once again those of "the principal staff officer of the Agency." He was charged with the "overall coordination of Agency organization and staffing requirements in accordance with the policies of the Director"; he was "the channel of communication to the Deputy

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More significant than these changes in organizational nomenclature was the striking continuity of key personnel involved in the reorganization. Except for the new Executive himself (McConnel) and the heads of the two new offices (Training and Services), the office heads in the new administration were all men who had held comparable positions before October 1950. The entire roster of office heads, as of November 15, was as follows:¹

Comptroller: Edward R. Saunders
 General Counsel: Lawrence R. Houston
 Security Officer: Col. Sheffield Edwards
 Personnel Director: William J. Kelly
 Services Officer: Wilfred L. Peel
 Director of Training: Col. Matthew Baird²
 Supply Officer ("Procurement Division"): Andrew E. Van Esso
 Medical Officer: Dr. John R. Tietjen
 Assistant to the Executive: James D. Andrews

Two weeks later, on December 1, General Smith further reinforced this re-centralization of the Agency's administrative affairs by re-designating the Executive as the Deputy Director for Administration (DD/A).³ McConnel was re-designated as DD/A, and all nine of the offices that had recently been re-grouped under him were re-designated again, now as offices (or "divisions")

¹ Ibid.

² Baird was listed in the announcement of November 15, 1950 (ibid.), but according to a later biographical statement he did not actually enter on duty until sometime in December 1950, and he himself seems to have regarded Jan. 3, 1951, as the effective date of OTR's beginnings. (See OTR Agency Orientation Course outline no. 4, Oct. 1951, Confidential, in OTR files; and Baird's report to DCI, "A Proposal For...A Career Corps," July 3, 1951, Secret, in O/DCI/ER).

³ CIA Regulation No. 70, Dec. 1, 1950, Secret, and General Order No. 38, Dec. 1, 1950, Secret, both in CIA Records Center.

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from the Personnel Staff, evidently immediately on December 1, 1950.¹

In January 1951 the first of a series of OTR's assemblies of new employees, called "Agency Orientation Conferences," was announced,² and in February it was convened for the first time,³ at which the Director and most of CIA's key officials were introduced and given an opportunity, extending over most of a week, to explain the general organization of CIA and IAC, with special emphasis on the

¹ The transfer of this function from the Personnel Office is not explained or dated in OTR's history for 1951-52 (either in the 1952 version or in the revision of 1955, both in O/DCI/HS files). The date December 1, 1950, is inferred from the fact that the Director of Training was already in correspondence with at least one of the operating offices (OCD) on December 5; see OTR's history, 1955 revision, p. 5, note 5. The prior history of this program in the Personnel Office, before October 1950, is not mentioned in that history (ibid.) and is outside the scope of the present study as well, but the fact of that program is evident from CIA's Budget Estimate of Sept. 1, 1950, and the Agency's organizational manual (CIA Regulation No. 70), previously cited.

² According to OTR's history for 1951-52 (1955 ed., p. 5, citing a "tentative" schedule), this course was "announced...on 29 January 1951." Actually it was not announced throughout the Agency until Feb. 6, 1951, by CIA Notice 6-51 (in CIA Records Center). The announcement specified that all new employees since Oct. 1, 1950, would be expected to attend.

³ Feb. 13-15, 1951; see course outline and disc recordings, in OTR files.

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holding pools were regarded as a useful by-product that surely benefited both the sponsoring offices and many of the provisional recruits assigned to them. In this context, training represented the effect rather than the cause, in the history of the establishment and administration of this interesting recruitment-support device,¹ and in this phase of recruitment OTR played a significant role and developed courses that had a by-product value for its regular training operations as well.

A third personnel-support activity undertaken by OTR, beginning early in 1951, was an outgrowth of its advisory and planning work on the Agency Career Corps (previously referred to),² and in this case involved OTR directly in the Agency's manpower procurement operations and (later) in its personnel rating and rotation systems as well.³ In connection with its preliminary planning for a career corps, OTR perceived the need for what it

¹ The total number of provisionally cleared personnel who were held in these several pools between October 1950 and February 1953 is not known. As of August 24, 1951, the total on duty (at that moment) was 423. (See memorandum by R. D. H. Harvey, special assistant to the DD/A, Aug. 24, 1951, Secret, in DD/S "O&M 5" file.)

² See above, pp. 79-83.

³ For purposes of historical discussion of CIA's administrative and support services, a distinction is made here between OTR's (1) advisory and planning responsibility to the DCI for developing proposals for career-corps management, including personnel-management procedures and training courses (*ibid.*), and its (2) support operations in the actual recruitment, evaluation, training, and assessment of personnel, described below.

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Admiral Hillenkoetter's reaction to the administrative aspects of the Dulles Group's recommendations was chiefly to defend his recent re-centralization of the major support services under the Executive.¹ CIA "is on the horns of a dilemma on this problem," the DCI said in February 1949:

Until a few months ago [that is, up to September 1948], separate administrations were provided for secret operations. Then, the Eberstadt Report (Hoover Commission) recommended a decrease in the administrative overhead, and the Bureau of the Budget required that administrative duplication be eliminated. So, a centralized administration was instituted.²

The new organization was now both more efficient and more secure, the DCI concluded after three months. CIA "saved over sixty positions" by the merger of overt and covert administration, "and so far has had few complaints."³ From "a security point of view, there will be better security than before because of not pointing up autonomous separate support functions in a single agency," he said.⁴ The Dulles Survey Group had been unduly "alarmed," he said, in calling for "complete autonomy for covert components":

¹ DCI comments on Dulles Survey Group Report, Feb. 21, 1949, pp. 2-5, 12, Top Secret (TS #23160), in O/DCI/ER.

² Ibid., p. 12.

³ Ibid., p. 5. A saving of 60 positions probably represented at least 10 % of the size of the administrative group.

⁴ Ibid.

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in the Agency, to which (according to OTR) the several DCI's before him had "failed to give...implementing support."¹ Shortly after Colonel Baird came on duty as "Director of Training," General Smith directed him to give "priority attention" to "planning for the establishment of a Career Corps," and in subsequent weeks, at least, General Smith seems to have regarded OTR less as an intelligence school than as an advisory staff on personnel-management matters relating to the planning of such a career corps. It was in that vein and with some personal pride that General Smith wrote, in March 1951, to a top official in one of the other departments, as follows:

I am trying to build up a corps of well qualified men here who are interested in making a career with the Central Intelligence Agency. To effect this, I recently established

¹ Recollection by Col. Matthew Baird, on July 3, 1951, in his memorandum to the DCI, covering OTR's staff study, "Proposal for...A Career Corps," Secret, in O/DCI/ER. The historical validity of Colonel Baird's conclusions about any "failure" of previous DCI's, 1946-50, is outside the scope of this study, limited to the period October 1950-February 1953. No evidence has been found, however, in the latter period, to doubt that the DCI and his immediate advisors were critical of the absence of a career-management program in CIA, in October 1950, when General Smith entered office.

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responsibility involved, in addition, tasks that were compartmented but at the same time akin to intelligence and administrative matters handled elsewhere. They included, for example,¹ evaluation of technical intelligence on foreign communications and electronics systems; the development and enforcement of security controls, regulations, and practices in communication; the research, development and procurement of technical equipment;² the formulation of technical personnel and logistic requirements for its activities; and the technical training of its specialized personnel. Under these responsibilities, various coordination arrangements were worked out with the other offices normally concerned with such matters, including (respectively) OSI, I&S, TSS, DD/A offices, and QTR, so as to avoid the rigidities of extreme compartmentation.

The internal organization of O/Commo tended to reflect these specialized functions. In December 1950 its headquarters component consisted of the Signal Center and separate divisions for Security, Engineering, Training, and Operations.³ By March 1953 certain additional staffs had been added, for Policy and Planning, Administration, and "Supplementary Activities," respectively.⁴ In terms of

¹ Draft of O/Commo missions and functions, Oct. 5, 1951, cited above.

² O/Commo's special jurisdiction over supply requisitions for "communication supplies and equipment" was recognized, for example, in the general control procedures of the DD/A's Procurement Office, re-issued in April 1952. (See Notice 51-52, April 9, 1952, in CIA Records Center.)

³ CIA Reg. No. 70, Dec. 1, 1950, Secret, p. 28, in CIA Records Center.

⁴ CIA Regulation R-1-100, March 20, 1953, Secret.

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The plan for administrative decentralization was put into partial effect by the fall of 1952, and included (in the case of the Far East) a separate "Support Command" and a separate administrative and technical support staff in that area, along with the several operational command headquarters and sub-headquarters realigned in Asia and the Far East. How successful this organizational pattern would be, in practice, remained to be seen after February 1953, when this study ends. That the move had had at least limited success, however, by the end of 1952, is suggested in a report by the DD/A to the U. S. Bureau of the Budget.¹ Commenting in general on CIA's "management improvement" program during 1952, but without mentioning the Far East situation in particular, the DD/A reported that CIA had made a "notable" accomplishment, in the field of administrative services and controls, by achieving both a "more efficient centralization" of those activities, in headquarters, and a "decentralization to the field, where possible."

¹ "Summary of accomplishments" with respect to "management improvements," sent by W. R. Wolf, DD/A, to Director of the Bureau of the Budget, Sept. 5, 1952, Secret, in O/DCI/ER, filed under "Budget Bureau."

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equipped with recordings and listening devices, to permit both self-study and directed instruction in an increasing number of foreign languages, and a few courses were subsequently established¹ to supplement² the language programs available at outside academic and governmental institutions, in Washington and elsewhere.³

The use of external training facilities was not a new policy in the period 1950-53,⁴ nor was it limited, after 1950, to language

¹ OTR's histories, 1951-53 (1952 and 1955 versions) mention only one formal language course within OTR (that is, up to February 1953). That one was in Chinese, and was in the "discussion stage," as of July 1952 (*ibid.*, p. 29). Whether it was actually given is not indicated. On the other hand, the 1952 history (p. 19) reported that 84 employees were enrolled in OTR-conducted language courses as of June 1, 1952.

² Both in OTR's plans (e.g., the Career Corps plan of July 3, 1951) and under the DCI's policy in general (e.g., at the staff conference on May 14, 1951, cited earlier), CIA's policy on language courses was to inaugurate courses within CIA only if academic institutions and other IAC schools could not provide them or were too burdened to accept additional CIA students.

³ Courses at Georgetown University and other outside institutions dominated OTR's language programs from early 1951 to February 1953. At first, training in Russian was given (beginning about May 1951) only to provisional recruits in the UTG/A holding pool, previously discussed; later it was extended to regular employees as well. (See OTR's histories, 1952 version, pp. 19-20, 44, and 1955 version, pp. 6-7, 25-29.) Ultimately, by 1953, OTR's problem was to arbitrate various language training requests that apparently exceeded OTR's internal and external resources. Thus, out of 1,239 requests (from the operating offices) between July 1952 and June 1953, only 250 were approved. (See OTR's history, 1955 version, p. 29.) In any case, language training occupied a considerable portion of the time of employees in the operating offices. In OTR, for example, 3.4% of its total man-hours in 1951 went into training (73% of which was in Russian and other languages); in 1953 the training time was 4.6% (of which 52% was in languages). (See OTR's history, "Development of...OTR," Secret, prepared in August 1954 for the Clark Committee, chapter 1, p. 7.)

⁴ Before December 1950 external-training arrangements had been handled by the Personnel Staff and the two personnel divisions (overt and covert) in the CIA Executive's group.

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In all these continuing tasks, the Comptroller, the Auditor, and the General Counsel, while specific functions were divided among them, nevertheless shared a common responsibility as "watch dogs," so to speak, for the DD/A and for the Director himself in the management of CIA's fiscal assets.

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The reorganization announcement of December 1, 1950, did not call attention to this apparent inconsistency, nor did it attempt to reconcile the jurisdictional issues that seemed to be involved.

Meanwhile the detailed organizational arrangements of the new DD/A group called for a degree of compartmentation between overt and covert administrative matters, which seemed to provide at least a temporary solution for reconciling the conflicting demands for centralized administration and operational autonomy. This compartmentation (as suggested in the list of the DD/A's key personnel on December 1) was apparently to be achieved by appointing deputy chiefs in each of the principal administrative offices (or "divisions," as they were then called), whose principal responsibility would be to supervise the covert requirements on his office. Initially, five of the DD/A's offices were thus equipped, including the Finance, Personnel, Medical, Procurement, and Administrative Services Divisions, and three of them (Finance, Personnel, and Medical)¹ had "Covert Branches" exclusively for handling clandestine support matters.² In subsequent weeks two other divisions

¹ List of Chiefs and Deputy Chiefs of the DD/A's "Administration Offices," in General Order No. 38, Dec. 1, 1950, Secret, in CIA Records Center.

² Organization charts for these three "divisions," in CIA Regulation No. 70, Dec. 1, 1950, Secret, in CIA Records Center. The Finance Division's covert branch was called the "Special Funds Branch." Ibid., p. 34.

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(2) the Advisory Council, for communications-intelligence liaison and security.¹ These functions remained under the Executive Director until September 1948. Still another non-administrative branch was the Reference Center, which was transferred about October 1947² from ORE to the Executive's staff, where it remained until its transfer to the new OCD in 1948.

Meanwhile, since 1946, the Agency's clandestine operations organization, consisting then of a single office in Washington (the Office of Special Operations), had developed its own administrative staff, compartmented from the Executive's general administrative staff and organized largely on the wartime operational experience of the Office of Strategic Services. By mid-1948, OSO had an Administrative and Services Staff (A&S) consisting of three divisions -- Personnel, Special Funds, and Transportation and Supply.³ In addition, OSO had two operational-support units which were quasi-administrative in nature -- the Registry and the Cover and Documentation Branch. It also had charge of the Agency's field-communications system.⁴

¹ CIG organization charts for July 22, 1946, and July 1, 1947, cited above. See also chapter VIII, above, on OCI.

² CIA organization chart, Oct. 15, 1947, Secret, in Annex B, below. See also chapter V, above, on OCD.

³ Listed in General Order No. 11, Sept. 14, 1948, Secret, in CIA Records Center.

⁴ Mentioned in memoranda by Lyle T. Shannon, Deputy Executive, to DCI, June 21, 1948, and Aug. 2, 1948, both Secret, in DD/S policy file "O&M 5."

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In January 1951 the selection and recruitment of such "qualified employees for career development" was recognized as OTR's No. 1 support function, in its official charter of missions and functions.¹ By that charter, OTR would undertake this support operation "in coordination with the Director of Personnel."² Accordingly, some weeks later a special T/O allotment of 100 "professional trainee" (PT) positions, to be filled from academic sources, was granted to OTR,³ in addition to its regular T/O for instructional and administrative staff. Contacts were established by OTR (evidently in collaboration with Personnel and OO's Contacts Division) with a number of "quality universities and colleges"

¹ CIA Regulation No. 70, editions of Jan. 19, 1951 and April 18, 1951, Secret (in CIA Records Center), both list career-recruitment as the first of its three functions. In the Dec. 1, 1950 version (ibid.), this function ranked as No. 2.

² OTR's responsibility to coordinate with the Personnel Office was not explicitly mentioned in the charter of Dec. 1, 1950 (ibid.), presumably because at that time training and personnel were co-equal functions under the CIA Executive. The phrase first appeared on Jan. 19, 1951 (ibid.), after OTR was separated from the DD/A group.

³ This T/O of 100 training slots had already been allotted to OTR by July 3, 1951 (see OTR staff study on the Career Corps, July 3, 1951, previously cited, especially "Discussion" Section, p. 1); but exactly when this T/O was authorized is not known. With this T/O, OTR expected to recruit annually between 200 and 300 "Career Corps Selectees" (ibid., p. 1).

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The new Personnel Office was headed by William J. Kelly, who had served earlier as head of the Personnel Staff.¹ His Deputy was George E. Meloon, who had been in charge of covert support under the CIA Executive, up to December 1950, and who was now responsible primarily for covert personnel affairs.² Under them were reorganized the several personnel sections that had previously been divided among the three staffs.³

The charter for the new Personnel Office, announced on January 19, 1951,⁴ reflected the merger of the month before. In general the new office was responsible broadly for "the development, preparation, and execution of all Agency personnel programs (except

¹ Lists of CIA officials: General Order No. 30, June 7, 1950; and General Order No. 38, Dec. 1, 1950 (both Secret, in CIA Records Center).

² Ibid. Kelly and Meloon were given the titles Director of Personnel and Deputy Director of Personnel, respectively. On July 30, 1951, Meloon replaced Kelly as Director of Personnel, and (in a further organizational move announced the same day), a new position of "Assistant Director (Personnel)" was established, over (not under) the so-called "Director." General F. Trubee Davison became the first AD/Personnel, as of July 30, 1951, and served in that top position until about April 1, 1952. (See CIA Notice 47-51, July 30, 1951, Secret, in CIA Records Center; and minutes of DCI's staff conference, April 7, 1952, SC-M-35, Secret, in O/DCI/ER.)

³ By early 1953 the Personnel Office was organized into four staffs and six divisions. The Staffs included Research and Planning, Career Development, Employee Services, and Special Contracting and Allowances. The Divisions included two main "Personnel Divisions" (one for overt and the other for covert staff employees), a Personnel Procurement Division, and three special Divisions for Testing and Evaluation, Classification and Wage Administration, and Military Personnel. In all, 291 civilians and 64 military personnel made up the Personnel Office as of Feb. 28, 1953. (See organization chart, in CIA Regulation 1-100, Secret March 20, 1953, in CIA Records Center; and strength figures in memorandum by Personnel Office to Historical Staff, Secret, March 2, 1956.)

⁴ CIA Regulation No. 70, Jan. 19, 1951 (Secret), in CIA Records Center.

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The consolidation of both budgetary and accounting functions under the Comptroller did not, however, appreciably alter the compartmentation prevailing between overt and covert financial transactions. In subsequent months a number of further arrangements and understandings were concluded, between the DD/A and the DD/P's clandestine-operations group, to clarify the jurisdiction of the two offices over covert finance, as well as other types of covert support.¹

Nor did the consolidation under the Comptroller, in December 1950, affect the established arrangements for a separately organized system of independent post-audits of CIA's financial transactions, although there were some changes elsewhere in the DD/A's group in subsequent months. As far as vouchered funds were concerned, the General Accounting Office continued to perform "site audits," on CIA's premises, on the basis of voucher files maintained by the Comptroller's accounting sections. With respect to unvouchered funds, however, a major organizational change was made, culminating in the establishment of a new, separate Audit Office in April 1951, headed by Cap T. Veach.² In this reorganization, the post-audit

¹ See Chapter X, pp. 44-73, above.

² See Audit Office's history of Audit Office and predecessor, 1950-52, prepared in June 1952, Secret (in O/DCI/HS files.)

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The first of these new support offices was the Office of Training (OTR), headed by Colonel Matthew Baird beginning December 1, 1950.¹ This unit was first announced on November 15, 1950 (as a "division" of the Executive's administrative group)² and established on December 1 (as a division in the DD/A's group).³ In January 1951 it was renamed the Training "Office"⁴ (but still in the DD/A group) and sometime between January and April 1951, it was re-assigned as a special office directly responsible to the

¹ Colonel Baird's appointment as "Director of Training" was announced on Dec. 1, 1950, in General Order No. 38, Secret (in CIA Records Center). He came to CIA from the U. S. Air Force, having been recalled to active duty in order to fill the new post of Director of Training, CIA, according to a later biographical statement. (See course outline No. 4, Oct. 1951, for OTR's Agency Orientation Course; in OTR files.)

² Organization chart for CIA Executive's several "divisions," dated Nov. 13, 1950, and circulated on Nov. 15 with explanatory memorandum by Murray McConnell, CIA Executive, to all AD's; see DD/S "O&M 5" file.

³ Organization chart of DD/A's several "divisions," Dec. 1, 1950, showing them as responsible to the Assistant DD/A (Lyle T. Shannon), and in turn responsible to McConnell, DD/A. See CIA Regulation No. 70, Dec. 1, 1950, p. 30, in CIA Records Center.

⁴ The date Jan. 3, 1951 was regarded by the Director of Training as the birthday of OTR, while Jan. 2 is the date given in OTR's history for 1951-52. (See Col. Baird's staff study, July 3, 1951, on a proposed Career Corps, Secret, in O/DCI/ER; and OTR history, 1951-52, p. 1, Secret, in O/DCI/HS.) The name "Training Office" appeared formally for the first time on Jan. 19, 1951, (still as part of the DD/A group), in the revised edition of CIA Regulation No. 70 (in CIA Records Center); see especially statement on mission and functions of "Training Office" (*ibid.*, p. 42). The January 19 organization chart for the DD/A group as a whole has not been found (it was presumably destroyed when it was rescinded by the revised DD/A chart of April 18, *ibid.*), but there seems to be no question that in January 1951 OTR was on the DD/A chart.

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procedure and evidently supported it well. They provided a glimpse, at least, into the otherwise tightly compartmented offices that made up the Agency, a further appreciation of the general security policies and practices that affected all employees, and a morale "lift" from seeing in person many of the men in charge of the Agency's substantive and administrative programs.¹

A second early personnel-support activity of OTR, intended in this case to serve directly the Agency's recruitment programs, was to take over and expand the Personnel Office's "training and holding pools,"² beginning about April 1951.³ The personnel pool idea was a device, under the useful guise of "training," that had been used experimentally by Personnel,³ before October 1950, as a means of improving the Agency's competitive position in the labor market, and reducing at the same time the demoralizing effect of the necessarily long security-clearance delays on applicants under recruitment. Under this program recruits could be quickly appointed,

¹ Another estimate of these programs (in OTR's history, 1952 version, p. 46) was that they provided all new employees with "a uniform understanding" of the Agency's "policies..., objectives, and operat-ing principles."

² OTR's history for 1951-52 (1952 version, p. 37; in O/DCI/HS) implies that these training pools were first set up in 1951. Actually they had been used before. For the situation before October 1950, see chapter 10, above, pp. 77 ff.

³ This office was known, up to the fall of 1950, as the Personnel "Staff"; see above, pp. 21 ff.

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In the latter case, the new Supply Office was made responsible for "all procurement of any kind for the Agency," but its jurisdiction did not extend to the several types of miscellaneous support activities previously also handled by the Administrative Staff. These other matters were to be handled, instead, by a new, separate Services Office, which was made responsible for "all" administrative "services of common concern" within the Agency, such as telephones, transportation, space requirements, documentary reproduction and printing, and the like.¹

The remaining staff offices of the Executive were left essentially undisturbed, in the reorganization of November 15, except that most of them were renamed. The Legal Staff became the General Counsel's Office, while the Medical Staff was renamed the Medical Office. The head of the Inspection and Security Staff was renamed the Security Officer, but he would continue, "as heretofore", to have responsibility for operating the "Inspection and Security Staff." The chief of the Management Staff was renamed "Assistant to the Executive," responsible for "special analyses of management problems for the Executive and others as required."²

¹ Ibid.

² Ibid.

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Certain reorganizations of personnel management work, finally, were included in OTR's plan of July 1951. In particular the plan called for a Career Development Staff (presumably to be located in OTR or in the Personnel Office),¹ a Board for Examination and Review "at the Director-Deputy Director level,"² and individual Boards of Review "at the Office level" (each one with that office's "Training Liaison Officer" serving ex officio as the secretary).³ At the bottom echelons each supervisor would also participate, to the extent of an annual appraisal of all the employees (career selectees or otherwise) under his immediate supervision,⁴ with an emphasis "away from rating (the Civil Service concept)" toward a system of discovering what an employee "can" do, and what might be done to "improve and prepare" him or her for "higher level service."⁵

¹ Ibid., tab I, p. 2. It was not indicated which of these two offices would take over the proposed Career Development Staff. (Ibid.) Later this Staff was assigned to the Personnel Office.

² Ibid., tab I, pp. 1-2.

³ Ibid., tab I, p. 2. The Training Liaison Officer (TLO) was normally a member of the administrative section of a given intelligence or operational office.

⁴ Ibid., tab I, p. 1.

⁵ Ibid., tab I, p. 1.

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Chapter X

THE CONDUCT OF AGENCY BUSINESS

Summary

Like the intelligence production group and the clandestine operations group of CIA's headquarters, the administrative staffs and offices underwent a considerable reorganization and expansion during the period of General Smith's Directorship. In December 1950 the position of CIA Executive was redesignated the Deputy Director for Administration (DD/A), and under him were recentralized the nine staffs responsible for the management of the Agency's financial, personnel, property, physical security, and other supporting services and internal administrative controls. In subsequent months, in 1951 and 1952, some of these DD/A staffs individually reorganized, and all of them, totalling eleven offices by February 1953, shared in the expansion which characterized the entire Agency during the period of General Smith's Directorship. In terms of personnel strength, for example, the administrative-support components expanded more than three-fold, from some 667 personnel on duty on July 1, 1950, to some 2,282 employees at the end of February 1953.¹ This expansion, however, was somewhat less than that of the Agency's headquarters as a whole, during the same period. Whereas, in 1950, the administrative staffs represented almost a fourth of the Agency's personnel in Washington, by early 1953 they accounted for only about one seventh.

¹ Statistical memorandum on T/O and Personnel Strength of CIA, June 30, 1950, and February 28, 1953, prepared for O/DCI/HS by Personnel Office, March 2, 1956, Secret.

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National Security Council's staff.¹ Other examples of the IG's activities, later in 1952, were an organizational survey of the DD/P's Technical Services Staff (TSS),² conducted by Hedden personally, and an inspection of the DD/I's domestic field offices (those of OO/C and of OO/FBID in continental U. S.),³ conducted by his deputy, Willard Galbraith.

Ultimately there was perhaps no subject of administrative investigation in which the Inspector General did not have an interest or voice, although in practice he seems to have specialized, in 1952, in jurisdictional issues, especially those relating to inter-office organizational disputes.⁴ Such a view of his office was, in fact, reflected in the IG's formal charter, as it

¹ Patrick Coyne, security officer in the NSC staff. (See *ibid.*) In his instructions to Coyne, Hedden authorized him to carry the survey "as far as you wish, without any limitations," but with attention to nine matters in particular. The substance of Coyne's survey, insofar as it is applicable to the history of the Security Office's organizational development, is discussed later in this chapter, pp. 184 ff., below.

² A copy of the survey report, about July 1952, is in the DDP/TSS files.

³ See report by Willard Galbraith, "Deputy IG," to Hedden, Oct. 14, 1952, Confidential, in O/DCI/ER, filed under "OO Survey."

⁴ Internal rather than external organizational problems seem to have dominated the work of the IG in 1952. No evidence has been found (outside the OSI survey mentioned above) of his concern for CIA/IAC organizational problems, except that he attended one meeting of the IAC, evidently as an observer. (See minutes of IAC meeting, July 28, 1952, IAC-M-78, Secret, in O/DCI/ER.)

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and others for covert-administrative personnel of the higher grades. Sometime in 1952,¹ some if not all these pools were re-grouped and renamed the Interim Training Branch (IT/B), and transferred to OTR.² A third holding unit, called the "Personnel Pool," handled clerical and other "non-professional" recruits in the lower grades, and was operated by the DD/A's Personnel Office until January 1952, when the training operation was transferred to OTR, leaving the DD/A in charge of administering the Pool.³ In July 1952 this Pool was renamed the Interim Assignment Branch (IAB).⁴

In summary, it appears that the unclassified training and work projects that were actually accomplished by all these three

¹ The transfer date is not given in OTR's histories (cited above), which imply, instead, that the ITB program was initiated (rather than absorbed) by OTR. The earliest reference seen to OTR's control of the ITB is June 9, 1952 (see CIA Notice 76-52, Secret, in CIA Records Center), but the transfer probably occurred earlier.

² OTR's history, 1951-52 (1952 version), pp. 38-39. The ITB provided these provisional recruits with unclassified study and work projects of interest to the sponsoring DD/P offices, such as "specified research projects, required reading, and area familiarization." (*Ibid.*, p. 39.) OTR's "estimate" of its various programs (*ibid.*, pp. 42-47) does not include an evaluation of the ITB, UTG/A, or IAB programs.

³ The date January 1952 is given in *ibid.*, p. 39, while March 1952 was the date of a "memorandum of understanding" between OTR and the Personnel Office (mentioned in OTR's history, 1955 version, p. 12). This arrangement of joint management by OTR and the Personnel Office was not announced, however, until July 5, 1952; see CIA Notice 81-52, Secret (in CIA Records Center).

⁴ As of June 9, 1952, this unit was still officially called the "Personnel Pool." A month later it was renamed the Interim Assignment Branch, or "IAB." (See CIA Notices 76-52, June 9, 1952, and 81-52, July 5, 1952, both Secret, in CIA Records Center.)

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lines which were to be drawn between Washington and the Far East, including the decentralization of certain OPC-type projects to the field, the plan outlined a number of administrative and support problems for which, it appeared, decentralization was not the sole solution.

For a number of essentially administrative reasons (as well as for operational control reasons), the DD/P group evidently favored a greater measure of centralization.¹ Whether the operational projects were of the OPC or OSO "type," they required centralized security controls in Washington, especially the "application of counter-espionage and operational clearances,...[and] review and analysis of each step of operations," necessarily dependent on central operational control files. Complete decentralization would result in a "drive for action and accomplishment" in the field, at the risk of security, OSO and OPC reported. "No matter how graced with the phrase 'calculated risk,'" such uncoordinated projects would "inevitably lead to compromise, publicity, and security dangers to the balance of the organization," the report said.²

Certain specific support aspects of operations also required centralized control rather than be left to field discretion, the DD/P group concluded, in April 1952.³ For example, agents under

¹ Joint memorandum by OSO and OPC to DCI, April 19, 1952, cited above.

² Ibid.

³ Ibid.

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Although the centralization of administration and support services was the general rule between 1950 and 1953, there were also several important elements of decentralization in CIA's growth during that period. Four new supporting offices were established, in 1951 and 1952, directly under the Director rather than as part of the DD/A's administrative group, for handling training, inspection and special investigations, field communications, and relations with the press, respectively. Other specialized types of supporting services, already outside the administrative group long before 1950, remained in that status during General Smith's Directorship: for example, library and indexing services, contact and liaison control, and secretariat services for inter-agency committee consultations were three types of supporting activities.¹

Finally, there were elements of both centralization and decentralization in the organization of those administrative services that were needed by the clandestine operations offices directed by the Deputy Director for Plans (DD/P). In effect, control over clandestine administrative matters was re-divided between DD/P and DD/A, between 1950 and 1953; and various organizational and procedural arrangements were worked out for reconciling the needs for centralized administrative responsibility, on the one hand, and the needs for operational autonomy and compartmentation, on the other.

¹ These three groups of functions remained respectively in OCD, OO, and OIC; see chapters 5, 4, and 3, respectively.

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ORGANIZATIONAL HISTORY OF CENTRAL INTELLIGENCE AGENCY, 1950-1953

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function, which (before December 1950) had been a housekeeping service attached to ORE, was temporarily located in the Administrative Services after the liquidation of ORE, and was now (as of January 19, 1951) re-assigned to ORR.¹

The jurisdictional lines between the Procurement Office and the Administrative Services Office, announced on December 1 and re-iterated on January 19, 1951, were left to stand for about a year. Both of them expanded, from a combined strength of about 190 employees, before December 1950, to 535 employees, by August 1951.² By the end of August 1951, the Procurement Office had 237 employees on duty, and an authorized table-of-organization of 320. The Administrative Services Office, at the same time, had 298 on duty, with a total T/O of 402 employees.³

In October and November 1951 a further management review of these two offices opened, again, the old question (current between 1946 and 1950) of consolidating them into a single office for "supplies and services." The occasion was a staff study by one of the DD/A's special assistants, William H. Ball.⁴ Ball proposed

¹ Ibid., and previous editions of July 1, 1950, and Dec. 1, 1950.

² See memorandum by R. D. H. Harvey to DD/A, Aug. 24, 1951, Secret, in DD/S "O&M 5" file.

³ Ibid.

⁴ Memoranda by William H. Ball, "Director of Supplies and Services," dated Oct. 25, 1951, Nov. 5, 1951, and Nov. 17, 1951, all Secret, in DD/S "O&M 5" file. Mr. Ball was on leave from the Ball "Mason Jar" firm in Muncie, Indiana, serving as a special assistant to the DD/A.

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the Communications Office) also had supply and training responsibilities for its special materials, which it conducted in coordination with the Procurement Office and the Training Office, respectively.¹

Similarly, operational records and intelligence files were compartmented from the record keeping in the rest of the Agency, and underwent some reorganization within the DD/P group. For example, name-check files and certain related operational records were divided between the OPC Registry and OSO's Intelligence Records Division (IR) until November 1951, whereupon these units were merged to form a single Records Integration Division (RI).² The new Division was placed at first in OSO and later (about August 1952) in the new FI Staff.³ Likewise, a consolidated requirements staff for gathering operational intelligence information from overt sources was established, first in OSO and later (in 1952) in the FI Staff, to serve all Area Divisions, as well as the several Senior Staffs of the DD/P group.

¹ Something of the relationship between the DD/A Procurement Office's Control group and the DD/P's Technical Services Staff is indicated in Notice 51-52, April 9, 1952, Secret, cited above.

² See FI/RI's "History...[of] Records for the Clandestine Services, 1948-1952," Oct. 16, 1952, Secret, in O/DCI/HS files. RI's name index grew from 2,899,000 entries, in July 1950, to 4,640,000 in July 1952. (Ibid.)

³ Ibid.

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activities (outside the DD/A's group) which were handled by the DD/I's intelligence group. The support activities of OCD¹ and of OO² have already been described, and were so extensive that they dominated the workload of those offices. The other intelligence offices also provided certain support services, but in those cases the services performed, while significant, were only secondary or incidental to their main intelligence production jobs. In OCI, for example, an entire division handled security and related administrative matters relating to the special intelligence materials for

¹ See Chapter V; see also index, under "OCD," for references in other chapters. In addition to its many support activities relating to intelligence documentation, OCD also had an Agency-wide security responsibility in providing (through one of its key officials) the Agency's Top Secret Control Officer and its Custodian of Registered Documents. (See, for example, CIA Notice P-6-52, March 26, 1952, Secret, and other similar announcements, earlier and later, in CIA Records Center.)

² See Chapter IV; see also index, under "OO," for references in other chapters to OO's support activities other than intelligence collection. Administrative activities involving money, manpower, materials, and security controls were especially important in the work of FBIS overseas "bureaus," of the domestic field offices, and of the Sovmat Staff. In one other major activity (rehabilitation and resettlement of defectors), the OO's work had many of the characteristics of a "welfare agency." See CIA's second progress report to the NSC on the defector program (under NSCID No. 13 and NSC No. 86/1), Sept. 20, 1951, Top Secret (TS #62411), in O/DCI/ER; and memorandum by Edwin Ashcraft, OO, to W. H. Jackson, special assistant to DCI, undated, about Oct. 1, 1951, Secret, in O/DCI/ER, filed under "OO Survey."

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(Law¹ and Training²) were also similarly organized with a separate "covert affairs" section. While this type of administrative compartmentation was not new (having been tried on and off between 1946 and 1950 in the Executive's organization), there seemed to be a new determination to see it work.

This compartmentation was further extended, early in January 1951, to the immediate office of the DD/A, where another position of Assistant DD/A, one specifically for covert affairs, was established. John E. O'Gara was appointed to this new position,³ where he remained until July 1952. The resulting situation, as reflected on the Agency's new organization chart (on January 19),⁴ was that the DD/A now had two principal Assistants: O'Gara for covert affairs (Assistant DD/A for "Administration--Special") and Shannon for administrative affairs in the rest of the Agency (Assistant DD/A for "Administration--General"). Under them together and apparently under their

¹ For the Law Division (renamed, once again, the Office of General Counsel), a separate assistant for covert affairs was not a new arrangement. For at least two years John S. Warner had been Assistant General Counsel for Covert Affairs. /See General Orders No. 15 (Jan. 27, 1949) and No. 24 (Oct. 5, 1949), Secret, in CIA Records Center./

² For the Office of Training a Deputy was appointed on January 4, 1951 (by General Order No. 40, Secret), but it was not until later that it undertook to supervise covert training. See below, pp. 61-64.

³ The appointment of John E. O'Gara was announced on Jan. 4, 1951, in the list of key personnel in General Order No. 40, Secret, previously cited. O'Gara had come to CIA from the State Department; see biographical statement, July 1952, in OTR Agency Orientation Course outline No. 7, in OTR files.

⁴ CIA Regulation No. 70, Jan. 19, 1951, Secret, in CIA Records Center.

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Meanwhile, a Psychological Staff was also organized in OTR, between January and June, to develop fitness-report forms, devise and procure testing materials,¹ and otherwise prepare to undertake what was eventually called an "assessment and evaluation program."² These appraisal procedures were to be applied jointly by OTR, the Personnel Office, and the employer offices, as they evaluated each of these junior selectees continuously through his successive stages, first as an applicant, recruit, and trainee, then as a regular employee on duty and a rotation, and finally, as a full-fledged member of the Career Corps.³

¹ OTR expected to rely heavily on the commercially available "Educational Testing Service," already under contract with CIA. (See OTR staff study, July 3, 1951, previously cited, especially "Discussion" section, p. 5, and Tab C.)

² OTR's history, 1955 version, pp. 14-15, 33-37. The Psychological Staff of OTR (as it was called by Colonel Baird on July 3, 1951) was established some time in the spring of 1951 as follows. In January the Chief of the Assessment Staff of the Training Division (covert) was transferred from the DD/P group to OTR, in order to handle this activity (*Ibid.*, p. 36). In March he proposed to establish a Division of Psychology, but OTR's history implies (*ibid.*, p. 36) that the proposal was shelved. In any case, a "Psychological Staff" was actually functioning by July 3, 1951, when its work was mentioned in Colonel Baird's staff study on the Career Corps (previously cited; see especially "Discussion" section of that study, p. 5).

³ See OTR's history, 1951-52 (1955 version), pp. 14-15, 33-37; and OTR staff study on the Career Corps, July 3, 1951 (previously cited), especially "Discussion" section and the following "tabs" bearing on these personnel appraisal procedures: C, Testing and Assessment...; G, Evaluation...During Training; I, Identification of Career Corps...; J, Evaluation of Outstanding Candidates...; K and N, Rotation Plans...; Appraisal Form; and Skimmer Chart.

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Although these special personnel functions, organized as they were outside the Personnel Office, represented departures in detail from the general principle of centralization that had been espoused by the CIA Executive and the DD/A,¹ the compartmentation which resulted was not a rigid one, nor did the division of labor actually lead to divided responsibility. In practice the segregation of specialized personnel functions was modified by a variety of procedures for achieving a measure of consultation and cooperation among the interested offices. Furthermore, there were attempts, in 1951 and 1952, to strengthen further the authority of the Personnel Office over the Agency's entire personnel program.

One such attempt occurred in October 1951, when the new head of the Personnel Office, General F. Trubee Davison,² was invited by the DD/A, Walter R. Wolf, to take jurisdiction over two of the other principal offices concerned with personnel matters--the Medical Office (already in the DD/A's group) and the Office of Training (outside that group). In the interest of centralizing "all functions in the Agency having to do with people, except finance," the DD/A had singled out these two offices for a possible merger into the Personnel Office.³

¹ Ibid., pp. 34-35.

² For Davison's appointment, on July 30, 1951, to the new top position of Assistant Director (Personnel), see above, p. 135, footnote 3.

³ The text of DD/A's proposals has not been seen. A summary of them, together with Davison's comments, are contained in Davison's memorandum to the DD/A, Oct. 5, 1951, Confidential, in DD/S "O&M 5" file.

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selected in OTR by a consultant retained (early in 1951) for this purpose,¹ and actual recruitment was soon under way (probably by March 1951).² An initial course in "basic" or "general" intelligence was developed by OTR's staff, between February and April 1951, in which these junior trainees would be initially enrolled, and in July it was given for the first time.³

¹ By February or March 1951 OTR's staff included a consultant (a dean on leave from one of the universities) whose principal job over the next 18 months was to select junior "professional trainees" from selected schools. (See OTR's history, 1951-52, 1955 version, pp. 9-10). By July 3, 1951, 48 colleges and universities were on OTR's select list. (See OTR staff study on the Career Corps, July 3, 1951, "Introduction," p. ii, "Discussion," pp. 3, 5, and Tab B, "List of Institutions in Which Contacts Should Be Established.") No more than two recruits would be hired from any one school, in order to "avoid Ivy League concentration," so OTR wrote in July 1951 (*ibid.*, "Discussion" section, p. 5). Under these recruitment arrangements, OTR's job was to "operate the contacts [with the colleges/ and...monitor the testing and recruitment in consultation with Personnel." (*Ibid.*, "Introduction," p. iii.) Other colleges (outside the selected list above) would, however, be handled directly by the Personnel Office, as part of its "normal [recruitment/ activities" (*ibid.*, p. ii, and "Discussion" section, p. 5.). For later history, see below, p.105.

² OTR's histories for 1951-52 (1952 and 1955 versions) do not establish the date, but imply (1955 version, p. 10, footnote 18) that OTR's recruitment program was under way by March 21, 1951. Nor do they indicate (*ibid.*) when the first trainees were actually on duty. The implication, again, is that this occurred sometime after June 30, 1951. (Thus, no on-duty trainee figures are listed for June 30, 1951, in the first of OTR's semi-annual personnel statistics (*ibid.*, 1952 version, unnumbered appendix). By Dec. 30, 1951 (the next reporting period), some 45 PT's had been hired by OTR and were on trainee duty. (*Ibid.*)

³ A program of "basic" intelligence instruction, variously called a course, curriculum, and school, was developed between February and April 1951 by J. B. Whitelaw and others of the OTR staff, and was scheduled to be given, for the first time, on July 9, 1951. (See OTR's history, 1955 version, previously cited, p. 8 and footnotes.) Basic training for PT's should not be confused with training in how to produce "basic intelligence," that is, National Intelligence Surveys. The preparation of an NIS was to be a project of one of the later advanced courses for specialists. (See OTR plan of July 3, 1951, previously cited, Tab K, p. 2.)

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Along with these and other changes, which are described in further detail below, there were important elements of continuity and stability during this period. The principal ingredients of administration--manpower, money, materials, and security controls--remained the same dominant considerations from 1950 to 1953. Although there were new problems during this period in the handling of these and other types of administrative resources and controls, there were also many problems which were evidently not far different, in principle and practice, from those experienced by the Agency during its earlier, formative years as CIG and OSS. Administrative precedents which had been developed during those earlier periods, together with key personnel who had been concerned with developing and applying them, were for the most part continued after 1950, and represented a major factor of continuity and stability in the years of change ahead.

Scope of Administrative Services and Controls by 1950

The administrative activities of CIA, like those in all agencies within or outside the Government's national security organization, were concerned principally with three essential types of housekeeping services and management controls--money, manpower, and materials. These activities were sometimes regarded primarily as facilitative or "housekeeping" services in that they provided for essential needs without which the Agency's operating or "substantive" programs could not exist. Sometimes they were regarded, instead,

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matters in greater detail, including Employee Rating, Trainees, Rotation, and Career Benefits, respectively. The work of this Committee and its four Working Groups culminated in a "final report" which was submitted by the Committee to the DCI, apparently early in June 1952.¹ The report was approved by him on June 13,² and issued to all employees on June 19.³ Along with this report, a permanent Career Service Board was established, and announced on July 1.⁴ The DD/A became the chairman; the DD/P, the DD/I, the Director of Personnel, and the Director of Training were made members (apparently ex officio);⁵ and two other members were added, evidently to represent each of the two types

¹ Inference from ibid., p. 18a. The exact date is not given.

² Ibid., p. 18a.

³ Ibid.; and CIA Notice 78-52, June 19, 1952, Secret (in CIA Records Center).

⁴ CIA Notice P-11-52, July 1, 1952, Secret (in CIA Records Center). From the regulations cited above and elsewhere, it appears that the Career Service Board and its secretariat were clearly an arm of the DD/A. The OTR history (1955 ed., p. 21) speaks, however, of "The Career Service Board of the Office of Training."

⁵ Ibid. Since about April 1952 Colonel Baird had been serving both as Director of Training and as Acting Assistant Director of Personnel, and so on July 1 he was appointed to the CSB to serve, temporarily, in a dual capacity. On August 1, 1952, Lt. Gen. William H. H. Morris was announced as the new AD/Personnel and as a member of the CIA Career Service Board. (See CIA Notices P-15-52, July 29, 1952, and P-17-52, Aug. 1, 1952, both Secret, in CIA Records Center.)

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the two principals involved (the DD/A and the DD/P) attempted to reconcile once again the jurisdictional issue between them. In a joint memorandum by them addressed to the two operational offices (OSO and OPC), on June 27, 1951,¹ they re-stated O'Gara's position as the DD/A's assistant in charge of covert administration. Henceforth, they announced, his position would be a dual one, both on the DD/A's staff and in the DD/P's organization. As the "Assistant DD/A (Special)," he would at the same time be "attached" to the DD/P's staff, expected to serve both sides in such a way as "to permit the maintenance of close coordination between operational plans, on the one hand, and, on the other, the logistical support and administrative assistance to be supplied by Administration [that is, by the DD/A group]."² On subsequent occasions O'Gara was identified as occupying "a two-fold capacity as Assistant DD/Administration (Special) and Assistant DD/Plans (Administration)."³

By December 1951 the jurisdictional problem was still unresolved, and General Smith himself took a hand in attempting to bring the parties together.⁴ At a meeting of DD/P and DD/A

¹ Joint memorandum by A. W. Dulles, DD/P, and W. R. Wolf, DD/A, to OPC and OSO, June 27, 1951, Secret, in DD/S "O&M 5" file.

² Ibid.

³ See, for example, biographical statement on O'Gara in OTR's Agency Orientation Course Outline No. 7, July 1952, in OTR files.

⁴ Organizational matters involving the DD/A group were rarely up for discussion in the DCI's staff conferences between December 1950 and January 1953. (See minutes in "SC-M" folder, in O/DCI/ER.)

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once a week, to all new employees, with emphasis on personnel-security practices and on the employee's administrative relationships to the Agency's organization in general.¹ By June 1952 some 2,600 new employees had gone through this three-hour lecture series, as part of their entrance-on-duty procedure.²

Although these one-week and three-hour presentations were only rarely called training courses by OTR,³ and apparently were not intended as such,⁴ they did support the personnel processing

¹ OTR's history, 1951-52 (1955 version), p. 5. This study gives two conflicting dates for the first "indoctrination" course--Nov. 1951 (*ibid.*, p. 5 of text) and Nov. 26, 1952 (*ibid.*, p. 5, footnote 7). The 1951 date is probably the correct one. For a description of the course and its place in personnel-induction processing, see OTR's history for 1951-52 (1952 version), pp. 32-34; for an evaluation of its effectiveness, see *ibid.*, pp. 45-46.

² The figure 2,621 is given by OTR in *ibid.*, p. 34.

³ They were classified, rather, as "briefings" and "presentations," and directed (along with other kinds of presentations) by the Orientations Officer, later (about September 1951) renamed the Orientation and Briefing Division (headed throughout this entire period by Shane McCarthy). These presentations were always kept separate from OTR's several "training divisions," of which there were three, by July 1952. (On OTR's training courses, see below pp. 105-12.) Other types of "presentations" by OTR included, for example, lectures at Defense and State Department schools, showings of foreign motion pictures (handled jointly with OCD's graphics Register), and the "CIA Presentations Program," begun in August 1952. The latter program was for AD's, DAD's, and Division and Branch chiefs, and consisted of talks (by AD's) by which OTR sought to "improve Agency internal relationships and morale and stimulate teamwork throughout CIA." (See Notice 92-52, July 21, 1952, in CIA Records Center.)

⁴ One of OTR's histories for this period (the 1955 edition, p. 5, previously cited) concluded that the "orientation" course was regarded as "a necessary preliminary" to the career-service program; but the relationship is not explained.

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Underlying this organizational framework for financial services and fund control was CIA's continuing and increasingly complicated responsibility for handling public moneys entrusted to it. This responsibility was of special concern to CIA partly because of the increasingly large sums involved, and partly because of the "unvouchered" character of a great part of them. One official characterized the Comptroller's responsibility, in 1951, as "an obligation-- a peculiar obligation--to be damned careful what he is doing with a hell of a lot of money."¹ Aside from the size of these funds, however, their confidential and somewhat unaccountable character, and the need of protecting the secrecy of CIA's operations financed by them, made the problem of funds control even more necessary and more complex. It was in this situation that a multiplicity of practices and procedures, not normally found in other Government agencies, were developed and applied in CIA by its financial-management organization.²

In summary, four principal types of functions were involved in CIA's financial support and funds control: (1) budgeting; (2) disbursing and monetary activities; (3) accounting; and (4) auditing and inspection.³ Taken together, they were intended to

¹ Remarks by John O'Gara, Assistant DD/A (Special), Feb. 14, 1951, at OTR's Agency Orientation Conference; disc recording, Secret, in OTR files.

² See General Counsel's "Historical Study...Confidential Funds," undated, about 1952, Secret, in O/DCI/HS files.

³ Ibid.

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February 1953, with a staff of 529 employees, but that Office, too, was smaller, if compared with the combined strength of the Logistics and General Services Offices (840 employees).¹

In terms of organizational development, the Agency's logistical and related administrative services underwent a transformation, between 1950 and 1953, that was somewhat comparable to the reorganization of personnel management and finance management. Like the latter two activities, the procurement activity was redesignated as a major function under the new Deputy Director for Administration, who replaced the CIA Executive in December 1950. Likewise, the procurement activity underwent a merger in which the policy staff and the operating divisions were combined, and by which the overt and covert aspects of the work (while left to a large degree compartmented) were re-united under a single procurement jurisdiction. In other ways the reorganization of procurement was unique, especially in that the non-material services were separated and re-constituted as a separate office for "administrative services." Finally there were certain technical equipment and service matters that were so specialized and so sensitive that they were organized separately, entirely outside the DD/A's administrative group, chiefly in the Office of Communications² and in the DD/P's operational group.³

¹ Ibid.

² For the logistical functions of the Office of Communications, see Chapter X, pp. 54-59.

³ See especially the DD/P's Technical Services Staff, ibid., pp. 65-66.

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its jurisdiction was to be limited, at first, "primarily to... developing a program of career training," but with the expectation that "at a later date it will coordinate and supervise all training" in the Agency,¹ presumably including covert training. During the first year of the Office of Training (OTR), as it was subsequently called, the problem of a further merger of the covert training division with OTR's overt activities was apparently discussed from time to time,² and certain temporary arrangements for coordinating the two organizations were made. In March 1951, for example, the Assistant Director of OTR, Colonel Matthew Baird, was given a voice in the appointment of a new head of covert training,³ and in November he was given authority over the assignment of non-DD/P personnel to covert training courses.⁴

¹ Memorandum by McConnell, Nov. 15, 1950, cited above.

² According to OTR's history for 1951-52 (p. 11, Secret, in O/DCI/HS), OTR did not absorb the covert training programs and gave priority to "non-covert" activities in 1951 "because the previously established covert division was operating smoothly, and because the precise jurisdiction of OTR...over covert training activities was a matter of gradual development."

³ OSO and OPC were asked by the DCI to confer with Baird in selecting a replacement for Col. Peers, who was nearing the end of his duty as "Director of Covert Training," and all AD's (in the overt offices) were invited to submit recommendations. (See minutes of DCI's staff conference, March 6, 1951, SC-M-11, Secret, in O/DCI/ER.)

⁴ CIA Notice 74-51, Nov. 15, 1951, Secret, in CIA Records Center.

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procured items.¹ Most of the Agency's property inventory (\$8,400,000, or 86% of the total) was in the category of "non-expendable" types of equipment and supplies, held either in stock or in operational use. The rest consisted chiefly of expendable types of supplies (totalling \$930,000 in October 1950), and some holdings of land and buildings (evaluated at \$411,000), exclusive of the 26 Government buildings and rented space in metropolitan Washington.²

Some of CIA's material needs were highly specialized, while others were more common. Office supplies and equipment were at the latter end of the scale, and were normally purchased commercially according to general, Government-wide standards set by the General Services Administration. Other items, also available from commercial sources, were obtained on a rental basis, such as telephone facilities, punch-card and tabulating apparatus, and news-reporting teletypewriters. Still other items were of military origin, such as weapons, certain types of field-communication equipment, and training aids; and these were normally obtained directly from the Service departments or procured through them from industrial sources under various reimbursable and non-reimbursable agreements. There

¹ CIA "Statistical Summary," Oct. 1950, Secret, and CIA "Summary of Operations," Fiscal Years 1948-50, Secret, especially unnumbered pages labelled "Administrative Staff...." The monthly average is based on expenditures for June-Aug. 1950.

² A list of the 26 buildings, as of October 1950, appears in the CIA "Statistical Summary," Oct. 1950, cited above.

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In this merger, the new Division (with an old name taken from one of its predecessors) was detached from OSO's supervision and made a separate activity, headed by Col. James H. Drum as acting chief, who was made responsible directly to the DD/P.¹ Later in 1951 OAD was renamed the Technical Services Staff (TSS),² and in 1952, with the establishment of various "senior staffs" in the DD/P group, TSS was likewise given the status of such a staff, with support responsibilities primarily to the several new combined Area Divisions.³ In the summer of 1952 Dr. Willis Gibbons, new to the Agency, was made Chief of TSS, and Colonel Drum, his Deputy.⁴ Along with its developmental and research functions in its specialized fields, TSS (like

¹ Ibid. Colonel Drum had also headed OSO/OAD before June 1951.

² The earliest mention of "TSS" in CIA's overt regulations was on November 28, 1951, when CIA Notice 77-51 (Secret, in CIA Records Center) announced that Colonel Drum was acting chief of TSS. As late as April 1952, however, this activity was still occasionally referred to as "OAD" (See, for example, Notice 51-52, April 9, 1952, Secret, in CIA Records Center.) In July 1952 TSS was also known as "Technical Support Staff." (See Notice below.)

³ TSS and the other senior staffs of DD/P were listed together, for the first time, on July 31, 1952, in CIA regulations. (See Notice P-16-52, July 31, 1952, Secret, in CIA Records Center.)

⁴ Gibbons' appointment was announced on July 31, 1952; ibid.

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practice of appointing military personnel to key positions, which "tends to discourage competent civilian personnel from looking to employment in the CIA as a career."¹

The administration of security controls, too, was scrutinized by the Dulles Survey Group. It found "no evidence of any laxness in the administrative arrangements for security," but concluded that the security of clandestine operations was running the risk of "being compromised" by what it called "the lower standards of security of the overt activities."² Its principal recommendation on security was chiefly with respect to CIA's relations with the press and with the Congress, in which it urged that the NSC itself be made the buffer. Whenever the Director was harassed by Congressional requests for information, "it should be established practice for him to refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest," the report recommended.³ Along with this change, CIA should conduct a program of limited public relations which would emphasize CIA's "coordinating" function in U. S. intelligence and thus help to "cover up rather than...uncover the secret operations entrusted to it."⁴

¹ Ibid., pp. 36-37. Summarizing these factors, the Dulles Survey Group said, further, that "On the whole, morale within the Central Intelligence Agency is not good," because of feelings of an "uncertain future, dissatisfaction with leadership, too many military personnel, [and] delay in security clearances." (Ibid., pp. 37-38).

² Ibid., p. 34.

³ Ibid., pp. 38-39

⁴ Ibid.

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authorized "to examine the accounting, internal audit, and financial procedures, organization, and practices of the Agency" generally, and "to recommend changes in the interests of efficiency and protection of Government funds and property "for which CIA had custody.¹

One other change which had an incidental effect on CIA's financial management was the elimination of the Management Analysis Office, in December 1951, as a separate staff office in the DD/A group, and the transfer of its functions first, to a new Office of General Services,² and later (in August 1952) to the Comptroller.³ In this shift, the Management Office's participation in the annual budget-estimate exercise was eliminated. In addition, the Comptroller inherited several other Management functions, which were re-constituted, apparently intact, as a separate staff section, renamed the "Organization and Methods Service," in the Comptroller's

¹ Ibid.

² In this move, announced Dec. 29, 1951, the Office of Management Analysis and the Office of Administrative Services were replaced by a new Office of General Services (headed by W. L. Peel). In the new Office the Management Office's functions were reconstituted and renamed the "Organization and Methods Service," headed by J. Hodges Parker. (See CIA Notice 93-51, Dec. 29, 1951, Secret, in CIA Records Center.)

³ CIA Notice 100-52, Aug. 5, 1952, Secret (in CIA Records Center). The change was effective Aug. 11, 1952. (Ibid.)

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~~SECRET~~CIA's Organization for Security Controls, 1950-53

The Agency's headquarters office for the administration of security controls, known as the Inspection and Security Staff (I&S) in 1950-51 and the Security Office in 1952-53, was one of the very few components of CIA that did not undergo major reorganization during the period of General Smith's Directorship. There were, of course, some organizational changes in that office, such as a slight change in its name, the shift of one of its inspection functions to another office, the extension of its security authority over some of the Agency's more sensitive activities, and a considerable expansion of its staff from October 1950 to February 1953. In other major respects, however, the Security Office was left undisturbed organizationally. Its broad responsibilities within the Agency were left to stand much as they had been outlined since 1947, the language of its charter remained almost completely unchanged (except in a few details), its key personnel were continued in their positions of leadership, and its somewhat special status in the Agency generally, and in the administrative-support group in particular remained essentially the same during this period. Finally, the Security Office's internal organization was not essentially different, in February 1953, from what it had been in October 1950.¹

¹ Unlike most of the other offices in the DD/A Group, this office has no history on file in O/DCI/HS, and there are relatively few historical records on it, for 1950-53, in the DCI's Executive Registry. The summary below is based, almost entirely, on official pronouncements in CIA Regulations and Notices. A fuller historical study is underway in the Security Office (as of January 1957), so the Historical Staff has been told.

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In financial terms, for example, the Agency had had a budget, for the year just ended (on June 30, 1950), totalling \$54 millions, of which all but about \$1.5 millions had been obligated by October 1950.¹ For the new year 1950-51, already in its fourth month by October 1, the budget had been increased to \$74 millions, and expenditures were proceeding at the rate of \$6 millions a month;² and for the year following (1951-52), CIA had submitted a budget to the Budget Bureau, late in September 1950, calling for a further increase, to \$108 millions.³ While these three successive annual budgets represented only a small fraction of the U. S. Government's total national security program in 1950, and an even smaller fraction of what the Soviet Union, for example, was said to be spending for intelligence and clandestine operations,⁴ they were far beyond the original appropriation of \$15 millions with which the Agency (as CIG) had been provided in its first year.⁵

¹ CIA "Statistical Summary," Oct. 1950, Secret, especially unnumbered pages labelled "Budget Staff"; in O/DCI/HS files.

² Ibid.

³ Estimate for Fiscal Year 1952, transmitted by Admiral Hillenkoetter, retiring DCI, to the Bureau of the Budget, Sept. 25, 1950; mentioned and summarized in subsequent letter by his successor, General Smith, to the Bureau of the Budget, April 6, 1951, Secret, in O/DCI/ER files.

⁴ Remarks by various CIA officials at OTR's Agency Orientation Conferences, Feb., April 1951; disc recordings in OTR files.

⁵ CIA "Summary of Operations," Fiscal Years 1948-50, Oct. 2, 1950, Secret, especially unnumbered pages labelled "Budget Staff"; in O/DCI/HS files. During CIG's first full fiscal year, July 1946 - June 1947, its budget totalled \$15 millions. (Ibid.)

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Along with this relatively high degree of organizational stability was the fact that security considerations and the preservation of the secrecy of CIA's activities remained unchanged, between 1950 and 1953, as a dominating factor both in the general policies and doctrines governing the Agency as a whole, and in the day-to-day working procedures of every headquarters office and field installation. Although some security procedures varied in detail from office to office and from project to project, there were others that were common to the entire Agency, and underlying all of them was the fundamental concept that security measures (including counter-measures against opposing security forces) must be a vital and ever-present ingredient in the planning, execution, and control of all of CIA's activities.

The protection of the secrecy of the Agency's intelligence, operational, and support activities against penetration, compromise, and unauthorized disclosure took many forms and involved many measures, devices, and standards. Some of these procedures had to do with protecting the Agency's premises, in Washington and in the field, against penetration. Others sought to insure the security reliability of the Agency's employees, agents, and other categories of personnel in relation to the use to which they would be put or the operations to which they would be exposed. Other procedures were addressed to safeguarding the Agency in its outside relationships--its communications, contacts, liaison, disseminations, and other transactions with outside agencies, organizations, and individuals. Internally,

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radio-receiving and radio-sending equipment and devices, including telegraph and teletype equipment; ... motor vehicles, and aircraft, and vessels of all kinds ..., firearms,... and ammunition." In addition, this authorization extended to real property, specifically to the "acquisition of necessary land and the clearing of such land; construction of buildings and facilities ...; repair, rental, operation, and maintenance of buildings, utilities, facilities, and appurtenances."¹

All these property, manpower, financial, and security-control matters were basic ingredients of what was commonly referred to as CIA's "internal" administration and management. Organizationally, CIA's administrative group, headed by the CIA Executive in 1950, was responsible in a multitude of ways for providing a variety of services to the two so-called substantive groups within the Agency (to those concerned with intelligence and operations, respectively), and for exercising a variety of planning, supervisory, review, and control tasks (on behalf of the Director and in the interest of efficiency and security) affecting the internal management of the Agency. On the other hand, the administrative group's activities were not, strictly speaking, limited to internal affairs only. In virtually every phase of support work, CIA depended in

¹ CIA Act of June 20, 1949, Public Law No. 110. The draft of this legislation, submitted by the DCI to the U. S. Bureau of the Budget in November 1948, was intended to be "basically a 'housekeeping' bill...designed primarily to aid in the administration and operations of this Agency." (Letter by DCI to Director of the Budget, Nov. 29, 1948, in O/DCI/ER, filed under "Bureau of the Budget.")

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of the operating offices (the AD/SO and the AD/CD).¹ In addition, a Career Development Staff, whose chief was to be the Executive Secretary of the new Board, was established and attached to the Personnel Office,² while the Assessment and Evaluation Division (formerly the Psychological Staff) was left in OTR.³ Finally, each major operating office in the DD/I, DD/P, and DD/A groups was to have its own local Career Service Committee or Board,⁴

¹ Ibid. Representing the operational group, L. B. Kirkpatrick, AD/SO, served from July to September 1952, and was followed by Eric Timm, acting chief of FI, Oct. 1952-March 1953. (See CIA Notice P-23-52, Oct. 23, 1952, Secret, in CIA Records Center.) Representing the intelligence group, James D. Andrews, AD/CD, served from July to Dec. 1952, and was followed by Sherman Kent, AD/NE, Jan.-June 1953. (See CIA Notice P-1-53, Jan. 16, 1953, Secret, in ibid.) By the same order (ibid.) the Director of Communications, Gen. H. M. McClelland, was made a "permanent" member of the Career Service Board.

² This Staff is mentioned (as part of the Personnel Office) in CIA Notice 78-52, June 19, 1952, Secret (in CIA Records Center).

³ OTR's history, 1952-53 (prepared in 1955), p. 37. In December 1952 this Division was renamed a "Staff" in OTR (ibid., p. 37). The A&E Staff was part of the "Special" (that is, covert) group in OTR until some time in February 1953, when it was re-assigned to the "General" (overt) group, but "responsible...for all assessment and all training evaluations within the Agency." (Ibid., p. 38).

⁴ These 15-some Career Service Committees or Boards (from July 1952 on) are not to be confused with the earlier Career Service Committee (Sept. 1951-June 1952), which had the same name but an entirely different function, that is, planning. (See above, p. 102, note 2.) An interim plan for subordinate career boards, prepared in April 1952, called for only three Career Service groups--for "clerical," "specialist," and "professional" employees. (See OTR's history, 1952-53, p. 12.) Eventually, however, there was a separate career service group for practically each administrative, operational, and intelligence office in the Agency. See evaluations by Messrs. Borel and Kirkpatrick, in footnote 1, p. 105.

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The "excessive size" of CIA's administrative staffs derived in part, the Eberstadt Task Force said, from the demands for autonomy by the covert offices, where "security requires a large degree of independence."¹ The committee did not, however, take sides on the issue of centralized administration vs. covert autonomy except to say that "a certain amount of decentralization of CIA may be desirable for security reasons." The committee also questioned whether the Executive's authority should be as broad as it was, saying that:²

There is some evidence of interference by administrative functionaries in matters of primarily operational concern. A certain amount of such interference is inevitable due to the fact that a Director will tend to entrust the enforcement of budgetary controls to his immediate administrative representatives. Too much interference of this sort is undesirable, but this is an administrative problem that must be solved internally.

The Dulles Survey Group was less equivocal in commenting on CIA's problems of administrative services and management controls, and had a number of specific changes to recommend. Somewhat like the Eberstadt report, the Dulles report³ concluded that CIA is "over-administered in the sense that administrative considerations have been allowed to guide and, on occasion, even control intelligence

¹ Ibid., p. 36.

² Ibid., p. 37.

³ Dulles Survey Group, Report..., Jan. 1, 1949, p. 11; copy in O/DCI/HS files.

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but, according to OTR's history, the reactions of the numerous offices ranged from "disagreement in some quarters" to "support of the basic principles, in others."¹ The operating offices gave "general approval" to OTR's recruitment and basic-training program for junior "professional trainees," and to the career-management procedures, OTR reported to the DCI. The idea of a "small elite corps," however, was met with "unanimous disapproval," so OTR reported to the DCI on September 13.²

At the staff conference on September 17, 1951, the DCI concluded by vetoing the idea of "a small elite corps," in favor of one which would "eventually....place all personnel in CIA, except clerical personnel, on a career basis."³ In this way, he said, all eligible "personnel would be so trained that they would become interchangeable, with, of course, certain exceptions in specialized categories."⁴ Aside from this one major modification, the DCI appears

¹ OTR's history, 1951-52 (1952 version), p. 14. The 1955 version (p. 16) gives a summary of these reactions (from a memorandum by OTR to the DCI, Sept. 13, 1951), but says that the written office comments themselves "are not presently available" for historical inspection.

² Partial text of OTR's memorandum, Sept. 13, 1951, in OTR's history, 1951-52 (1955 version), p. 16.

³ Minutes of DCI's staff conference, Sept. 17, 1951, SC-M-27, Secret, in O/DCI/ER. OTR's history, which does not cite these minutes, suggests that the DCI had already approved the July 3 plan early in August 1951. (See OTR's history, 1951-52, 1955 version, p. 16 and footnote 27.) This conclusion seems to be at variance with the minutes of the DCI's staff conference of September 17, 1951, mentioned in the present text, above.

⁴ OTR's history, 1951-52, cited in footnote 3 above.

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offices in Washington, such as office space, building maintenance, and utility services; telephone and motor-vehicle service; and printing and reproduction services. There remained, nevertheless, unresolved jurisdictional problems between the two divisions, especially with respect to requirements planning, priorities, and inter-agency procurement negotiations.

In the direction of resolving some of those matters, a new Procurements Requirements Staff had been established under the CIA Executive, late in September 1950.¹ Headed by Andrew E. Van Esso, former head of the Administrative Staff, the new Requirements Staff was directed to provide "a point of central coordination for CIA" on logistical priorities and on negotiations with other Government supply agencies, so as to avoid "the conflicts, confusion, and duplication resulting from multiple, uncoordinated contacts with other departments and agencies."²

Within two months of General Smith's arrival, these three logistical units were reorganized. On November 15, 1950, the new CIA Executive, Murray McConnell, announced a forth coming reorganization of the entire administrative-support group,³ in which overt

¹ General Order No. 33, Sept. 22, 1950, Secret, cited above.

² Ibid.

³ See Chapter X, pp. 34-35, above.

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viewpoint of rank, furthermore, the DD/A group did not, in fact, seem to dominate the Agency. Its senior officials, late in 1950, were for the most part graded below the Assistant Directors in the operational and intelligence offices.¹ Its total personnel strength, on the other hand, increased more than three-fold from 1950 to 1953 and represented an expansion somewhat greater than that of the DD/I group,² if not also that of the DD/P group.³

¹ While the Dulles Survey Group had been alarmed, in January 1949, that the administrative-support officials occupied "positions of pre-eminence in the Agency," those officials, were for the most part out-ranked, as of November 1949, by the Assistant Directors in the operating offices. The Executive, like the Assistant Directors, had a GS-17 "super-grade," but the administrative staff chiefs were either GS-16's (5 of them) or GS-15's (the Administrative Staff and the Special Support Staff). By the end of November 1950, the Executive had been made a GS-18. (along with all AD's), and there were two additional GS-17's in the administrative group (the Deputy Executive and the General Counsel), both promoted in July 1950. The rest of the administrative chiefs were either GS-16's (5 of them) or lower (Supply, Medical, and Training). See lists of "super-grade" GS-16, 17, and 18 positions "authorized and filled in CIA," Nov. 18, 1949, and Nov. 23, 1950, Secret, in DD/S file "O&M 5."

² The total strength of the administrative group increased from 666 employees (on July 1, 1950) to 2,282 (on Feb. 28, 1953), in comparison to an expansion from 2,008 to 3,117, for the intelligence offices that were grouped (after Jan. 1, 1952) under the DD/I. (See Memorandum by Director of Personnel to Historical Staff, March 2, 1956, "T/O and Personnel Strength..." for period June 30, 1950, to Feb. 28, 1953, Secret.) The immediate office of the DD/A meanwhile grew to 11 (by Aug. 1951) and to 163 (by Feb. 1953). (See *ibid.*, and memorandum by R. D. H. Harvey, Special Assistant to DD/A, Aug. 24, 1951, Secret, in DD/S "O&M 5" file.)

³ Corresponding staff-employee figures for OPC, OSO, and the DD/P group as a whole were not included in the above tabulation for July 1950 and February 1953. As of August 1951, however, the DD/P group (minus OC) stood at 3,501 staff employees on duty in headquarters and the field (not including covert agents and other special categories of personnel), compared to an approved T/O of 8,507. (See Muller memorandum, above.)

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in the Security Office in August 1952.¹ In another case, the Security Office was relieved, late in 1950, of the task of reviewing intelligence disseminations to non-IAC agencies and to foreign governments, although it retained a policy review function in this field.²

The functions of the Security Office, as they were reiterated early in 1953,³ were not essentially different from its charter of 1950. Of primary, continuing importance was its responsibility for security clearances of personnel, including recruits for staff-employee positions, and prospective consultants, contractors, and other types of contacts; as well as liaison contacts with government agencies outside the IAC organization. Training of all employees in security precautions, similarly, remained in the Security Office, along with the special training programs for the development of a career group of security officers. Inspection activities, finally, represented a major activity that extended not only to personnel security but to the security of buildings and installations, the safeguarding of internal and external systems of communication, and

¹ Emergency planning, i.e., planning for CIA operations under war-time or disaster conditions, was handled, for a time, by the DD/A's immediate office: by Mr. Shannon, December 1950 and early 1951, and by Col. John W. Ramsey, in 1952. In August 1952 this job was turned over to the Security Office, with Milton W. Buffington placed in charge of "working liaison." (See CIA Notice 118-52, September 22, 1952, Secret, in CIA Records Center.)

² See earlier chapters of this history, especially on ONE and OCD. In February 1952, the Security Office participated in the re-examination of the policies governing disseminations to foreign governments. (See minutes of DD/I's staff conference, "IAD minutes," Feb. 12, 1952, Secret, in O/DCI/ER.)

³ Regulation R 1-140, March 20, 1953, Secret, in CIA Records Center.

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controlling, administering, and securing the activities of the Central Intelligence Group,"¹ and two years later, in September 1948, he was called the "principal staff officer" in the Director's office, with authority to "coordinate all administrative support to all offices in CIA."² By September 1949 his job was stated in somewhat broader terms, with "full responsibility for the overall operational and administrative management of the Agency in accordance with the policies of the Director, and for the coordination of all Agency activities to this end." This statement of the Executive's responsibilities was re-adopted, literally word for word, late in October 1950, shortly after General Smith became Director.⁴

The Executive's staff for handling administrative-support matters consisted at first, in 1946, of a single Personnel and Administrative Branch, with separate units for finance and accounting, personnel management, and supplies and other services such

¹ "Tentative" chart of the organization and functions of CIG offices and staffs, July 22, 1946, Confidential; in Annex B, below.

² General Order No. 11, Sept. 14, 1948, Secret; in CIA Records Center.

³ General Order No. 24, Sept. 20, 1949, Secret, and revision of Oct. 5, 1949, Secret; both in CIA Records Center.

⁴ Position description for "Executive Officer, CIA," at grade GS-18, approved Oct. 27, 1950, with Murray McConnell as incumbent; in DD/S policy file "O & M5."

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to handle the personnel-management problems of those of its employees eligible for career corps consideration.¹

OTR's recruitment and basic-training operations had meanwhile gone forward, since mid-1951, essentially in accordance with its plan of July 3, 1951, previously discussed,² with some success except (notably) that less than half of the 50-some colleges were successfully contacted by 1953,³ and the number of trainees was also somewhat less than planned. By the end of 1951, OTR had recruited and given the basic-training course to 45 of the 100 trainees authorized in its special "PT" T/O, and by June 30, 1952, there were 72 in that category.⁴ The total number of trainees (later called "Junior

¹ Two evaluations of these office career-service boards were later quoted in OTR's history, as follows. The Vice-Chairman of ONE's career board (Paul A. Borel) concluded, in May 1953, that these boards "are no more than were available to the AD's before their inauguration"; and the Inspector General (L. B. Kirkpatrick) told the DCI, in January 1954, that the 25-some career boards were "too many," that they were concerned "largely with matters of promotion, transfers, etc....previously handled on a routine basis by executive action of the individual offices," and that they have fostered "office nationalism and done nothing to further making CIA a career." (See OTR's history, 1952-53, prepared in 1955, Secret, p. 33.)

² See above, pp. 91-96.

³ By June 1953 OTR had established recruitment contacts, hired on a consultant status, in 18 colleges and universities, and had 24 others undergoing "appointment and clearance." (See OTR's history, 1952-53, prepared in 1955, Secret, p. 22.)

⁴ OTR's history, 1951-52 (1952 version), unnumbered appendix (on personnel statistics). According to the 1955 version of that history (p. 19), only 19 junior officers took the course during the one time it was given in 1951, while 105 students took the course during the 5 times it was given between January and December 1952. (Ibid., p. 19.) Another figure cited (ibid., p. 23) indicates, however, that there were only 113 junior "graduates" in all, for the entire period July 1951-June 1953.

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subsequent months its jurisdiction over property and equipment was extended. Early in August, PSO took over the Transportation Division (from GSO, as previously mentioned above), thus permitting overseas supply and overseas shipping to be controlled and coordinated in the same office.¹ Similarly, a few weeks later the Real Estate and Construction Division, also preoccupied with field problems, was transferred from GSO to PSO.² Some months later, by early 1953, the PSO was again renamed, this time as the Logistics Office (LO).³

By February 1953 the principal operating divisions of the Logistics Office, each one concerned with both overt and covert matters, were known as the Procurement, Transportation, Supply, and Real Estate and Construction Divisions, respectively. In addition, the Logistics Office had four smaller staff sections, for Policy Planning, Inspection and Review, Administration, and Coordination and Requirements, respectively.⁴ There still remained jurisdictional

¹ For the transport and logistical procedures in June 1952, when they were still divided between the two offices, see CIA Notice 73-52, June 4, 1952, Confidential, in CIA Records Center.

² CIA Notice 108-52, Aug. 19, 1952, Secret (in CIA Records Center), effective August 20.

³ The official order and date for the change in name has not been seen. By March 20, 1953, the "Logistics Office" appeared in the new edition of the Agency's organizational manual (Regulation R 1-140).

⁴ Ibid. Presumably this internal organization was already in effect the preceding month (that is, February 1953), when the present study ends.

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matters in greater detail, including Employee Rating, Trainees, Rotation, and Career Benefits, respectively. The work of this Committee and its four Working Groups culminated in a "final report" which was submitted by the Committee to the DCI, apparently early in June 1952.¹ The report was approved by him on June 13,² and issued to all employees on June 19.³ Along with this report, a permanent Career Service Board was established, and announced on July 1.⁴ The DD/A. became the chairman; the DD/P, the DD/I, the Director of Personnel, and the Director of Training were made members (apparently ex officio);⁵ and two other members were added

¹ Inference from ibid., p. 18a. The exact date is not given.

² Ibid., p. 18a.

³ Ibid.; and CIA Notice 78-52, June 19, 1952, Secret (in CIA Records Center).

⁴ CIA Notice P-11-52, July 1, 1952, Secret (in CIA Records Center). From the regulations cited above and elsewhere, it appears that the Career Service Board and its secretariat were clearly an arm of the DD/A. The CTR history (1955 ed., p. 21) speaks, however, of "The Career Service Board of the Office of Training."

⁵ Ibid. Since about April 1952 Colonel Baird had been serving both as Director of Training and as Acting Assistant Director of Personnel, and so on July 1 he was appointed to the CSB to serve, temporarily, in a dual capacity. On August 1, 1952, Lt. Gen. William H. H. Morris was announced as the new AD/Personnel and as a member of the CIA Career Service Board. (See CIA Notices P-15-52, July 29, 1952, and P-17-52, Aug. 1, 1952, both Secret, in CIA Records Center.)

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Division (Overt), was a unit of the Administrative Staff and was headed by Douglas N. Ogan,¹ while the other, called the Finance Division (Covert) was a part of the Special Support Staff and was headed by Emmett D. Echols.²

The functions of these three budget and fiscal units were divided and coordinated somewhat as follows, according to the charters in effect in October 1950.³ The Budget Officer, heading the Budget Staff, was responsible generally for "the development, preparation, and execution of the Agency budget" and for providing advice and assistance to Agency offices generally on "all matters of financial and budget policy." The other two offices--the overt and covert finance divisions mentioned above--provided "accounting and audit control" over vouchered and unvouchered funds, respectively. These controls involved several characteristic functions, such as the establishment and maintenance of "accounting systems and procedures" and "reporting controls"; the preparation and certification of employee payrolls, travel-duty vouchers, and payments of various

¹ Ogan's appointment had been announced on June 7, 1950, in General Order No. 30, Secret (in CIA Records Center). Ogan's predecessor, back to Oct. 1, 1949, was K. E. Woodring; see Comptroller's "Historical Notes. . .," p. 14, cited above.

² Echols had served in this position since Oct. 1, 1949. (Ibid., p. 14.) Previously, since January 1949, Echols and Woodring had served as Deputy Budget Officers, for covert and overt finance, respectively. (See General Order No. 15, Jan. 27, 1949, Secret, in CIA Records Center.)

³ CIA Regulation No. 70, July 1, 1950, Secret (in CIA Records Center).

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shifted out of OSO and made directly responsible to the DD/P.¹

Whether this shift was simply a formal recognition of the co-equal needs of OSO and OPC, or whether it was intended to reconcile any actual competition between them for covert training resources is not entirely clear from the evidence seen. The move may have been related, also, to jurisdictional problems of the new Office of Training which meanwhile had been established (in December 1950) in the DD/A's administrative group.²

In the original plan, in November 1950, for the DD/A's new training office (or Training Division, as it was then called),³

¹ Memorandum by Allen W. Dulles, DD/P, to AD/SO and AD/PC, June 26, 1951, in DD/S "O&M 5" file. Rolfe Kingsley, who apparently had headed the division in OSO since Col. Peers' departure, was designated as acting chief of the DD/P Training Division. (Ibid.) By June 30, 1951, the DD/P Training Division had a total staff of 146 instructors and administrative personnel, compared with 70 staff employees in OTR's new overt training organization. (See OTR history, 1951-52, Secret, unnumbered appendix, in O/DCI/HS. While these figures are probably reliable, this history erroneously identifies the DD/P Training Division as the "Office of Training /Special/". The latter name represents a jurisdictional change that was not accomplished until 1952.)

² According to OTR's official history (in O/DCI/HS files), OTR was not established until Jan. 2, 1951, but there is evidence that as early as December 11, 1950, the "Director of Training" was on duty, writing to ORR (and probably to other offices) about his program for expanding the Agency's "orientation and indoctrination program." (See memoranda of Dec. 11, 1950, and Jan. 3, 1951, in ORE files in O/DCI/HS.) This program apparently was the one outlined in CIA's Budget Estimate for Fiscal Year 1952, dated September 1, 1950, previously cited above.

³ Memorandum by Murray McConnell, CIA Executive, to all AD's, Nov. 15, 1950, Secret, subject "Administration," in DD/S "O&M 5" file. While this was the first announcement of a new training office, plans for an "expanded orientation program" had been made in August 1950, if not earlier. (See CIA Budget Estimate for Fiscal Year 1952, previously cited.)

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Finally, most of the intelligence offices each had a small "administrative staff," usually attached to the Assistant Director's immediate office. These staffs handled the budgetary, personnel-management, training liaison, and other support transactions for their respective offices, and provided their AD's the liaison with the DD/A group and with OTR. In some cases the administrative work of an intelligence office represented a considerable drain on its total manpower resources. For example, more than 10% of ORR's total employee time was used in "administrative overhead," between 1951 and 1953.¹ Even the relatively small staff of the Office of National Estimates had enough administrative problems to warrant the establishment, early in 1952, of a separate, additional Deputy Assistant Director for "administration."² Similarly,

¹ In June 1951, about 50 of the 440 employees in ORR were charged to "administrative overhead" other than "substantive" projects; and in June 1953, about 70 out of 750 were so engaged. (See ORR's history, "Development of...ORR," prepared about Aug. 1954 for the Clark Committee; especially chapter I, appendixes 2 and 3.) One example of the need for ORR's administrative activities was that more than 50% of its budget, in 1951, was being used for objects other than personnel salaries--chiefly for external-research and other types of contracts. (Ibid., chapter I, appendix 8.)

² This position, held by Paul A. Borel, was announced on Jan. 4, 1952, by CIA Notice 5-52, Secret (in CIA Records Center). Concurrently, Borel also served (as he had, since late in December 1950) as Executive Secretary of the Board of National Estimates. (See also chapter IX, above, pp. 38-44.)

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program for the training of fully cleared personnel in covert operations and covert support methods, recently combined (in 1949 or early 1950) into a single Training Division for both OSO and OPC personnel,¹ and soon after General Smith arrived it was announced (on November 15, 1950) that this activity would be re-assigned to the new training office, but only as a long-range organizational change that would not be consummated until "later," so the announcement indicated.² (4) Finally, for several years the Personnel and Management Staffs had had under consideration various proposals for developing a "career corps" of selected employees of the Agency,³

¹ Ibid., p. 24.

² Memorandum by Murray McConnell, CIA Executive, to all AD's, Nov. 15, 1950, in DD/S "O&M 5" file. This problem is discussed more fully, above, pp. 34-37.

³ According to Col. Baird's later study proposing a "Career Corps" (made in July 1951), the "Personnel and Management /Staffs/ have advanced similar proposals for career development in the past but... former Directors failed to give them implementing support." (See his memorandum to DCI, July 3, 1951, Secret, attached to his "Proposal for...a Career Corps," in O/DCI/ER.) As of July 1950, the Personnel Staff was responsible (among its other functions) for conducting "research" and preparing "Agency programs" in various personnel "fields," including the field of "career management." (See CIA Regulation No. 70, July 1, 1950, Secret, in CIA Records Center.) Whatever the extent of this pre-1950 planning on a Career Corps, it had not come under review, in January 1949, by the Dulles Survey Group. Three years later, however, (in April 1952), CIA's progress report to the NSC attributed the new Career Corps program, then nearing completion, as a change "under" NSC-50 (that is, in accordance with the NSC's endorsement, in July 1949, of the Dulles Group's report). No evidence for such direct relationship between these two events has been found in the present study.

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although left in that office (renamed Management Analysis Office), were limited to making "reviews" of such manpower requirements and "recommendations" for the DD/A to act on.¹ A separate section of the Management Office, called "Organization and Methods Service," was subsequently established primarily for handling T/O's and related organizational review matters.²

The work of the O&M Services in reviewing new and revised T/O's of the operating offices was shared, in 1951 and 1952, with the Personnel Office, the Comptroller, the Procurement Office, and the Administrative Services Office. In this collaborative activity, the DD/A served normally as the arbiter, while the DCI himself was the final approving authority, especially for T/O's calling for "super-grade" personnel at grade GS-18.³ The division of labor

¹ CIA Regulation No. 70, Jan. 19, 1951, Secret, in CIA Records Center.

² On October 12, 1951, Lyle T. Shannon, Assistant DD/A (Administration), urged the DD/A to rename the Management Analysis Office the "Organization and Methods Staff," and attach it to the DD/A's immediate office. This move, he suggested, would recognize that that unit's primary interest in manpower review would involve a review that would insure that functional charters were adequate, that the organizational structure was sound, that the working procedures did not contain "bottlenecks and confusion," and that there was no "needless duplication" among offices. This O&M staff, furthermore, should confine its organizational reviews to "after-the-fact, rather than before-the-fact 'efficiency engineer' surveys." (Memorandum by Shannon to Wolf, Oct. 12, 1951, subject, "Processing of T/O's," Confidential, in DD/S "O&M 5" file.)

³ CIA Notice 21-52, Feb. 4, 1952, and revised procedure in Notice 67-52, both Secret, in CIA Records Center.

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too, there were somewhat analogous measures for restricting communication within the Agency, in accordance with what was usually referred to as the principles of "compartmentation" and the "need to know." These numerous security measures were variously classified by such terms as "physical security," "internal security," "operational security," and the like, but within CIA these categories were not entirely mutually exclusive. All of them were interrelated, in one way or another, and underlying all of them was the assumption that the national security itself was ultimately at stake.¹

The administration of these and other security controls within CIA involved, first, a number of staff responsibilities, which were vested centrally in the Security Office, and next, the day-to-day operating responsibilities for security, which were decentralized to every headquarters office and field installation, without exception. In addition, certain offices such as OCI and the DD/P offices,² had special, additional responsibilities for certain "built-in" security precautions. Finally, the ultimate responsibility for effective security rested on every CIA employee individually, through his "secrecy agreement" with the Agency, and this individual responsibility extended to his personal conduct both on and off duty.

¹ Security indoctrination lectures, 1951-52.

² Some of the special security features of the intelligence and operational offices are discussed in other chapters of this history (see index), while the special security considerations affecting the administrative offices for personnel management, finance, and logistics are discussed earlier in the present chapter, Chapter X, pp. 14-180 passim.

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officials, at which William H. Jackson (the DCI's Special Assistant) and other key officials were also present,¹ the DCI "ordered" that the DD/A was to be "directly responsible to the DCI for all administrative support of the Agency," and directed the DD/P not to establish "a duplicate administrative-organizational set-up" either in the office of the DD/P or in OSO or OPC, with "separate, independent, or semi-independent administrative-support facilities."² At the same time, however, he authorized the DD/P to install a senior "Administrative Officer" in his immediate office. This new officer would be comparable to what he called a "Quartermaster General" in the Army, "who belongs to the DD/A but works for the DD/P," so as to insure that adequate support services were obtained for operations.³ In addition, OPC and OSO would each have an "Administrative Officer" (Col. Clifton Von Kann and Harry W. Little, Jr., respectively), who would be, "in substance, the quartermasters"

¹ Present at the meeting, in addition to the DD/P and the DD/A and their respective assistants were William H. Jackson, the former DDCI and now "Special Assistant" to the DCI, and Col. L. K. White, who had just joined the DD/A's staff from OO.

² Minutes of meeting, Dec. 10, 1951, Secret, prepared by Col. L. K. White on Dec. 12, 1951, and revised on Dec. 14, 1951; in DD/S "O&M 5" file.

³ Ibid. The word "Quartermaster" was a figure of speech. Actually in the Army he had responsibility for only one of several major categories of operational support.

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for those two offices, with a position "analogous to that of a divisional quartermaster."¹

The DCI "made clear," the minutes said, that "the operating offices will exercise control over the employment of personnel and material allocated" to them, but "reserving always to DD/A the function of inspection and audit" over "all programs," so as to "insure that they are implemented properly and in accordance with approved directives."² The DCI's Special Assistant, William H. Jackson, asked all officials present to "agree" that the DCI's system constituted a "major change" in organizational arrangements and to regard the minutes as a memorandum of "understanding" among the parties involved.³

In revising the minutes in the form of such an agreement, Colonel L. K. White (the new Assistant DD/A-Designate)⁴ commented that regardless of how the understanding was written, the problem

¹ Two other versions of minutes of the meeting of Dec. 10, 1951, drafted by Loftus E. Becker (acting Executive Assistant to the DCI) on Dec. 14, 1951, and revised on Dec. 28, 1951; copies of both in ibid.

² Excerpts from all three versions of minutes cited above.

³ Minutes of meeting of Dec. 10, 1951 (Becker version), ibid.

⁴ Col. L. K. White, formerly in OO, was appointed as Assistant DD/A on Dec. 28, 1951 (effective Jan. 1, 1952), replacing Lyle T. Shannon, who simultaneously was redesignated as Special Assistant to the DD/A. (See Notice 91-51, Dec. 28, 1951, Secret, in CIA Records Center.) Shannon later (Aug. 1, 1952) replaced O'Gara as the DD/P's chief administrative officer, and White later (July 1953) replaced W. R. Wolf as the Deputy Director for Administration.

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or concurrence" of the two office chiefs involved. Meanwhile, the DD/A added, the issue was to be regarded as closed and was not to be re-opened for staff discussion except on his personal instructions.¹

While a merger of Procurement and Administrative Services was thus postponed, a number of internal changes in each office was nevertheless accomplished in the weeks and months ahead. Whether these changes stemmed from problems raised in Ball's staff study, or from other pressures, is not known.

First of all, the Administrative Services Office was renamed the General Services Office (GSO), late in December 1951, on the occasion of the liquidation of the Management Analysis Office.² In this move, Management's organizational-review function was transferred to GSO and was reconstituted there as the "Organization and Methods Service."³ Some months later, in August 1952, this function was, in turn, transferred to the Comptroller's Office.⁴

About the same time, between August 5 and 19, 1952, the GSO was further divested of two of its major divisions, the Real Estate

¹ Ibid.

² CIA Notice 93-51, Dec. 29, 1951, Secret, in CIA Records Center. Another official order (Notice 100-52, Aug. 5, 1952) suggested that the Administrative Services Office was not renamed until August 1952.

³ CIA Notice 93-51, Dec. 29, 1951, cited above.

⁴ CIA Notice 100-52, Aug. 5, 1952, Secret, in CIA Records Center.

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Bureau,¹ and there the matter rested during the next year. In his annual report to the Bureau of the Budget on proposed "management improvements," in September 1949, he did not allude directly to the still pending recommendations of the Dulles Survey Group.² Instead, he reported simply that CIA's administrative organization and functions would be "surveyed" further,³ and he confined his attention to listing several administrative matters (other than organizational problems) that needed attention, such as reproduction facilities, budgetary practices, personnel record keeping, forms control, and equipment standardization.⁴ Similarly, a year later (September 1950), the DCI's "management improvement" report contained no hint that the administrative staffs needed to be once again reorganized.⁵

¹ Ibid., p. 12. In the same study (pp. 10-11) the DCI said that it was at the Budget Bureau's "insistence" that "a centralized administrative staff was set up."

² Report by DCI to Budget Bureau, about Sept. 1949, outlining CIA's program of "management improvement activities" for fiscal year 1950; re-issued for the guidance of all Assistant Directors and Staff Chiefs in General Order No. 23, Sept. 19, 1949, Secret, in CIA Records Center.

³ Ibid.

⁴ Ibid.

⁵ "Statement of Management Improvement Activities," Sept. 1, 1950, attached to CIA Budget Estimate for Fiscal Year 1952, Secret; copy in O/DCI/HS files under "Comptroller."

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functions that were handled elsewhere in the Agency. Beginning almost immediately, early in January 1952, the IG provided the entire Agency with a semi-monthly¹ interview mechanism for listening ("on a confidential basis") to those individual employees who had "complaints or constructive suggestions which have not been satisfactorily handled through normal channels."² In this case (which was the IG's single, continuing responsibility),³ the caveat about "normal channels" recognized, implicitly, the fact that regular employee-relations programs existed in the main Personnel Office,⁴ in the personnel sections of the operating groups and offices, and in the whole "chain of command" from the employee's

¹ This procedure was made a monthly affair in July 1952. (CIA Regulation 20-8, July 31, 1952.) On March 10, 1953 (after Hedden's departure), it was announced that these interviews were on a weekly rather than monthly basis. (CIA Notice 34-53, March 10, 1953, Secret, in CIA Records Center.)

² This procedure was announced on Jan. 10, 1952 (only a week after the establishment of the IG's office was announced), and was categorically addressed to all employees of all ranks. "Anyone in CIA, without restriction, will be welcome at the above times" (that is, twice a month), the Notice said. (See CIA Notice 9-52, Jan. 10, 1952, evidently unclassified; in CIA Records Center.) This procedure was later elaborated in CIA Regulation 20-8.

³ No other CIA Regulations or Notices have been found, up to February 1953, which discuss any other continuing responsibilities of the IG's office. Apparently not until later (March 20, 1953) was a formal charter of its "mission and functions" issued (see CIA Regulation 1-100, March 20, 1953, Secret, in CIA Records Center.)

⁴ Between 1950 and 1953 the Personnel Office continued the time-honored practice, previously established, of providing channels for dissatisfied employees to use in airing complaints and seeking redress. As of July 1952, for example, the Personnel Office had a separate Personnel Relations Branch specifically for handling "pre-exit" interviews with "dissatisfied personnel." (See CIA Notice 87-52, July 5, 1952, Secret, in CIA Records Center.)

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immediate supervisor up to the Director himself. It also recognized the employee's need to circumvent those channels on occasion under a regularized, responsible procedure. Furthermore, while each of these IG interviews (it can be assumed) was initially prompted by a personnel problem of a single employee, this mechanism also invited "constructive suggestions." These suggestions, furthermore, might involve (and doubtless did involve, on occasion) administrative and organizational problems which went quite beyond an individual employee's own well being and morale.

If, indeed, such broader administrative and organizational problems did emerge from such employee-relations interviews, the IG undertook either to investigate them himself or to refer them to the appropriate inspection jurisdiction in one or more of the three major operating groups. No actual record of such referrals has been seen in this study,¹ but it is known that a number of inspection units did exist, in 1951 and 1952, to handle somewhat comparable problems, aside from whether the IG happened to have been the intermediary for the complaint about an alleged administrative deficiency. In the DD/A group,² for example, security investigations

¹ That is, in the official correspondence of the Director's office, in O/DCI/ER.

² The DD/A himself was involved, in that he had the "right to inspect and audit all programs" of the DD/P group, so as "to insure that they are implemented properly and in accordance with approved directives." This prerogative was a central feature of the DD/A-DD/P "understanding" of Dec. 10, 1951. (See minutes of meeting, Dec. 10, 1951, Secret, in DD/S "O&M 5" file, and chapter 10, above, pp. 49-52.)

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there were two new branches: Real Estate and Construction; and Building Maintenance and Utilities.¹ Appointed to head the division was Wilfred L. Peel.² His Deputy was Martin I. McHugh, who previously had headed the Services Division (up to September 1950) and the Administrative Staff (in October and November 1950).³

The reorganization of December 1, 1950 was re-stated on January 19, 1951, when the revised organizational manual for the entire Agency was re-issued.⁴ Except for a slight change in nomenclature and the shift of one minor function, the charters of the two divisions (Procurement and Administrative Services) were identical to those issued the month before. The two divisions were re-named Offices, corresponding to the nomenclature used generally throughout the Agency, and their branches were renamed divisions. The one functional change, but one which did not affect the main jurisdictional lines between the two Offices, dealt with "graphic preparation and presentation services."⁵ This

¹ CIA Regulation No. 70, Dec. 1, 1950, Secret (previously cited).

² General Order No. 38, Dec. 1, 1950, Secret, in CIA Records Center. Peel served in this position until about April, 1952. In May 1952 he was replaced by Col. John W. Ramsey. (See CIA Notice P-9-52, May 14, 1952, in CIA Records Center.)

³ Ibid. See also General Order No. 30, June 7, 1950, and General Order No. 33, Sept. 22, 1950, both Secret, in CIA Records Center.

⁴ CIA Regulation No. 70, Jan. 19, 1951, Secret, in CIA Records Center.

⁵ Ibid.

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In relation to the other support offices in CIA's administrative group, the Security Office retained the somewhat special organizational status, between 1950 and 1953, that it had enjoyed since 1947.¹ Neither the Hoover Commission nor the Dulles Survey Group, in their investigations of CIA completed early in 1949, had recommended any reorganization of security administration.² Similarly, the comprehensive reorganization of the intelligence group in the fall of 1950 left I&S untouched.³ Furthermore, the reorganizations of the personnel, financial, and logistical offices, between 1948 and 1950,⁴ had all left undisturbed the CIA Executive's security functions, as organized in the I&S Staff.

¹ On July 1, 1947, the office was established as the Executive for Inspections and Security, inheriting functions of the OCD Security Branch and of the P&A Security Division. (See General Order No. 3, June 18, 1947, in CIA Records Center.)

² The Eberstadt Task Force of the Hoover Commission concluded, only, that the size of the I&S Staff was "reasonable" (see its "Confidential" report, p. 34, previously cited). The Dulles Group found "no evidence of any laxness in the administrative arrangements for security," but asserted that the security of the clandestine activities "risks being compromised by the lower standards of security of the overt activities" (see its Top Secret report, p. 34, previously cited). Neither survey committee had any recommendations for change.

³ One plan of the Management Staff, pending in October 1950, would have transferred OCD's government-liaison function to the I&S Staff. (See Management's memorandum of July 3, 1950, in DD/S "O&M 5" file.) This move was not consummated.

⁴ See Chapter X, above, pp. 34-44, 133-180; and CIA Executive's correspondence, July-Dec. 1948, in DD/S "O&M 5" file.

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for the intelligence offices taken together, the DD/I (after January 1952) had special assistants for "executive officer" and "administrative" affairs.¹

¹ Early in March 1952, two months after the DD/I was appointed, an Executive Officer was established in his office. Richard D. Drain occupied this position until October 12, 1952, when he was replaced by C. Frank Stone III. On Nov. 12, 1952, a second administrative position, the "Special Assistant (Administration)" was attached to the DD/I's office, filled by Eugene B. Wilhelm. (See CIA Notices P-3-52, March 12, 1952; P-20-52, Sept. 29, 1952; and P-25-52, Nov. 12, 1952; all Secret, in CIA Records Center.)

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were also a considerable number of items which were unique to CIA, or which had a unique application to its intelligence and operational programs. Such items were developed within the Agency's own laboratories or produced in collaboration with other Government agencies and with industrial contractors, in accordance with various secrecy agreements and other security policies.

Whatever the type of material items involved in CIA's activities, they all required an administrative organization at the several stages of development and testing, procurement and purchase, storage and issue, and inspection and accountability. Furthermore, these stages in the supply system all required various measures for insuring secrecy and security control.

Largely because of security considerations, CIA had enjoyed from the beginning, a measure of administrative autonomy in procurement unique in the Federal Government. Since June 1949 it had a categorical exemption from the Congress,¹ which permitted the Director broad authority to procure "supplies, equipment, and personnel and contractual services" outside of normal Government channels and standards. Under that legislation, CIA was permitted to use confidential funds to procure, by purchase or rental, certain specific types of goods, such as "photographic, reproduction, cryptographic, duplication, and printing machines, equipment, and devices....,

¹ CIA Act of June 20, 1949, Public Law No. 110.

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(along with the Budget Staff) in assisting the Director in his presentations before Congressional appropriations committees.¹ Next, the Management Staff, which in 1950 had certain organizational-review functions corresponding somewhat to those of a "comptroller" in other agencies, also had a part in coordinating CIA's budget estimates and in reviewing its financial and accounting organization and procedure.² Finally, the Inspection and Security Staff had the continuing function of performing post-audits on CIA's unvouchered-funds transactions,³ while an outside agency (the General Accounting Office) provided a somewhat comparable service through its "site audits," on CIA's problems, of vouchered-funds transactions.⁴

As an outside agency, the General Accounting Office (GAO) was one example of the fact that CIA's administrative activities, although theoretically and legally "independent," involved in practice a measure of dependence on other agencies of the Government. Similarly, the U. S. Bureau of the Budget had a measure of direct supervision, on behalf of the President, over CIA's annual and supplementary requests for appropriations being submitted to the Congress.

¹ CIA Reg. No. 70, July 1, 1950, Secret, cited above.

² Ibid.

³ Ibid.

⁴ Ibid.

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authorized to maintain "necessary small administrative staffs for internal operations."

In the reorganization of September-December 1948, two other administrative staffs, the Inspection and Security Staff and the General Counsel's Office, were once again separated from the Executive's jurisdiction, and made responsible directly to the DCI.¹

Between January 1949 and September 1950, this general pattern of the Executive's organization prevailed, with a few further changes. The security and legal staffs were once again shifted to the Executive's administrative group, in September 1949, and by then his group had grown to seven staffs. Five of the staffs (except the security staff) were relatively small, senior staffs concerned with policy phases of administration, while the other two were larger units (one for covert administration, and the other for the rest of the Agency), which handled the detailed financial, personnel, and supply and service transactions, in coordination with the policy staffs.

The five policy staffs, listed according to their order on the Agency's list of key personnel in October 1949,² were as

¹ General Order No. 11, Sept. 14, 1948, Secret, in CIA Records Center. See also CIA organization chart of Jan. 1, 1949 (in Annex B, below), which shows the General Counsel and the Chief of I&S as independent of the Executive, along with ICAPS and the Advisory Council.

² General Order No. 24 (Revised), Oct. 5, 1949, Secret, in CIA Records Center. The Executive's group, along with the other three quasi-administrative staffs not under his jurisdiction (ICAPS or COAPS, Advisory Council, and I&S) had the status of "staffs" serving the Director, and had precedence over the intelligence and operational offices, in the list of key personnel of October 1949. (Ibid.)

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Director and the Director"; and he was expected to "advise and assist Assistant Directors and Staff Chiefs in the fulfillment of their specific functions."¹

By July 1950, however, this re-statement of the scope of the Executive's administrative and management functions was somewhat academic. The position of Executive was vacant, with the departure of Capt. Winecoff some weeks earlier; there had been no Deputy Director since the year before, and the Director himself (Admiral Hillenkoetter) had already expressed his intention to retire.² Acting temporarily as Executive was the Deputy Executive, Lyle T. Shannon, who had served in a key position in CIA's administrative group almost from the beginning. While the organization and policies of CIA's administrative group had crystallized, their future course depended on the arrival of the new Director, General Smith.

¹ CIA Regulation No. 70, July 1, 1950, Secret, in Annex G, below.

² By late June 1950 Admiral Hillenkoetter's intention to retire was known to his immediate staff assistants, and early in July 1950 there were press comments speculating on who would be appointed as his successor. See Historical Staff study, "Service Records of the DCI's, 1946-53."

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"the training of recruited personnel,"¹ was evident enough, even if it was not entirely resolved organizationally, by February 1953. One top-level recommendation, made in 1951, would have re-united them under the DD/A,² and one temporary move, carried out in 1952, actually resulted in the Director of Training serving for some weeks as acting Director of Personnel as well.³ It was not until after February 1953, however, that the two offices were officially brought together permanently in the same administrative-support group.⁴

¹ See below, pp. 139-40.

² About October 1, 1951, the DD/A (Walter R. Wolf) proposed to the Director of Personnel (F. Trubee Davison, who had come on duty the previous July), that OTR and the Personnel Office be united (along with the Medical Office) under a single Director of Personnel. In his reply on October 5, Davison agreed "in principle" that Personnel should have "all functions in the Agency having to do with people, except finance," in accordance with the "principles of sound management organization." As a practical matter, however, Davison concurred only about the Medical Office and felt that the "integration" of OTR into his office "is a little more difficult," since (1) OTR was responsible to the DCI, (2) it "has a large and growing program," and (3) "the working arrangement between our two offices is unusually happy." (Memorandum by Davison to Wolf, Oct. 5, 1951, Confidential, in DD/S "O&M 5" file.) This proposal was marked "keep...for future reference," by Lyle T. Shannon (the Assistant DD/A), but was evidently never carried out. The occasion for Wolf's proposal may have been the career-management program, which was at that moment being launched. (See above, p. 102-3.)

³ Colonel Baird, Director of Training, served concurrently as acting Director of Personnel, from about April 1952 (sometime after Davison's departure, which was announced on April 7, 1952) until August 1, 1952, when Lt. Gen. William H. H. Morris, Jr., became the new Director of Personnel. (See minutes of DCI's staff conference, April 7, 1952, SC-M-35, Secret, in O/DCI/ER; and Notices P-11-52, P-15-52, and P-17-52, July-Aug. 1952, Secret, in CIA Records Center.)

⁴ In Feb. 1955, when the DD/A was renamed the Deputy Director for Support (DD/S), he took over a number of additional offices, including OTR. The nature of the relationships between OTR and Personnel, under a common Deputy Director, is outside the chronological limits of the present study.

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attrition losses." Accordingly, he recommended, and the new Director-designate (Mr. Dulles) approved, "that for budget purposes the required number of personnel be held at the first reduced figure, which was 25 per cent below the original requirement"; and that, "fund allocation," on the other hand, should be "based on the man-year principle and be [set] at a level roughly half way between the present low ceiling figure and the reduced budget total."¹

¹ Ibid.

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Furthermore, through its analyses and reviews, the Budget Bureau tended to serve, incidentally, somewhat in a coordinating position between CIA's budget estimates and those of the other intelligence and security agencies. In relation to both the GAO and the Budget Bureau, the CIA Executive's staff sections for financial management had the responsibility for the Agency's contacts, liaison, and consultation.¹

Finally, the National Security Council, through its continuing and changing requirements on CIA for intelligence support and operational projects, had an obvious influence on the size and character of CIA's budget. The NSC apparently did not, however, regularly and formally review CIA's budget estimates as such, nor did it undertake to provide any formal post-audits of the financing of CIA's activities. The CIA Executive had no established responsibility, in his charter of 1950, for subjecting CIA's budget estimates to review by the NSC.² Conversely, however, the NSC staff depended on CIA's financial-management organization for its own financial "housekeeping" services, including the assembling of the NSC budget and the accounting and auditing of NSC funds.³

¹ Ibid.

² For example, CIA Reg. No. 70, July 1, 1950 (cited above), makes no reference to any NSC review of CIA's financial affairs.

³ Ibid., especially the functions of the Budget Staff and the Administrative Staff.

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training. In 1951 and 1952 an increasing number of CIA employees were enrolled (through contact arrangements for which OTR had responsibility)¹ in a variety of advanced courses on subjects related to matters of CIA intelligence and operational interest. While OTR had proposed various plans, in 1951, for separate CIA-operated "graduate schools,"² including a "University of National Intelligence,"³ these plans were for the most part deferred, in 1951 and 1952,⁴ in favor of an increased use of external

¹ For a time, late in 1951 or early in 1952, these arrangements were being handled in OTR by a separate division, the External Training Division. It was responsible for exploring further training facilities and establishing CIA quotas with them. (OTR's history, 1952-53, prepared in 1955, p. 26.)

² OTR's plans for graduate schools and advanced courses for "generalists" and "specialists" are outlined in OTR's staff-study on the Career Corps, July 3, 1951 (previously cited), especially "Introduction," p. iv, "Discussion" section, pp. 13-17, and tabs K, L, N, and R. This program embraced not only formal courses (mostly outside CIA), but also rotation-duty assignments and travel abroad.

³ Mentioned in ibid., especially tab K, p. 4, and tab N, p. 3. The "ultimate purpose" of the advanced "generalist" courses would be "to produce a Director of Central Intelligence" from the ranks of the CIA Career Corps (ibid., "Introduction," p. iv), as well as to produce DDCI's, AD's, DAD's, assistants to the DCI, and members of ONE's National Estimates Board (ibid., "Discussion" section, p. 16). The advanced "specialist" courses, on the other hand, would train men from whose ranks future Assistant Directors would ultimately be drawn. (Ibid., "Discussion" section, p. 13.)

⁴ Since no such courses were discussed in OTR's histories for 1951-52 and 1952-53 (previously cited), the inference is that the plans were shelved.

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separate systems for personnel recruitment, training, confidential funds, operational records and archives, and field communications.¹

Elsewhere in its report, moreover, the Dulles Group evaluated CIA's financial and personnel activities from the point of view of other factors than the overt-covert issue. It found that CIA's budgetary procedures were "soundly conceived," but that the NSC should take a more direct hand in reviewing its budget.² It also reported that the personnel management system had deficiencies arising from factors other than covert-overt organizational considerations. The Agency "labors under a difficult personnel problem" for the following reasons, the Dulles Group said: (1) its "extremely varied personnel requirements"; (2) its "sensitive security considerations," which "limit recruitment"; (3) the necessary "anonymity ...demanded of a large part of its personnel"; (4) the "special relationships...maintained with the other branches of the Government"; (5) "the youth" of CIA's organization, and the "conditions of change and uncertainty" in its formative years; and (6) the

¹ Ibid., pp. 111-116.

² Ibid., pp. 33-34. The practice of "withholding details" on budgetary matters from the Budget Bureau and the Congress was approved as "sound," but in order to justify this practice (the Survey Group recommended), the National Security Council itself should "continuously assure itself as to the proper management and operations of the Central Intelligence Agency, serving as the informed sponsor of the Agency and as the protector of its security." (Ibid.)

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Although "all administrative support" matters were ordered centralized under the new DD/A, a number of exceptions were made, some immediately and others in 1951 and 1952, on behalf of the needs of particular offices or projects. Some of these exceptions affected the Agency's overt activities,¹ but most of them had to do with the covert offices, especially the old issue (common to OSS, CIG, and CIA) of autonomy and compartmentation in clandestine operations.

The issue was symbolized in the Agency's new organizational chart of December 1, 1950,² which showed the new DD/A for the first time, but which also continued to show (under the DD/Operations) a separate administrative organization within OSO, including an Executive Office and a Budget Staff.³ There was also a separate administrative staff in OPC,⁴ but this unit did not appear on the organizational chart.

¹ See below, pp. 73-128.

² CIA Regulation No. 70, Dec. 1, 1950, Secret, in CIA Records Center.

³ On the chart (*ibid.*) it was actually called the Budget and Liaison Control Staff, but the liaison function was extraneous to the problem of DD/A's jurisdiction.

⁴ This staff was so named in April 1952, but its designation in 1950 and 1951 has not been verified. (See OPC memorandum to DD/A's Administrative Services and Procurement Offices, April 16, 1952; in Comptroller's "Bible," CIA Records Center, collection No. 54-177, item 93.)

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The functions of these two logistical divisions were identically worded, in the charters in effect in October 1950, except that one division used regular funds and the other, confidential funds. Each division, within its financial limitations, was responsible for (1) "procurement and disposition of supplies, equipment, and real estate," (2) "warehousing, cargo shipping, travel, and construction service," and (3) "adequate property accounting, utilization, and supply procedures."¹ This separation of overt and covert transactions had been in effect since about September 1949, and represented the latest in a series of organizational experiments, dating back to 1946, to cope with the continuing question whether to combine supply matters in a single organization, for the sake of efficiency and economy, or to keep separate the covertly-related matters, for the sake of operational security.²

In actual practice, the compartmentation between these two divisions prevailing in October 1950 was an adaptation of both principles. The overt division, for example, had sole authority for some common-type materials needed throughout the entire Agency, as well as for certain common facilities needed by the headquarters

¹ See CIA Regulation No. 70, July 1, 1950, Secret, in CIA Records Center.

² For 1946-50 background, see drafts of histories, 1946-51, prepared by General Services Offices (March 17, 1952; Secret) and by Procurement and Supply Office (undated, probably spring 1952; Secret), both in O/DCI/HS files; and DD/S "O&M 5" file, 1946-52.

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protection at other points at which there might be danger of penetration or compromise.

The Security Office, like the other administrative offices in CIA, had no IAC-wide responsibilities for developing or enforcing standards applicable to the Government's entire intelligence organization. At the same time CIA and the departmental intelligence agencies were governed by common security objectives, such as the common obligation to protect intelligence "sources and methods" and to avoid "any publicity, factual or fictional, concerning intelligence," imposed by the NSC in January 1950.¹ The Security Office, furthermore, had regular liaison and consultative arrangements with the FBI and the internal-security offices in the other intelligence agencies; and it represented CIA, on occasion, on the Interdepartmental Committee for Internal Security (ICIS), presided over by the FBI.² While CIA reserved the prerogative to undertake whatever special security measures it needed to protect its sensitive activities, it is evident that in some measures CIA conformed to the standards in other agencies. Personnel clearance procedures, for example, followed a "standard pattern" in CIA, FBI, and in the intelligence offices of the State, Army, Navy, and Air Force Departments, so it was found in one later study.³

¹ NSC Intelligence Directives No. 11, Jan. 6, 1950, and No. 12, Jan. 19, 1950, Secret, copies of both in O/DCI/HS. For some of the underlying considerations in these directives, see IAC minutes, 1949-50, in O/DCI/HS files.

² Mentioned in IAC minutes, 1951-52, passim.

³ Hoover Commission, "Intelligence Activities: A Report to the Congress....," June 1955 (Unclassified), Chapter 4, especially p. 52. (Unclassified version of the so-called Clark Committee's report.)

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Officer Trainees" or JOT's), for the entire period from the spring of 1951 to February 1953, is not known exactly, but was probably somewhat over a hundred students.¹ By early 1953 the course was opened to all professional recruits,² (regardless whether they were on OTR's trainee T/O or on operating-office T/O). The program was regarded as extensive enough to be handled by a separate division in OTR--the Junior Officer Training Division.³

Aside from the basic training of new recruits as "apprentice" intelligence officers,⁴ OTR had also undertaken (beginning early in 1951) to provide other types of instruction to CIA's older, on-duty employees. At first OTR tended to emphasize certain administrative and support subjects of common interest to support-type personnel in the Agency generally,⁵ and later (in 1952), it

¹ See above, footnote 4, p. 105.

² OTR's history, 1952-53 (prepared in 1955), suggests (p. 18 i) that this revised policy was inaugurated soon after July 1, 1952, and (p. 19) that by the "beginning of 1953" students were coming from "nearly all the offices of the DD/I complex."

³ Willet L. Eccles was its chief, as of July 1952. (See OTR "Summary of...Courses," July 23, 1952, Secret, in CIA Records Center.)

⁴ Summarized and evaluated in OTR's history, 1951-52: 1952 version, pp. 15-19, 43-44; and 1955 version, pp. 8-11.

⁵ In May 1951, for example, the Director of Training told a DCI staff conference that the two "most pressing" needs for courses within the Agency were for (1) clerical refresher courses and other "on-the-job" training, and (2) language training. (See minutes of DCI's staff conference, May 14, 1951, SC-M-18, Secret, in O/DCI/ER.) From other evidence, it is apparent that intelligence courses were, at the same time, in the planning stage, and that training by outside agencies and academic institutions was already a going concern. (See below, pp. 109 ff.)

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CIA," he recognized that his recruiting "burden" could be shared with the operating offices if cooperative practices were followed.¹

Furthermore, several specific aspects of personnel administration remained organized, as before October 1950, in other support components outside the Personnel Office. The review of tables of organization, personnel ceilings, and manpower requirements for the individual operating offices and for the Agency as a whole remained for the time being in the Management Staff, which was renamed the Management Analysis Office in January 1951.² The responsibility for security investigation and clearances of recruits, likewise, remained in the Inspection and Security Staff, renamed (also in January 1951) the Security Office.³ The physical and mental health of employees, along with other medical functions, remained in the (renamed) Medical Office.⁴ Finally, payroll and salary and wage accounting were left undisturbed in the Finance Office, headed by the newly designated Comptroller.⁵ Since all four of these offices, as well as the Personnel Office itself, were now grouped under the Deputy Director for Administration, the DD/A was in a position of serving, in a sense, as the coordinator of these diverse personnel-management matters.

¹ Ibid.

² CIA Regulation No. 70, Jan. 19, 1951, cited above.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

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The central staff responsibilities for security controls involved a variety of functions for dealing with the development, improvement, and enforcement of security standards throughout the Agency. Some of these functions were advisory and planning in nature, while others were supervisory, investigative, or evaluative. According to its charter of 1950,¹ the Security Office had a measure of jurisdiction over "all CIA activities," including security measures governing personnel, installations, equipment, funds, and security-classified information.

In further clarifications of its charter, between December 1950 and February 1953,² some functions of the Security Office were shifted. For example, its audit-inspection authority over the Agency's financial transactions was transferred to a new Audit Office, in April 1951.³ In another case, its responsibility for emergency planning, which had been shifted for a time (in 1951 and 1952) to other offices of the administrative group, was re-established

¹ CIA Regulation No. 70, July 1, 1950, Secret, in CIA Records Center.

² CIA Regulation No. 70, editions of Dec. 1, 1950 and Jan. 19, 1951, both Secret, and Regulation R 1-140, 20 March 1953, Secret, all in CIA Records Center. During this period the Security Office was subjected to a management review, not by the Management Staff but by the NSC's Internal-Security Officer, J. Patrick Coyne. The survey was requested by the IG on March 25, 1952, and again by the DCI in June, and was concluded in August 1952. (See correspondence in O/DCI/ER, filed under "NSC." The survey report itself has not been seen.)

³ See Chapter X, pp. 148-165, above.

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Coupled with these considerations was the fact that decentralization to the field had been one of the keystones in General Smith's view of the organization of the clandestine services, in 1950. Once the headquarters merger of the two operational offices was on its way, early in 1952, he directed the DD/P and the DD/A to formulate plans for decentralizing to the field such elements and functions as could practicably be shifted. In oral instructions to those Deputies (and to OPC and OSO), on March 13, 1952, he asked for a plan that would extend to both operational and support functions--"a plan for decentralizing a large measure of CIA command and administrative control to a field command structure on a 'theater' or 'area' command basis."¹

The plans for decentralization, developed jointly by OSO and OPC, in April 1952,² were experimentally addressed to a single but nevertheless typical major area (the Far East), and they were based in part on a survey of the administrative problems by the Assistant DD/A, Lyle T. Shannon.³ Aside from the new operational command

¹ The DCI's "verbal" instructions of March 13, 1952, are mentioned in joint memorandum by OSO and OPC to the DCI, April 19, 1952, Secret, in DD/S "O&M 5" file.

² Ibid.

³ Shannon's "administrative survey" of the Far East, made by him between January 13 and March 11, 1952, is summarized in ibid; tab "D."

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and OPC area divisions into a single group of regional divisions.¹
 In this context the new Administrative Staff in the DD/P, headed by a principal officer of the DD/A group, represented the organizational solution that was to prevail during the remainder of this period (to February 1953) and in the following two years as well.²

Special Support Services Under the DD/P's Jurisdiction, 1951-52

The merger of OSO and OPC in 1951-52 was significant, too, in that it brought together under the DD/P³ certain other categories of support functions, other than administrative support

¹ The merger of OSO and OPC area divisions was announced on January 8, 1952, "effective January 9" (by Notice 7-52, Secret), but was not completely consummated until later. The DD/P's new Administrative Staff was listed, along with eleven other "Staffs" and seven new "Area Divisions," in Notice P-16-52, July 31, 1952, Secret, and in Notice P-22-52, Oct. 20, 1952, Secret (both in CIA Records Center), and in minutes of DCI's staff conference, Aug. 11, 1952 (in O/DCI/ER).

² The DD/P Administrative Staff was in operation from about August 1, 1952, to about Feb. 1, 1955. On Feb. 3, 1955, it was ordered abolished and its functions transferred (along with the Office of Communications and the Office of Training) to the newly designated (and again re-centralized) Deputy Director for Support (DD/S). See Notice N-1-100-1, Feb. 3, 1955, Notice 20-197-57, Feb. 3, 1955, Secret, and Notice 20-190-60, Feb. 16, 1955, all in O/DCI/HS files.

³ During this period, Mr. Allen W. Dulles was the first Deputy Director of Plans (from sometime in December 1950 to August 23, 1951), and Mr. Frank G. Wisner was his successor (from August 23, 1951 on). The position was known at first (from December 1, 1950 to January 4, 1951) as the Deputy Director for Operations (DD/O), and on Jan. 4, 1951, it was announced as having been renamed Deputy Director for Plans (DD/P). Mr. Dulles' appointment was not announced until January 4, 1951 (by General Order No. 40), but he was apparently already on duty by December 18, 1950, when he was attending the DCI's staff conferences. (See minutes SC-M-1, Secret, in O/DCI/ER.)

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among the several support offices called for a review by each of them from a different point of view, somewhat as follows. The O&M unit was expected to criticize the proposed T/O of a given office (and the job descriptions that accompanied it) from the viewpoint of (1) "soundness of organizational structure," (2) "needless duplication," (3) "adequacy of functional statements," and (4) "effectiveness of broad procedures." The Personnel Office, meanwhile, reviewed a given T/O for the adequacy of its position classifications and its wage and salary scales. The Comptroller reviewed it from the angle of availability of funds. Finally, the Chiefs of Procurement and Administrative Services reviewed the T/O from the viewpoint of space, equipment, and other special types of support that would result from a personnel increase in an office. Underlying all of these successive reviews were the requirements of the individual operating office itself, stated in terms of job descriptions, "justifications," organizational charts, functional statements, and statements of "basic related procedure."¹

While no one of these support offices had exclusive jurisdiction over the review and approval of manpower requirements, the Management Office and its "Organization and Methods Service" section seems to have been the primary office of review, from October 1950 to December 1951, when the office was abolished and its "O&M" staff

¹ Ibid. These procedures were similar to those proposed by Shannon on October 12, 1951, cited above.

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as management tools or "controls," by which the Agency's programs were directed, supervised, and reviewed on behalf of the Director. In actual practice, most of CIA's administrative activities were neither exclusively a housekeeping service nor a management tool, and normally had characteristics of both.

In addition, CIA's administrative activities had a special character, not shared with other Government agencies generally, in that the financial, personnel, equipment, and other administrative transactions were permeated by a fourth major factor--physical security. Not only did CIA have a separate administrative office for security control, but the entire administrative group (and the Agency as a whole) operated under various internal security practices and policies for protecting the secrecy of the Agency's intelligence and operational programs and for safeguarding its physical premises, its personnel, and its internal communication and outside contacts from penetration, compromise, and unauthorized disclosure.

Something of the magnitude of CIA's administrative responsibilities is suggested by a glance at some of the principal financial, personnel, and property factors involved in the Agency's intelligence and operational programs by October 1950, when General Smith took office as Director.

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to some 1,200 supervisors between September and November 1952;¹
 and (2) the "human resources" program on personnel relations, which
 was attended by some 378 supervisors, "from AD's to unit chiefs"
 (with a separate session for the Deputy Directors), between August
 1952 and June 1953.²

Aside from administrative courses, there was also a program
 of specialized courses for intelligence and operational personnel in
 particular, but these courses were not established within OTR until
 its second year. Plans had been under way from the beginning (in
 1951), and in January 1952 the DD/P's covert training activities
 were taken over by OTR, where they were kept compartmented under
 a separate Deputy Director for Training (Special), or TRS.³ Next,
 about June 1952, OTR established a language training "laboratory,"⁴

¹ OTR's history, 1952-53 (1955 version), p. 18c.

² Ibid., pp. 18d, 18e.

³ See above, pp. 52-72.

⁴ This "language laboratory" was established sometime in June 1952, according to OTR's history, 1951-52 (1952 version, p. 19, and 1955 version, pp. 28-29). It became one of two principal activities (the other being the handling of arrangements for outside training) of what (by July 1952) was called OTR's Language Services Division, headed by Leon E. Dostert. (See OTR "Summary of...Courses and Programs," except covert, July 23, 1952, Secret, in CIA Records Center.) The planning for this laboratory dated back at least to March 1951, when the DCI had suggested that Dostert be brought into CIA from Georgetown University's Institute of Language and Linguistics. (See minutes of DCI's staff conference, May 14, 1951, SC-M-18, in O/DCI/ER.) Early in July 1951, OTR reported that a language laboratory was being established (ibid., July 9, 1951, SC-M-23; and OTR staff study on the Career Corps, July 3, 1951, tab M). According to OTR's history (1952-53, pp. 28-29), however, Dostert did not appear and actually begin to prepare the installation until sometime in October 1951, and by June 1952 it was ready to function.

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assigned, instead, orally to Colonel Baird, probably on January 3, 1951 if not earlier.¹ It is clear, nevertheless, from OTR's plan for a career program, submitted to the Director the following July, 1951, and from the many inter-office conferences and committee meetings on career management that followed during the next twelve months, to August 1952, that the planning for the new Career Corps was the principal preoccupation of Colonel Baird and many of his immediate staff during most of the first twenty-six months of OTR, up to February 1953.²

Besides serving the DCI as a planning officer in 1951 and 1952,³ OTR also had a variety of support relationships to the rest

¹ On July 3, 1951, Col. Baird recalled that he had received certain "verbal" instructions on career planning from General Smith at the time of OTR's "inception, six months ago today." (See his memorandum to the DCI, July 3, attached to study, "Proposal for...a Career Corps," July 3, 1951, Secret, in O/DCI/ER). A different interpretation of the origins of OTR's planning responsibility is in OTR's history for 1952-53 (Secret, prepared in 1955), which concludes (pp. 3, 4) that the charter of Jan. 19, 1951, did give the Director of Training "specific" authority for "the development of a career staff plan with the courses that would subtend it." For text of that charter, see Annex G, below.

² OTR's history, 1952-53, Secret, passim, in O/DCI/HS files. The relationship of OTR's career-management planning and the DD/A's personnel-management activities are discussed later in the present chapter.

³ OTR's special relationship to the DCI was apparently modified in February 1952, when a new organizational order announced that henceforth the Director of Training "reports to the Deputy Director of Central Intelligence" (that is, to Mr. Dulles). (See Notice 23-52, Feb. 13, 1952, Secret, in CIA Records Center.) OTR remained, on the Agency's organization chart, as responsible to the Director's office. (See Regulation 1-100, March 30, 1953, Secret.) Whether its special relationship to General Smith and Mr. Dulles in 1951 and 1952 extended to other fields besides career management is not known from any records used in this study. In any case none are mentioned in OTR's histories for 1951-52 and 1952-53 (on file in O/DCI/HS), nor in the revised charter of OTR of March 30, 1953 (cited above).

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situated as it was, directly under the DCI, with planning, support, and supervisory responsibilities combined in one unit,¹ and in a unit that was (in personnel strength) several times larger than the rest of the Director's office taken together.² In addition, OTR's position with respect to the Agency's main support group (the DD/A offices) was an unusual one, especially in relation to the Personnel Office,³ with which OTR shared many aspects of the career-development program in 1951 and 1952. This close relationship between them, with Personnel concerned essentially with "the recruiting of trained personnel" and with Training concerned with

¹ OTR's organization under Colonel Matthew Baird, included (by early 1953) a "General" and a "Special" (covert) group, each under a Deputy (Paul E. Eckel and James S. Kronthal, respectively), and a Support Staff (*ibid.*). The "General" group included (as of late 1952) a Plans and Policy Staff (headed by Lewis E. Stevens) and the following Divisions: Intelligence Training (Hiram M. Stout, Chief), Management Training (John B. Whitelaw), Junior Officer Training (Willet L. Eccles), Programs (Clyde B. Sargent), Language Services (Leon E. Dostert), and Orientation and Briefing (Shane MacCarthy). (See OTR "Summary of...(General) Courses and Programs," July 23, 1952, Secret, in CIA Records Center.)

² As of February 1953, OTR's instructional and administrative staff totalled 547 employees, of which 79 were military personnel. Its total authorized T/O was set at 1,024 employees. (See memorandum by Director of Personnel to Historical Staff, March 2, 1956, Secret, containing personnel statistics, 1950-53. Whether these figures also included trainees on OTR's T/O is not known.)

³ Compared to OTR's 547 employees, the Personnel Office's staff totalled 355 employees (by February 1953), of which 64 were military personnel. (*Ibid.*) In August 1951 their size had been 225 (for OTR) and 132 (for Personnel). (See memorandum by R. D. H. Harvey to DD/A, Aug. 24, 1951, Secret, in DD/S "O&M 5" file.)

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immediate office. These functions included:¹ (1) studies of Agency "organization, functions, methods, and procedures," from the viewpoint of recommending improvements; (2) supervision over the Agency's "Work Simplification Program"; (3) investigation of office machines and equipment for applicability to CIA activities; and (4) review of requests for new and revised "tables of organization" (T/O's). Some of these tasks, such as T/O reviews, were related directly to financial management. Others, however, dealt with administrative management matters in general and thus represented somewhat of an enlargement of the Comptroller's scope of authority beyond his normal "budget and fiscal" mission.

By March 1953² the Comptroller's organization included three major divisions--the Budget Division,³ the Fiscal Division, and the

¹ These functions were re-stated and separately listed, in March 1953, in the revised charter of the Comptroller's Office; see CIA Regulation R 1-140, March 20, 1953, Secret (in CIA Records Center).

² Ibid., and CIA Regulation 1-100, March 20, 1953, Secret. There is no chart precisely for February 1953, when the present study ends. The March 1953 edition (above) replaced the Agency's organizational manual of Jan. 19, 1951, previously cited.

³ The Comptroller and his Budget Division also made use of a (1) Budget Review Committee, especially during the annual budget-estimate exercises, primarily as a forum for Assistant Directors and Staff Chiefs; and (2) the Project Review Committee, previously mentioned. (See also CIA Notice 68-52, May 28, 1952, Confidential, in CIA Records Center.) Still another finance committee was the Covert Coordinating Committee, established in 1951 in the Comptroller's Office, in order "to facilitate the review of subsidy and proprietary projects and devise administrative and financial plans for the support of such projects." (See Comptroller's progress report to DD/A, Nov. 6, 1951, Secret, appended as Tab B of Comptroller's "Historical Notes...", previously cited.) In 1952 this Committee's secretariat was shifted from the Comptroller to the DD/A's immediate office. (See memorandum by DD/A, May 19, 1952, Secret, in DD/S "O&M 5" file.)

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analysis which, in effect, served to train some of its employees for ultimate rotation to the production offices or elsewhere. In another case, ORR's Photographic Intelligence Division regularly undertook (incidentally to its production work) to train analysts in the better utilization of photographic information.¹ Finally, a number of the production offices, including ONE for example, sought to obtain further training for their personnel by subjecting them to periodic tours of temporary duty overseas, by which selected employees would receive a measure of "re-familiarization ...with overseas areas."² Specific collection or research assignments were expressly enjoined, in such training trips. Instead, training seems to have been the immediate objective sought.³

¹ ORR's history, "Development...of ORR," Secret, prepared about Aug. 1954 for the Clark Committee; see especially chapter 1, p. 2 (in O/DCI/HS files).

² On these overseas TDY's for "refamiliarization" study and observation of ONE personnel, see minutes of DCI's staff conference, July 9, 1951, SC-M-23, Secret (in O/DCI/ER); and memoranda by ONE to DDCI, Sept. 19, 1951 (Confidential), and to acting DD/I, Nov. 25, 1952 (Secret), both in ONE "chrono files." For other training efforts within ONE (for example, the use of outside lecturers before ONE's Board of National Estimates, Feb.-May 1951), see chapter 9, above, pp. 56-58.

³ ONE personnel who were selected to go on such area-refamiliarization trips were specifically directed not to engage in collection tasks, less (it seems) in order to avoid complications with the regularly established overt and covert collection channels than to permit them to concentrate on getting the training benefit of (1) "firsthand impressions" with foreign localities and (2) "informal comments" from U. S. intelligence and policy officials whom ONE was serving. (See especially ONE staff study, Nov. 25, 1952, attached to memorandum by ONE to acting DD/I, Nov. 25, 1952, in ONE "chrono files.") OTR's relationship to these overseas tours is not indicated in ibid.

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follows: Management; Budget; Personnel; Legal; and Inspection and Security. The other two components were called the Overt Support Staff and the Covert Support Staff,¹ and each had separate divisions for handling financial, personnel, and supply transactions. In October 1949,² the latter two staffs were renamed the Administrative Staff and Special Support Staff, respectively, in the expectation that this more innocuous nomenclature would help to safeguard CIA's administrative contacts with outside agencies.

Two additional staffs were established under the CIA Executive between October 1949 and September 1950, and brought his entire administrative group to a total of nine components: (1) the Medical Staff, which previously had been organized separately from the Personnel Staff and separate, too, from the personnel divisions of the two Support Staffs; and (2) the Procurement Requirements Staff, which was made a small policy unit, in September 1950, for handling the Agency's property and equipment planning, with a status somewhat analogous to that of the Budget Staff, and the Personnel Staff in the fields of money and manpower problems, respectively.

¹ General Order No. 24, Sept. 20, 1949, revised Oct. 5, 1949;
Ibid.

² Ibid.

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office,¹ and in September 1951 Maj. Gen. Harold M. McClelland was designated as the permanent head,² with Johnson as his Deputy.³

This special status for communications support in the DD/P group, separate from both OSC and OPC, prevailed until about March 1953, when the Office of Communications was removed entirely from the DD/P group and made responsible directly to the DCI.⁴ Regardless of its changing position between 1950 and 1953 (successively under the DD/A, the DD/P, and the DCI), O/Commo retained certain continuing functions which were compartmented from the rest of the Agency and which, in fact, cut across certain normal jurisdictional lines.

¹ Ibid.; and CIA Regulation No. 5-11, July 2, 1951, Secret, in CIA Records Center. The position was called "Director" of Communications.

² Notice 57-51, Sept. 10, 1951, Secret, in CIA Records Center; and minutes of DCI's staff conference, Sept. 17, 1951, SC-M-27, in O/DCI/ER. General McClelland had previously been Director of Communications of the U. S. Air Force. The head of O/Commo was now called "Assistant Director." (ibid.)

³ McClelland and Johnson continued in these positions for the remainder of the period under review (to February 1953) as well as in the period following.

⁴ See Agency's revised organization chart for March 20, 1953, in CIA Regulations 1-100 to 1-140, inclusive, Secret, in CIA Records Center. The transfer out of DD/P may have occurred earlier, but the order has not been found. Even when O/Commo was under the DD/P, it had direct channels to the DCI. (See approved draft of its mission and functions, Oct. 5, 1951, cited later, below.) In February 1955 O/Commo was re-assigned once again, this time to the DD/S--to a status somewhat comparable to that in 1946-47. (See Notice N-1-100-1, Feb. 3, 1955, Secret.)

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but (except for certain preliminary details) this program was not included in the Agency's administrative plans for the new fiscal year beginning July 1950,¹ and it remained to be revived by General Smith shortly after he became DCI, when the planning responsibility for it was assigned to the new training office, apparently sometime late in December 1950.²

While the above summary is a reconstruction of General Smith's early plans for uniting these four functions in OTR, there is no direct evidence at all as to why he decided to shift OTR out of the DD/A's administrative group, and how he reconciled that move with the close relationship of three of those functions (personnel orientation, provisional personnel pools, and career-corps planning) to the DD/A's normal personnel-management activities, and with his own commitment, in principle, in favor of centralized administration for CIA. The reasons for giving a special status to this new office may have derived from what was evidently General Smith's special, personal interest in the development of a "career corps"

¹ As of September 1950, CIA had what it called an "employee career management program," but during the preceding year it had involved only these two "actions": (1) to prepare punch-card indexes on the "qualifications of all employees"; and (2) to prepare a "roster of key personnel." Its plan for the next two fiscal years 1951-52 (beginning July 1950) was that: "Development and implementation of program will be continued." (See CIA's "Statement of Management Improvements," Sept. 1, 1950, p. 24, Secret, cited above.)

² General Smith's instructions to the head of new Office of Training to give "priority to planning for the establishment of a Career Corps" were given orally, probably just before January 3, 1951, when OTR was designated an "Office"; so Col. Baird recalled some months later. (See his memorandum to DCI, July 3, 1951, attached to OTR study, "A Proposal for...a Career Corps," July 3, 1951, Secret, in O/DCI/ER.)

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training)." More specifically, some twenty functions were assigned to the new office, among which were advisory, liaison, record-keeping, research, inspection, and evaluative aspects of personnel administration. Among its major functions were to handle occupational classification (or "position descriptions"), pay scales ("wage and salary administration"), testing of applicants and of on-duty employees, recruitment and placement transactions, internal promotion and rotation programs and procedures, and welfare activities.¹

Comprehensive as these functions were, they actually did not embrace every aspect of the Agency's personnel problems. A measure of autonomy was left to the operating offices--to a major extent in the DD/P's clandestine-operations group and to a lesser but nevertheless significant extent among the various overt offices. This policy, applied to recruitment in particular, was re-iterated in November 1951, when (shortly after Kelly was replaced by General F. Trubee Davison)² all offices were invited to continue "to do recruiting wherever they see fit," provided only that "such recruiting...be coordinated with [The Personnel] Office."³ Even though Davison found that there were "numerous cases on record where a person had been approached by three or four different Offices of

¹ Ibid.

² This shift is explained above, p. 135, footnote 2.

³ Minutes of DCI's staff conference, Nov. 5, 1951, SC-M-30, Secret, in O/DCI/ER.

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Except for the supervisor's function, most of these several career-management functions were "properly the responsibility of Personnel," OTR concluded, and should be so assigned for "implementation." Other functions would be handled by OTR and the operating offices, or handled jointly by all or some of them acting together, OTR said.¹

On August 7, 1951, OTR's entire group of Career Corps proposals was submitted to the operating offices for study and comment;² on September 13 the comments were summarized by OTR for the DCI;³ and on September 17 the plan was taken up at the DCI's staff conference.⁴ Only one of the office comments has been seen,⁵

¹ Ibid., especially covering memorandum by Colonel Baird, Director of Training, to DCI, July 3, 1951.

² OTR's transmittal of the study to the operating offices, dated Aug. 7, 1951, is mentioned in ONE's memorandum in reply, Aug. 31, 1951, in ONE "chrono files." OTR's history, 1951-52 (1955 version, p. 16, footnote 27) gives the date as August 7, "1950" (probably a typographical error for 1951).

³ Ibid., p. 16.

⁴ Minutes of DCI's staff conference, Sept. 17, 1951, SC-M-27, Secret in O/DCI/ER.

⁵ Memorandum by Paul A. Borel, ONE, to OTR, Aug. 31, 1951, Secret, in ONE "chrono files." ONE favored OTR's trainee-recruitment program and its career-management procedures in general, but (on training) preferred "rotation and schooling outside the Agency," and objected to a "super-intelligence school" within CIA. The Career Corps itself, whether or not "elite," should be postponed for reconsideration "at a later date," ONE concluded.

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he served in that position during most if not all of the remaining months of General Smith's Directorship.¹ Like the Director of Training, the IG was responsible directly to the DCI, but his functions were, of course, quite different, and his two-man staff (as of February 1953)² was doubtless the smallest of all the headquarters offices listed on the Agency's organization chart.

The function of administrative inspection and investigation, as it developed in Stuart Hedden's time, cannot be understood from the Agency's formal regulations, because they contained no charter for his office, up to February 1953,³ except on one aspect of his work related to personnel management.⁴ Instead, his responsibilities

¹ No CIA Notice or other announcement has been found (in the CIA Records Center) which dated or otherwise recognized Hedden's departure as IG. He was obviously gone by April 1, 1953, when Mr. Dulles, as the new DCI, announced that Lyman B. Kirkpatrick was to be the new IG. (See CIA Notice P-8-53, April 1, 1953, Secret; in CIA Records Center.) Exactly when (before April 1, 1953) the position had been vacated by Hedden was not indicated, however. (Ibid.) On March 10, 1953, one CIA Notice (34-53) referred to the "acting" IG, suggesting that Hedden had already departed by then.

² As of Feb. 28, 1953, the IG's staff consisted of two civilians, and a total authorized T/O of three. (See memorandum by Personnel Office to Historical Staff, March 2, 1956, on personnel statistics.) Whether Hedden was one of the two on duty, or whether his position was the third, vacant position on the T/O, is not known, since it is not clear (from the preceding footnote, above) whether Hedden was still on duty as late as February 1953.

³ A draft of a proposed Notice (No. 18-52) on the IG's functions, about March 7, 1952, was ordered held suspended by Col. L. K. White (office of DD/A), on March 7, pending its dissemination in a new edition of CIA Regulation No. 70. Not until March 1953, however, was that Regulation re-issued (not as No. "70" but as Reg. 1-100), and in it was the charter for IG as well as for all other major offices.

⁴ This one function, announced on Jan. 10, 1952, was to conduct confidential interviews with CIA employees having personal complaints or employee suggestions to offer. See below, p. 121.

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in the more conventional meaning of the term. These more specialized support services, peculiar to clandestine operations, had not figured significantly in the jurisdictional problems between DD/A and DD/P in 1951 and 1952 (outlined above), and throughout most of this period they remained the responsibility of the DD/P.¹ They are mentioned here to illustrate the complex and ramifying character of the function of "support," in relation to secret collection and clandestine operations, and to indicate the fact that there were a number of exceptions to the general rule that CIA's support functions were centralized under the DD/A.

Office of Communications

The communications support function was the first such special activity to be exempted from DD/A control. According to the reorganization announcements of November 15 and December 1, 1950 (previously discussed), this activity was to have been organized as a new, separate office within the administrative group,² and presumably the move was to be accomplished by transferring the existing Communications Division from OSO to the DD/A and renaming and expanding it. While such a status for communications would not

¹ In February 1955, however, some of these special support functions were transferred to the Deputy Director of Support (DD/S), successor to the DD/A.

² Memorandum by Murray McConnell, CIA Executive, Nov. 15, 1950, General Order No. 30, Dec. 1, 1950, and CIA Regulation No. 70, Dec. 1, 1950, Secret, previously cited. According to the latter Regulation, the responsibility for communications was to have a status somewhat separate from the several administrative offices, with a chief with the rank of "Assistant DD/A for Communications." (See Regulation No. 70, Dec. 1, 1950, p. 28.)

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responsible to him as the DD/A.¹ In addition, a tenth office (for communications), yet to be established, was assigned to the DD/A's group, presumably by a transfer (yet to be consummated) from the operations group.² By the same order, Shannon (up to then the Deputy Executive) was redesignated as the Assistant to the DD/A for "administration," and placed in direct charge of all but two of these ten offices. The two exceptions were security and communications (the latter still to be organized as a separate office). These two were also each to be headed by an Assistant to the DD/A.³

¹ Ibid. These units were called "offices" in the General Order, but "divisions" in the Regulation (ibid.)

² A separate Assistant to the DD/A for Communications was listed in the General Order of December 1 (ibid.); but no incumbent was named. Although the Order did not specifically mention OSO's Communications Division, it was apparently General Smith's intention that that unit would become the nucleus for a new Communications Office under the DD/A. (The Communications Division had originally been a part of CIG's administrative group, up to July 1, 1947, and since then it had been controlled by OSO. See General Order No. 3, June 18, 1947, in CIA Records Center.) The move announced in December 1950 did not actually materialize, however. Instead, the OSO Communications Division was re-established (on July 1, 1951) as a separate support office under the DD/Plans. See below, pp. 55-56.

³ CIA Regulation No. 70 and General Order No. 38, Dec. 1, 1950, cited above.

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a training section which functions--as much as I dislike the term--as a sort of career management office.¹

Paradoxically, this advisory responsibility to the DCI (for developing a career corps program) was initially OTR's major function, but it was not directly mentioned either in its first formal charter, issued on December 1, 1950, or in the subsequent revisions on January 19 and April 18, 1951.² This special responsibility had been

¹ "Informal" letter by General Smith to John J. McCloy, quoted in part in OTR's history for the period June 1952-June 1953 (prepared in May 1955), p. 3, Secret, in O/DCI/HS files. According to that study by OTR (p. 2, note 1), there were two letters by Smith on this subject, both to McCloy--one dated January 31 and a "second" letter on March 17. The author of the OTR's study says that he actually had seen a copy of the first letter of January 31, and (because of a typographical error) he cites it erroneously as dated "January 31, 1955" (p. 3, note 1); and he goes on to say that the "second" letter, which he had not seen, is "not yet retrieved." A partial but more authentic text of the March 17 letter has meanwhile actually turned up (and is quoted in the present historical study, above), in Colonel Baird's lengthy staff study to the DCI on July 3, 1951, entitled "A Proposal for...a Career Corps," (Secret, filed in O/DCI/ER). In that more contemporary study (prepared shortly after OTR was established), Colonel Baird mentions no earlier letter of January 31, and implies that General Smith's letter of March 17 was the one in which he revealed his original intentions on OTR's objectives, and so it is highly questionable, from a historical viewpoint and in the absence of any other evidence, that an earlier letter was actually written. In any case, General Smith's correspondence was with an outside agency, on a subject which was essentially of intra-mural administrative concern to CIA, and such a letter (important as it is) would be less significant than inter-office correspondence and conference minutes for evidence revealing General Smith's original intentions and objectives in establishing a Director of Training as a special support officer in the immediate office of the DCI. No such records were cited in the OTR's history, nor have any been found by O/DCI/HS in other records.

² CIA Regulation No. 70, editions of Dec. 1, 1950, Jan. 19, 1951, and April 18, 1951, in CIA Records Center.

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because its functions went quite beyond the personnel-management aspects of medical care. Similarly, the Office of Training remained as a separate organization, under the DCI. In the latter case, however, certain functions were transferred back to the Personnel Office in 1952 and early in 1953, notably the staff work on career development (transferred in July 1952),¹ and the operation of holding pools for provisional recruits (transferred sometime later in 1952 or early 1953).² There remained, nevertheless, a close relationship between the two offices. For example, the Director of Training, Colonel Matthew Baird, served for a number of months, in 1952, as acting Director of Personnel,³ and (after his career-corps planning function was transferred to Personnel, in July 1952), he became a permanent member of the new Career Service Board.⁴

Three other personnel functions--payroll, security, and manpower ceilings--remained outside the jurisdiction of the Personnel Office, during the period ending February 1953. In each case, however, the Personnel Office retained a measure of active interest if not prime responsibility. As to the first function

¹ See Chapter X, above, p. 104.

² Ibid., p. 89, note 3. The inference from OTR's history (ibid.) is that OTR withdrew from these "holding-pool" operations before the end of 1952. By March 1953, the function of holding pools was once again listed in the charter of the Personnel Office. (See CIA Regulation 1-140, March 30, 1953, Secret, in CIA Records Center.)

³ See Chapter X, above, pp. 116-117.

⁴ Ibid., p. 103.

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function was withdrawn from the Inspection and Security Office, where it had been located since 1947, and re-established as an independent activity, the Audit Office, which was made accountable directly to the Deputy Director for Administration.¹

In January 1952 the Audit Office was further reorganized to provide for a new position of Auditor-in-Chief, superimposed over that Office and responsible to the DCI "through the DD/A."² Maj. Gen. Eugene M. Foster was appointed to the new position.³ The scope of his authority, and that of the Audit Office under him, was somewhat enlarged, and included some jurisdiction over vouchered-fund reviews as well. According to the official order, he was made responsible "for the audit (exclusive of internal audit) of all finance, fiscal, and property matters not under General Accounting Office procedures, and for assuring that appropriate current audits are made."⁴ Regardless of GAO audits, however, he was further

¹ Ibid.

² Ibid.; and CIA Notice 11-52, Jan. 18, 1952, Secret (in CIA Records Center). This change apparently resulted from an investigation by General Foster, in August 1951, of the "Organization and Utilization of Agency Covert Audit Facilities"; see his study on this subject, Aug. 20, 1951, in DD/S "O&M 5" file.

³ CIA Notice 12-52, Jan. 18, 1952, Secret (in CIA Records Center).

⁴ CIA Notice 11-52, cited above.

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as couriers, transportation, and building management.¹ In July 1947, this Branch was reorganized as the Executive for Administration and Management (A & M), again with separate components (now called "branches") for the three principal functions of Budget and Finance, Personnel, and Services, and with a new, fourth unit called the Management Branch.² In this reorganization, the Agency's internal security control office, which up to that time had been organized separately from the Executive's staff, was now, (in July 1947) renamed the Executive for Inspection and Security (I & S), and attached as a second major group of branches under the Executive Director's jurisdiction.³

In addition, the Executive Director had since 1946 had two other functions which were, strictly speaking, not matters of internal administration: (1) the secretariat for the new National Intelligence Authority and the Intelligence Advisory Board; and

¹ "Tentative" chart of organization and functions of CIG, July 22, 1946, Confidential, in Annex B, below; and CIG Operations Memorandum No. 2, Nov. 18, 1946, in CIA Records Center.

² CIG organization chart, July 1, 1947, Secret, in Annex B below. The Personnel Branch's functions included medical services, and the Management Branch was assigned the function formerly handled by the "advisor for management" in ICAPS. (See General Order No. 3, June 18, 1947, in CIA Records Center.)

³ CIG organization chart, July 1, 1947, Secret; in Annex B, below.

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While internal administrative functions dominated the work of the Executive and his nine staff offices, his group also had certain incidental functions of a quasi-intelligence and quasi-operational nature which represented a departure from the usual separation of administration and operational functions. For example, one of the Executive's financial staffs handled technical intelligence information on foreign currencies, monetary rates, and exchanges.¹ The Medical Staff, somewhat similarly, assisted the operating offices on certain types of technical medical intelligence of operational interest. The Inspection and Security Staff, among its other functions, had liaison with the Federal Bureau of Investigation on certain domestic-intelligence matters of interest both to the operational and intelligence offices, and, in addition, shared (with the intelligence offices) the security review of CIA-produced intelligence reports whenever dissemination to a foreign government was at issue.

Conversely, there were certain quasi-administrative fields of interest to CIA over which the Executive's group did not have jurisdiction. Thus, by 1950, the Agency's overt services for handling mail and providing messengers and couriers ~~were~~ located in OCD. Likewise, the management of non-current administrative files (as well as intelligence materials) was an archival-management

¹ As of Oct. 1, 1950, this was handled by the Special Support Staff. (See CIA Reg. 70, July 1, 1950, in Annex G, below.) Earlier, it was one of the jobs of the Budget Officer. (See undated charter, probably about 1949, of the CIA Budget Officer, in DD/S file "C&M 5.")

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was transferred to a new Office of General Services.¹ For the next several months, until May 1952, the O&M staff continued to have the primary responsibility for T/O's, whereupon the Personnel Office's Classification and Wage Administration Division was placed in charge.² Some months later, probably in August 1952 (when the O&M staff was again shifted, this time to the Comptroller's Office), the Comptroller was made the senior review unit for T/O's.³ Here the matter rested, as of February 1953, when the present study ends.⁴

¹ CIA Notice 93-51, Dec. 29, 1951, Secret, in CIA Records Center. This Order abolished the Office of Management Analysis and the Office of Administrative Services and re-established their functions in a new Office of General Services, headed by W. L. Peel. In this new office, the function of manpower-organizational reviews was re-established in an "Organization and Methods Service," headed by J. Hodges Parker. (Ibid.)

² CIA Notice 67-52, May 27, 1952, Secret, in CIA Records Center.

³ CIA Notice 100-52, Aug. 5, 1952, Secret, in CIA Records Center.

⁴ The new organizational manual for CIA headquarters, issued in March 1953, re-iterated that the Comptroller was responsible for reviewing new or revised T/O's, and for conducting "studies of organization, functions, methods, and procedures" throughout the Agency. (CIA Regulation R 1-140, March 20, 1953, Secret, in CIA Records Center.) Within the Comptroller's Office, these functions were handled by the Organization and Methods Service. (CIA Regulation 1-100, March 20, 1953, Secret, in CIA Records Center.)

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of cooperation would remain:

No matter what is written in this or any other paper, it is not worth the paper it is written on unless those responsible for implementation cooperate in a sincere effort to make it work. ...I know that we can do it if people would only forget their jurisdictional disputes and give us a chance!¹

The DD/A-DD/P "understanding" of December 1951 culminated, some months later, in the establishment of a DD/P "Administrative Staff," headed by Lyle T. Shannon of the DD/A's staff.² This organizational move, announced late in July 1952, represented not only a settlement with DD/A but also a consolidation (within DD/P) of administrative functions which had previously been divided among OPC, OSO, and the DD/P's Executive Officer.³ Furthermore, the establishment of a DD/P Administrative Staff was part of the more comprehensive reorganization of the operational offices which included the merger, in the spring and summer of 1952, of the OSO

¹ Memorandum by White attached to his revision (of Dec. 11) of the minutes of the meeting of December 10, 1951; in ibid.

² Lyle T. Shannon was shifted from the DD/A group to the DD/P group, to the new position of "Chief of Administration" on July 28, 1952, effective August 1. Simultaneously, John E. O'Gara was appointed to Shannon's old position ("Special Assistant to the DD/A") and his own old position ("Assistant DD/A /Special") was "eliminated." (See Notice P-14-52, July 28, 1952, Secret, in CIA Records Center.)

³ The origin of the position of DD/P Executive Officer is not clear. On February 25, 1952, Charles V. Hulick was apparently appointed to that position, with the authority (indicated in a memorandum by Frank G. Wisner, DD/P, to W. R. Wolf, DD/A, Feb. 25) to sign "all personnel actions, vouchers, and travel requests" on behalf of the DD/P. (Memorandum, Secret, in CIA Comptroller's "Bible," in CIA Records Center, collection No. 54-177, item 93.)

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The new Administrative Services Division, as announced on December 1, 1950,¹ was made responsible not only for common-type services in headquarters (which it inherited from the old Services Division, overt) but also for domestic and overseas facilities, including real estate, utilities, and construction (which previously had been divided between the overt Services Division and the covert Procurement and Supply Division).² In this merger, furthermore, the new Administrative Services Division took on still other housekeeping functions which had previously been handled by OCD, including mail and courier service, records and archives management, and that part of OCD's machine indexing and tabulating work that had served CIA's administrative group (that is, personnel, finance, and security records).³

The internal organization of the new Administrative Services Division, as outlined on December 1, 1950, included several branches, transferred intact from the old Services Division: Printing and Reproduction; Transportation; and General Services. In addition,

¹ CIA Regulation No. 70, Dec. 1, 1950, cited above.

² Ibid.

³ Ibid. These functions were transferred out of OCD in November 1950, according to GSO's history, 1946-51 (previously cited).

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buildings, or in other areas outside the "overt" premises. In general, the DD/P group continued to have a direct voice in establishing standards and curricula; it provided most of the materials and instructors; and it controlled the quotas and assignment of students for the covert courses.¹

A somewhat similar compartmentation also prevailed with respect to communications training. In this case, the activity was actually segregated from both the overt and covert training components, mentioned above, and was handled, instead, somewhat autonomously by the Office of Communications, "in cooperation with the Director of Training."² O/Commo's program, as outlined early in 1953, was intended to cover training in "technical phases of communication, including the use of radio, teletype, cryptographic systems, and other communication equipment."³

¹ Similarly, covert training was omitted from the history of OTR, as prepared by that office in 1952, except for certain administrative details, such as personnel. The covert training component had a total personnel strength of 191, on Dec. 1, 1951, and 393, on June 30, 1952, compared to 146 on June 30, 1951 (exclusive of trainees). During the same period OTR's overt component grew from 33 (in June 1951), to 88 (in December 1951), to 112 (in June 1952). (See OTR's history, 1951-52, unnumbered appendix, Secret, in O/DCI/HS.)

² Outline of O/Commo's functions, as re-issued in CIA Regulation R-1-100, Secret, March 20, 1953. The Director of Communications, discussing the autonomous character of his training program in February 1952, said that his office "enjoys...flexibility...in utilizing facilities of certain commercial firms and Government agencies," which provide formal courses, briefings, and other training services on specific communication problems. (See his memorandum to Director of Training and to the DD/A's Organization and Methods Service, Feb. 2, 1952, attached to revised draft of CIA Regulation 25-2; in CIA Records Center.)

³ CIA Regulation R-1-100, March 20, 1953, Secret, cited above.

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