

File #:

62-HQ-116464

Serial Scope:

22 thru 33

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. J. B. Adams

FROM : Legal Counsel *J. B. Adams*

SUBJECT: HOUSTUDY -75

- 1 - Mr. Mintz - Encs. (2)
- 1 - Mr. Wannall - Encs. (2)
- 1 - Mr. Gregar - Encs. (2)

DATE: 8/15/75

- 1 - Mr. Hotis - Encs. (2)
- 1 - Mr. Daly - Encs. (2)

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

Attached is a letter from Michael E. Shaheen, Jr., Special Counsel for Intelligence Coordination, to John A. Mintz, Assistant Director, Legal Division, dated August 13, 1975, enclosing a request from the House Select Committee for a briefing for House Select Committee Staff Members by Assistant Director W. Raymond Wannall of the Intelligence Division. There is no topic specified for the briefing and it is assumed it will be a general briefing concerning Intelligence Division operations. A briefing has been arranged for House Select Committee Staff Members Richard Vermeire and Timothy Oliphant for 10 a.m., 8/18/75, by Mr. Wannall.

Steven Blackhurst, Deputy Special Counsel for Intelligence Coordination, was advised that a briefing had been scheduled for Monday morning at 10 a.m. It was pointed out to Mr. Blackhurst that neither the Department memorandum nor the Committee letter specified the topic and it was our intention to discuss just generally the functions of the Intelligence Division and its operations. He was also advised that it was not our intention to get into any details concerning surreptitious entries and/or mail openings or highly sensitive material. Blackhurst agreed that these topics should not be discussed at this particular briefing. He noted that the Department had by letter requested the opportunity to sit down with representatives of captioned Committee and discuss methods of handling their requests for information from the FBI and other Justice Department components. To date they have not received a response to this request.

RECOMMENDATION:

Action. Information.

Enclosures (2) ENCLOSURE

PVD:lad
(7)

84 28 1975

NW 89804 DocId:32989707 Page 2

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

AUG 13 1975

h *M*
TO: John Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request for Briefing

Attached is a request from the House Select Committee dated August 11, 1975, and received August 12, for a briefing by Ray Wannall for Committee staff members, Messrs. Oliphant and Vermeire. Please arrange for compliance with this request and advise me of the date scheduled for same.

ENCLOSURE

62-116464-33

AUG 25 1975

ENCLOSURE

DP

LEGAL COUNSEL



AUG 13 1975

TO: John Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request for Briefing

Attached is a request from the House Select Committee dated August 11, 1975, and received August 12, for a briefing by Ray Wannall for Committee staff members, Messrs. Oliphant and Vermeire. Please arrange for compliance with this request and advise me of the date scheduled for same.

OTIS G. PIKE, N. Y., CHAIRMAN
ROBERT N. GIAMMO, CONN.
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DAVID C. TREEN, LA.
JAMES P. JOHNSON, COLO.
ROBERT W. KASTEN, JR., WIS.

A. SEARLE FIELD, STAFF DIRECTOR
AARON B. DONNER, COUNSEL

TELEPHONE: (202) 225-8751

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

August 11, 1975


Mr. Michael E. Shaheen, Jr.
Special Counsel for Intelligence Coordination
U.S. Department of Justice
Washington, D. C. 20530

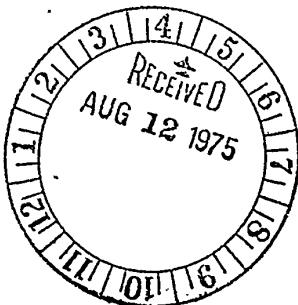
Dear Mr. Shaheen:

This is to request a briefing, at your earliest convenience, between Messrs. Oliphant and Vermeire of our staff and W. Raymond Wannall, Assistant Director in charge of the Intelligence Division of the Federal Bureau of Investigation.

Your cooperation in this matter is very much appreciated.

Sincerely,


A. Searle Field
Staff Director



62-116464-33



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

789

AUG 19 1975

TO: John A. Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request

House Study -75

Attached is a letter dated August 19, 1975, from the House Select Committee requesting various materials from the Department. Please arrange for compliance with the requests numbered 1-4 which relate to the Bureau. I have been advised orally by Searle Field, Staff Director for the House Select Committee, that the request contained in number one (1) can be complied with initially by providing access for Messrs. Vermeire and Oliphant of the House Select Committee staff to the materials provided to the Senate Select Committee.

cc: Paul Daly

Treat as original

EX 104

REC-56

62-116464-32

AUG 25 1975

62-116464

LEGAL COUNSEL

5-P



84 AUG 28 1975

NW 89804 DocId:32989707 Page 6

OTIS G. PIKE, N. Y., CHAIRMAN

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DAVID C. TREEN, LA.
JAMES P. JOHNSON, COLO.
ROBERT W. KASTEN, JR., WIS.

A. SEARLE FIELD, STAFF DIRECTOR
AARON D. DONNER, COUNSEL

TELEPHONE: (202) 225-9751

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

August 19, 1975

Hon. Edward H. Levi
Attorney General of the U.S.
Department of Justice
Washington, D.C. 20530

Dear Mr. Levi:

The House Select Committee on Intelligence re-request the following information:

1. Request of July 22, 1975, for all documents and materials provided to the Senate Select Committee to Study Governmental Operations with respect to Intelligence Activities.
2. Request of July 22, 1975, for any General Counsel's opinions of the authorities, mandates or charters of the F.B.I. D.E.A. and any other intelligence agency within the Justice Department.
3. Request on July 29, 1975, for: the most current and complete organizational chart of the F.B.I. including names, titles and job descriptions; the most current and complete telephone/office directory of SOG personnel; information regarding Central File of F.B.I. informants, including but not limited to, (a) procedures for classification, i.e., by type of informant, subject matter, etc., (b) how payments are approved and made to informants, (c) total dollar listing of payments, (d) number of payments, (e) number of informants with breakout of multiple payments to a single informant, (f) information pertaining to whether past payment internal reviews to informants, (g) all data pertaining to the cost-effectiveness of the informant program, (h) all data (including but not limited to manuals and memoranda) pertaining to procedures for the recruitment and maintenance of informants; all data pertaining to confidential funds and the payment procedures relating thereto; all data pertaining to reward monies and the payment procedures relating thereto;



62-1164104 32

Hon. Edward H. Levi
Page 2
August 19, 1975

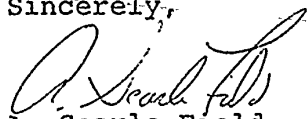
information regarding the DEA Evidence Purchase Fund, including but not limited to: (a) procedures for approving and making purchases, (b) total dollar listing of purchases, (c) number of purchases with breakout of multiple purchases from a single source (d) information pertaining to whether past purchase internal reviews are made concerning purchases of evidence (e) all data pertaining to the cost-effectiveness of the evidence purchase program, (f) all data including but not limited to manuals and memoranda, pertaining to procedures for purchases and maintenance of evidence.

4. Request of July 30, 1975 for that Messrs. Vermeire and Oliphant be given access to all F.B.I. information already provided to the GAO pursuant to the investigation for the House Judiciary Committee.

5. Request of August 13, 1975, for proposed F.B.I. guidelines drafted by the Department of Justice Guidelines Committee headed by Deputy Assistant Attorney General Mary G. Lawton.

Thank you for your cooperation in this matter.

Sincerely,


A. Searle Field
Staff Director



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

ybg

AUG 19 1975

TO: John A. Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request

(House study - '75)

Attached is a letter dated August 19, 1975, from the House Select Committee requesting information concerning Bureau informants. Please advise me as quickly as possible as to the type of response which the Bureau wants to prepare in response to this request.

[Handwritten signature]

cc: Paul Daly

[Handwritten signature]

EX 104

REC-56

Treat as original

62-116464-31

AUG 25 1975

ENCLOSURE

62-116464

LEGAL COUNSEL
5-P



OTIS G. PIKE, N. Y., CHAIRMAN

ROBERT N. GIAMMO, CONN.
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ROBERT MCCLORY, ILL.
DAVID C. TREEN, LA.
JAMES P. JOHNSON, COLO.
ROBERT W. KASTEN, JR., WIS.

A. SEARLE FIELD, STAFF DIRECTOR
AARON B. DONNER, COUNSEL

TELEPHONE: (202) 225-9731

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

August 19, 1975

Hon. Edward H. Levi
Attorney General of the U.S.
Department of Justice
Washington, D.C. 20530

Dear Mr. Levi:

The House Select Committee on Intelligence
requests the following information:

1. All names, addresses (if known)
and dates of payments to all F.B.I.
or Justice Department informers
from January 1, 1970 to June 30,
1975.
2. All federal internal revenue or
state and local tax records or forms
filed by the F.B.I. or Justice De-
partment with respect to informer
payments from January 1, 1970 to June
30, 1975.

Sincerely,

A. Searle Field
A. Searle Field
Staff Director



62-116404-31
ENCLOSURE



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

AUG 19 1975

TO: John A. Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request

Attached is a letter from the House Select Committee dated August 19, 1975, requesting materials relating to wiretaps and electronic surveillance. Please arrange for compliance with the requests contained in Items 1 and 2 of the referenced letter. Compliance with the requests in Items 3 and 4 should be deferred pending further discussions as to the proper method of response in these areas.

cc: Paul Daly

REC-56

EX 104

AUG 25 1975

ENCLOSURE

LEGAL COUNSEL



84 AUG 28 1975
NW 89804 DocId:32989707 Page 11

OTIS G. PIKE, N. Y., CHAIRMAN

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DALE MILFORD, TEX.
PHILIP H. HAYES, IND.
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ROBERT MCCLORY, ILL.
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JAMES P. JOHNSON, COLO.
ROBERT W. KASTEN, JR., WIS.

A. SEARLE FIELD, STAFF DIRECTOR
AARON B. DONNER, COUNSEL

TELEPHONE: (202) 225-9751

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

August 19, 1975

Hon. Edward H. Levi
Attorney General of the U.S.
Department of Justice
Washington, D.C. 20530

Dear Mr. Levi:

The House Select Committee on Intelligence requests
the following information:

1. A list of all wiretaps or electronic surveillance by state or local authorities that have been investigated by the F.B.I. from January 1, 1970 to June 30, 1975.
2. Any documents or other material related to any investigation by the Inspection Division with respect to failure of the F.B.I. to investigate state or local wiretap or electronic surveillance.
3. A list of all national security wiretaps or electronic surveillance from January 1, 1970 to June 30, 1975 accompanied by all documents provided the Attorney General to support the installation or such wiretaps or electronic surveillance.
4. A list of all internal security wiretaps or electronic surveillance from January 1, 1970 to June 30, 1975 accompanied by all documents provided the Attorney General to support the installation or such wiretaps or electronic surveillance.

Sincerely,

A. Searle Field
A. Searle Field
Staff Director



THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Intelligence Community Staff

DCI/IC 75-2615

14 August 1975

MEMORANDUM FOR: Members of the USIB Ad Hoc Coordinating Group

SUBJECT: Security Clearances

Attached is a listing of staff personnel of the House Select Committee on Intelligence who have been briefed for compartmented information.

Jack E. Thomas
Major General, USAF (Ret.)
Chief, Coordination Staff, ICS

Attachment

EX-104

REC-52

62-116464-29

Treat as original

9 AUG 21 1975

ENCLOSURE

Indiv names on attached list

62-116464-5

84 AUG 25 1975

NW 89804 DocId:32989707 Page 13

14 Aug 75

Staff Members of the House Select Committee on Intelligence who have been briefed on Compartmented Information are listed below:

<u>NAME</u>	<u>DATE BRIEFED</u> (SI, TK & B)	<u>DATE OF BIRTH</u>	<u>SOCIAL SECURITY NO.</u>
<u>Andrade, Carolyn</u>	8-11-75		
<u>Boos, John L.</u>	already briefed	<u>B 4-20-46</u>	<u>372-46-0008</u>
<u>Carroll, Roger</u>	8-11-75		
<u>Donnor, Aaron</u>	8-11-75		
<u>Field, A. Searle</u>	8-1-75	<u>B 10-6-44</u>	<u>045-36-1241</u>
<u>Flint, Jonathan</u>	7-29-75	<u>B 8-11-51</u>	<u>577-72-4788</u>
<u>Hess, Jacqueline</u>	7-29-75	<u>B 6-20-51</u>	<u>230-48-5696</u>
<u>Kirschstein, Fred</u>	7-29-75	<u>B 2-28-47</u>	<u>442-46-1435</u>
<u>Mattox, Charles</u>	8-11-75		
<u>Oliphant, James B. F.</u>	7-29-75	<u>B 12-11-38</u>	<u>147-32-2375</u>
<u>Roeder, Edward</u>	7-29-75	<u>S 9-1-48</u>	<u>262-88-7256</u>
<u>Rushford, Greg.</u>	7-29-75	<u>B 9-12-44</u>	<u>333-40-5391</u>
<u>Schafer, Michele</u>	8-11-75		

ENCLOSURE

14 Aug 75

NAME

DATE BRIEFED
(SI, TK & B)

DATE OF BIRTH

SOCIAL SECURITY NO.

X Sheketoff, Emily	7-29-75	B 4-6-50	048-40-7421
X Starek, Roscoe	7-29-75	B 11-17-47	327-40-4032
X Vermiere, Richard	7-29-75	B 8-15-44	147-34-4083
X Whieldon, Jeffrey	7-29-75	B 3-18-43	026-32-4085
X Yamamoto, Cheryl	8-11-75		
X Zeune, Sandra	8-11-75		

} DC

UNITED STATES GOVERNMENT

Memorandum

TO Mr. J. B. Adams

DATE: 8/13/75

FROM Legal Counsel *JFB*

SUBJECT STATUS OF RESPONSES TO CONGRESSIONAL
COMMITTEE REQUESTS

Naustudy '75

The purpose of the memorandum is to set forth in summary form the requests we have received from various Committees in Congress and the status of our replies.

Senate Select Committee on
Intelligence Activities (Church's Committee)

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
Letter, 6/27/75	Request for information concerning alleged abuses.	Response delivered
Letter, 6/30/75, received by Bureau, 7/8/75	Request pertaining to COINTELPRO.	Response delivered
Letter, 7/3/75	Request documents pertaining to COINTELPRO be furnished to the Committee in Committee space.	Response delivered
Letter, 7/8/75	Communication to all employees concerning Senate Select Committee inquiries.	Response delivered
Letter, 7/14/75	Request concerning two highly sensitive Bureau programs in the foreign intelligence field.	Response delivered
Letter, 7/14/75	Request concerning COINTELPRO documents.	Response delivered

1 - Mr. Wannall
(Attn: Mr. Cregar)
1 - Mrs. Metcalf

1 - Mr. Mintz
1 - Mr. Hotis
1 - Mr. Daly

64-116464-
NOT RECORDED
46 AUG 21 1975

INITIALES ON ORIGINAL

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INITIALES ON ORIGINAL

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FIVE

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84 AUG 28 1975

NW 89804 DocId:32989707 Page 16

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Legal Counsel to Mr. Adams
RE: STATUS OF RESPONSES TO CONGRESSIONAL
COMMITTEE REQUESTS

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
Letter, 7/14/75	Material pertaining to Martin Luther King.	Awaiting Departmental decision.
Letter, 7/14/75	Material pertaining to Ku Klux Klan.	Response delivered.
Letter, 7/24/75	List of Agents in New York City area who had surname "Kehoe."	Response delivered.
Letter, 7/28/75	Superseding request for FBI materials for delivery and/or access of Committee.	Response delivered.
Letter, 8/5/75	Request for FBI materials with respect to surreptitious entries.	Response being prepared.
Letter, 8/7/75	Request for briefing regarding mail openings.	Response being prepared.
Letter, 8/8/75	Request for materials relating to mail surveillance.	Response being prepared.

Committee on the Judiciary
Subcommittee on Constitutional Rights (Tunney's Committee)

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
Letter, 7/18/75	Material concerning Flagging procedures in Identification and NCIC Systems.	Response delivered to Department.
Letter, 7/25/75	Request concerns limited message-switching implementation plan.	Response being prepared.

CONTINUED - OVER



Legal Counsel to Mr. Adams
RE: STATUS OF RESPONSES TO CONGRESSIONAL
COMMITTEE REQUESTS

Subcommittee on Postal Facilities, Mail, and
Labor Management
House Post Office and Civil Service Committee (Wilson's Committee)

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
Letter, 8/6/75	Request pertaining to mail openings.	Response prepared and approved by Department. Not yet delivered.

House Select Committee (Pike's Committee)

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
Letter, 7/22/75	All documents and materials provided to the Senate Select Committee to Study Governmental Operations and request for all materials related to budgetary authority.	Awaiting Departmental decision regarding material furnished Senate Select Committee.
Letter, 7/28/75	Inquiry to encompass all aspects of the FBI budget as it relates to gathering, use and dissemination of intelligence.	Partial response prepared.
Letter, 7/30/75	Various materials related to the Spring Planning Call and for briefings with different Bureau officials.	Response prepared and delivered.

Hearings

<u>Date of Request</u>	<u>Nature of Request</u>	<u>Status</u>
	Request to arrange testimony before Subcommittee on Postal Facilities, Mail, and Labor Management of the Post Office and Civil Service Committee concerning mail covers and mail openings.	Date of testimony has not been established.

RECOMMENDATION:

For information.

[Handwritten signatures and initials: JBA, Rm, and others]

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. J. B. Adams

DATE: 7-23-75

FROM : Legal Counsel *[Signature]*

SUBJECT: HOUSTUDY 75

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
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Legal Coun. _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

On 7-22-75, Chairman Otis G. Pike, New York, convened the House Select Committee on Intelligence under House Resolution 591.

Chairman Pike announced at the outset, Committee hearings will be conducted in accordance with the Standing Rules of the House of Representatives and that he is "slow to invoke closed or executive meetings." It is his intention that initial Committee hearings will be devoted to testimony by officials of the General Accounting Office and Bureau of the Budget. He intends to examine and pursue:

(1) The volume of executive branch expenditures in foreign and domestic intelligence operations.

(2) A determination of the identity of those persons who control these expenditures and thereafter call them as witnesses and

(3) Determine at what level agency decisions are made regarding intelligence expenditures.

JUL 23 1975

Chairman Pike also announced he had met with Chairman Frank Church (Idaho) of the Senate Select Committee on 7-21-75. During this meeting Chairman Pike agreed the House Committee will not consider investigation in areas already covered in depth by

1-Mr. Walsh
1-Mr. Wannall
1-Mr. Cregar
1-Mr. Moore
1-Mr. Mintz

1-Mr. Hotis
1-Mr. Bowers
1-Mr. Daly
1-Mr. Miller
1-Mr. Taylor

RTT:lgp
(12)

CONTINUED - OVER



RTT

JUL 25 1975

NW 89804 DocId:32989707 Page 19

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Memorandum from Legal Counsel to Mr. Adams
Re: HOUSTUDY 75

the Senate Committee indicating as an example the involvement of CIA in alleged assassination plots. According to Chairman Pike, Chairman Church agreed The House Committee will first explore the fiscal aspects of executive branch intelligence expenditures, the accountability, command and control of these expenditures.

Chairman Pike intends to convene hearings during the first two weeks of the August 1975 recess.

Representative Robert McClory (Illinois), Committee ranking minority member, noted he also intends to investigate individual agency mandates, the extent of coordination between agencies and whether maximum efficiency and value are obtained for tax dollars expended by these agencies.

At the conclusion of the meeting Chairman Pike announced the resignation of Representative Don Edwards (California) and his replacement by Representative William Lehman (Florida) as a member of the Committee.

RECOMMENDATION:

For information.

[Handwritten signatures and initials: JAW, JBA, JS, Jm, NBC, Jm, PM, WPC, HED]

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. J. B. Adams

DATE: 7/31/75

FROM : Legal Counsel *J. B. Adams*

1 - Mr. Hotis

1 - Mr. Daly

SUBJECT: HOUSTUDY - 1175

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Adm. _____
Comp. Syst. _____
Ext. Affairs _____
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Training _____
Telephone Rm. _____
Director Sec'y _____

By memorandum dated 7/30/75, you were advised of the initial request from the House Select Committee and of the fact a briefing concerning general budgetary matters was being arranged for Committee Staff Members Richard Vermeire and James B. F. Oliphant.

At 4 p.m. on 7/29/75, Messrs. Oliphant and Vermeire were given a briefing relating to the Bureau's budget cycle by Assistant Director Eugene W. Walsh. They were informed of the step-by-step process the Bureau uses in submitting budget requests to the Department and ultimately from the Department to the Office of Management and Budget and the Congress. Numerous questions were asked relating to the procedural views on the Bureau requests, the types of material used to justify budgetary requests and, in general, the format of our budget presentations to the Department and the Office of Management and Budget. These questions were answered to the Staff Members' satisfaction.

A discussion was had concerning the FY77 Spring Planning Call. This document sets forth the guidelines the Department set for the format of our budgetary requests. Mr. Walsh also discussed generally our response to that request entitled the "FY Spring Planning Call--Fiscal Spring." They indicated an interest in obtaining copies of the aforementioned documents. It was explained that in the existing procedures set forth by the Department of Justice such material could only be made available pursuant to a request by the Committee and after obtaining Departmental authority. They stated they were under severe time constraints to obtain budgetary information for the Committee. Vermeire indicated that Elmer Staats, the head of GAO, would be testifying on 7/31/75 before the Committee concerning the GAO audit of the FBI to be followed by Bureau testimony on August 7 or August 8 concerning budgetary materials. Aug 12 1975

REC-34

62-116464-27

EX-106

CONTINUED - OVER

PVD:lad

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88 AUG 1 1975



Legal Counsel to Mr. Adams
RE: HOUSTUDY

stated a letter had been sent requesting this testimony by the Committee. They were informed the Bureau had not received this request as yet and that depending on the nature of the information sought during the briefing it could well place the Bureau in a position of not having the data available for testimony in this area. They appreciated our position in this matter.

During the briefing they were also advised that three schedules entitled "FBI Manpower Resources, FY 1965-1974," "FBI Financial Resources, FY 1965-1974," and "FBI Case Load Status, FY 1965-1974" had been prepared for the GAO and Mr. Walsh explained generally the background to the preparation of these schedules. The Committee staff members requested that they be given a copy of this schedule. They were informed that subject to the approval of the Attorney General these schedules would be made available for their review. They were asked whether they could limit their budgetary request for the past ten years as opposed to fifteen years as set forth in their request of 7/22/75. Oliphant and Vermeire indicated that this was acceptable with them; however, they would have to obtain the approval of Chairman Pike.

Mr. Walsh asked, and Vermeire and Oliphant agreed, that he would be able to review the transcription of notes which the Committee Staff Members took during this briefing to insure accuracy.

Vermeire and Oliphant were advised by SA Daly who was present during the briefing that they had not received security clearances because of a procedural problem and that in view of that their access to classified material could not at this time be granted (the background concerning this problem as set forth in memorandum dated 7/30/75).

RECOMMENDATION:

Action. For information.

gu *if* *Per* *JBH/pv* *pvc*
Jma *done* *john*

UNITED STATES GOVERNMENT

Memorandum

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.:
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
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Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

TO : Mr. Adams

DATE: 7-11-75

FROM : Legal Counsel *[Signature]*

SUBJECT: HOUSTUDY 75

In a memorandum to Mr. Mintz dated July 10, 1975, K. William O'Connor, Special Counsel for Intelligence Coordination, United States Department of Justice, asked us to arrange for a briefing for the professional staff of the House Select Committee.

Mr. O'Connor attached a copy of a letter dated July 7, 1975, from the Chairman of the Select Committee to the Attorney General requesting the briefing and a copy of a letter dated July 10, 1975, from Mr. O'Connor to the Chairman, in which he (O'Connor) stated a briefing will be held.

By memorandum dated July 10, 1975, you were advised the House Rules Committee, on July 10, 1975, passed a resolution which, if passed by the House, would do two things: (1) abolish the present Select Committee and (2) establish a new Select Committee with the same duties and purpose as the original Committee. House action on the resolution is anticipated on July 14 or July 16, 1975. If the House abolishes the present Select Committee and establishes a new one, the current professional staff members may or may not be employed by the new Committee.

RECOMMENDATION:

Arrangements for the requested briefing await House action on the ~~House~~ Select Committee.

1-Mr. Wannall
1-Mr. Gregar
1-Mr. Mintz
1-Mr. Hotis
1-Mr. Miller

JDM:lgp

84 JUL 26 1975



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

July 10, 1975

2
KWOC
MS

TO: John A. Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: K. William O'Connor
Special Counsel for Intelligence
Coordination

SUBJECT: Attached Request from House Select Committee
on Intelligence

Please arrange for an appropriate briefing to be given,
as promptly as reasonable. Please advise me whether the
briefing must be restricted to cleared personnel, and of the
level of clearance required if that is the case.

See memos legal counsel to
ST-103 Mr O'Connor, "Honesty", 7/11/75
REC-42 and 7/29/75
staff does not want briefing - shaken
advised 10/1/75
62-116412-26
5 JUL 31 1975

2 ENCLOSURE



84 AUG 26 1975

NW 89804 DocId:32989707 Page 24

LEGAL COUNSEL

JUL 10 1975

Honorable Lucien H. Nedzi, Chairman
Select Committee on Intelligence
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Pursuant to your letter of July 7, 1975, to the Attorney General, a briefing will be arranged by the Federal Bureau of Investigation along the lines you requested. Please have your Staff Director furnish me a list of those to be briefed, together with their current clearances. This office will coordinate the arrangements for the briefing.

Sincerely,

K. WILLIAM O'CONNOR
Special Counsel for Intelligence Coordination

bcc: ✓ John Mintz

ENCLOSURE

26

LUCIEN N. NEDZI
14TH DISTRICT, MICHIGAN

CHAIRMAN
SELECT COMMITTEE
ON INTELLIGENCE

COMMITTEE ON ARMED
SERVICES

COMMITTEE ON
HOUSE ADMINISTRATION

Congress of the United States

House of Representatives

Washington, D.C. 20515 JUL 9 11 48 AM '75

DEPT. OF JUSTICE
MAIL ROOM
9004

July 7, 1975

RECEIVED

The Honorable Edward H. Levi
Attorney General
U. S. Department of Justice
Washington, D. C. 20530

JUL 10 1975

O.L.A.

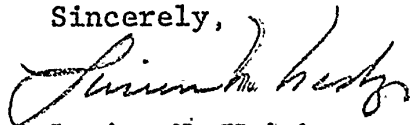
Dear Mr. Levi:

On behalf of the House Select Committee on Intelligence, and pursuant to our mandate in the House Resolution 138, 94th Congress, I am hereby requesting that our professional staff be given a general briefing on the overall organizational structure and functions of the Federal Bureau of Investigation, as well as the role of the Bureau in the intelligence community and the various systems for intelligence-gathering.

Our task force responsible for the Department of Justice is available for such a meeting at the Department's convenience.

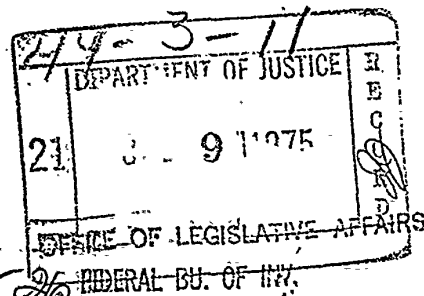
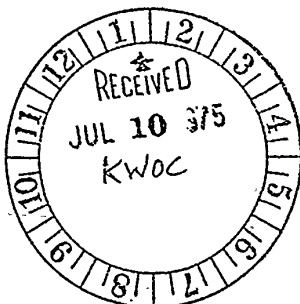
Thank you very much for assistance in this matter.

Sincerely,



Lucien N. Nedzi
Chairman

LN:saz



62-116464-26
ENCLOSURE

UNITED STATES GOVERNMENT

Memorandum

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

TO : Mr. Adams

DATE: 7-21-75

FROM : Legal Counsel

SUBJECT: HOUSTUDY 75

On July 18, 1975, Inspector Bowers and Special Agent Miller met briefly with Representative Otis G. Pike (New York), who is the Chairman of the House Select Committee on Intelligence.

Special Agent Miller told Mr. Pike of the Bureau's desire to cooperate with the Select Committee and asked the Chairman to feel free to call him whenever he could be of assistance.

Mr. Pike stated he appreciated Mr. Bowers and Mr. Miller visiting him. He also said former Chairman Lucien N. Nedzi showed him a letter from Director Kelley expressing the Bureau's cooperation, and he is appreciative of that offer of cooperation.

He asked that the results of FBI background investigations of the Committee staff be delivered to him personally. In his absence, they may be placed in a sealed envelope and left with his assistant, Paul Vanture.

Chairman Pike advised some of the initial requests by the Committee will be for an organization chart of the Bureau and for details of the Bureau's budget for intelligence operations, including the money spent on intelligence operations, how the budget is formulated, and who controls the budget.

He stated requests will be made in writing to the Attorney General.

Enclosure - sent 7-29-75

1-Mr. Cleveland
1-Mr. Steel
1-Mr. Moore
1-Mr. Wannall
1-Mr. Cregar

1-Mr. Mintz
1-Mr. Hotis
1-Mr. Daly
1-Mr. Miller
1-Mr. Malmfeldt

JDM:lgp
(11)

51 SEP 05 1975



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Memorandum to Mr. Adams from Legal Counsel
Re: HOUSTUDY 75

Chairman Pike volunteered there will be no
|| changes in the Committee staff.

The Members of the Committee are:

✓ Otis G. Pike (New York) - Chairman
✓ Les Aspin (Wisconsin)
✓ Dale Milford (Texas)
✓ Philip H. Hayes (Indiana)
✓ Robert N. Glaimo (Connecticut)
✓ Don Edwards (California)
✓ James V. Stanton (Ohio)
✓ Ronald V. Bellums (California)
✓ Morgan F. Murphy (Illinois)
✓ James P. Johnson (Colorado)
✓ Robert McClory (Illinois)
✓ David C. Treen (Louisiana)
✓ Robert W. Kasten, Jr. (Wisconsin)

A letter over the Director's signature offering his congratulations to Mr. Pike and pledging our cooperation to the Select Committee would appear to be appropriate, it being noted that a similar letter dated March 5, 1975, was sent to former Chairman Nedzi and Mr. Pike mentioned Mr. Nedzi had shown him that letter.

RECOMMENDATION:

External Affairs prepare a letter over the Director's signature to Mr. Pike extending congratulations and assuring him of our cooperation. Proposed letter attached.

Handwritten signatures and initials:
NRC
JH
JH
gem
21/gem
Per

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. J. B. Adams

FROM : Legal Counsel

SUBJECT: HOUSTUDY - 75

- 1 - Mr. Mintz - Encls. (3)
- 1 - Mr. Adams - Encls. (3)
- 1 - Mr. Walsh - Encls. (3)
- 1 - Mr. Wannall - Encls. (3)

DATE: 8/7/75

- 1 - Mr. Cregar - Encls. (3)
- 1 - Mr. Groover - Encls. (3)
- 1 - Mr. Hotis - Encls. (3)
- 1 - Mr. Daly - Encls. (3)

Asst. Dir. _____
Dep. Dir. _____
Asst. Dir. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Legal Coun. _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Telephone Rm. _____
Director Sec'y _____

At approximately 10:30 a.m. on 8/5/75, Michael E. Shaheen, Jr., Special Counsel for Intelligence Coordination, advised Inspector Hotis that he had been contacted by A. Searle Field, General Counsel to the House Select Committee on Intelligence, regarding requests made by the Committee in letters to the Department dated July 22, July 28, and July 30, 1975 (copies attached). Field said that if a reply was not received by the morning of August 6, 1975, the Chairman intended to issue subpoenas.

Mr. Hotis told Mr. Shaheen that it would be impossible to comply with all the requests on such short notice. The letter of July 22, for example, asks for all documents and materials provided to the Senate Select Committee on Intelligence Activities by the Bureau. It also requests all documents and materials related to budgetary authority procedures, all budget information for the past 15 years and all General Counsel's opinions or authorities, mandates or charters of the Bureau.

It was also pointed out that many of these materials are classified and that no procedures have been established with the House Committee for the receipt and storage of such information. Mr. Shaheen said that we should attempt to comply with as many of these requests as is possible in the time allotted, but no documents or information of a classified or sensitive nature should be given to the Committee or its Staff at this time. He said the Committee is primarily interested in budgetary materials and would like to have them in advance of hearings on 8/8/75. He said that Glen E. Pommerening, Assistant Attorney General for Administration, will represent the Department at these hearings and has asked that Assistant Director Walsh be present to answer questions relating to the Bureau's budget.

REC-102

62-116464-24
AUG 19 1975

Enclosures (3)

3 ENCLOSURE

CONTINUED - OVER

JBH:lad
(10)



84 AUG 19 1975

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

NW 89804 DocId:32989707 Page 29

Legal Counsel to Mr. Adams
RE: HOUSTUDY

Shaheen also said that he is presently drafting a letter to Chairman Pike concerning the request in the July 22 letter for all documents furnished the Senate Select Committee. He said that the Department is considering several alternative replies, one of which is to suggest that Chairman Pike attempt to obtain these materials from the Senate Select Committee. In the meantime, he said, we should not attempt to comply with that request.

Later that afternoon, Mr. Hotis and Section Chiefs Clyde Groover and Bill Cregar met with Shaheen and Steven Blackhurst, Deputy Special Counsel for Intelligence Coordination, in an effort to determine the Department's position on these requests. Shaheen said he felt that the letter of July 22, setting forth a general request for all documents provided to the Senate Select Committee, was superseded by the July 28 letter and does not require a response. Mr. Blackhurst said Field asked that we give prompt attention to Items C, D, E, F (3 and 4), and G in the July 28 letter. Field requested that he be given access to this information prior to the hearings on Thursday, August 7. It was pointed out that some of the information, such as informant payments and the cost effectiveness of the informant program, is impossible to retrieve. Shaheen said that we should make a good-faith effort to comply and if it was not possible to do so, we should discuss the matter with the Committee Staff. He also said that if the Staff Members go beyond mere access and ask for delivery of such materials to the Committee, these requests must be submitted in writing by the Chairman.

With regard to the letter of July 30, Shaheen said the Deputy Attorney General had instructed that the materials requested in the first paragraph be furnished to the Committee as soon as possible. These included: (1) the Spring Planning Call submitted to the FBI by the Department of Justice; (2) the Spring Planning Call response sent by the FBI to the Department; and (3) the ten-year budget charts indicating resource allocations.

The letter also requested a briefing by Mr. Groover on budgetary matters. Shaheen said that if Staff Members inquire about any particularly sensitive matters they should be told to submit their questions in writing. It is possible that such information may be made available to the Committee at a later time in Executive Session, upon approval by the Department.

Mr. Shaheen also said that we should attempt to furnish all budgetary information already provided to GAO pursuant to its investigation for the House Judiciary Committee, but it is not necessary to meet the August 6 deadline.

CONTINUED - OVER

- 2 -



Legal Counsel to Mr. Adams
RE: HOUSTUDY

At approximately 6:15 p.m., on the above date, Mr. Hotis delivered copies of the Spring Planning Call and Spring Planning Call response to James B. Oliphant and Richard Vermeire, Staff Members for the House Select Committee. The Department has also approved delivery of copies of the manpower resource allocation charts for fiscal years 1965 through '74 and these will be delivered to the Committee Staff on 8/6/75.

RECOMMENDATION:

For information.

*done
JA*

JA

Full

*JOA
per*

*ES
JA*

WR

MEANS

Congress of the United States

House of Representatives

Washington, D.C. 20515

July 22, 1975

JUL 23 11 29 AM '75

DEPT. OF JUSTICE
MAIL ROOM
ORIGIN

2420 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202
TELEPHONE: 225-3826
MRG. JEFFY ORR
OFFICE MANAGER

DISTRICT OFFICE:
209 WEST MAIN STREET
RIVERHEAD, NEW YORK 11901
TELEPHONE: 727-2332

The Honorable Edward H. Levi
Attorney General of the United States
U.S. Department of Justice
Washington, D. C. 20530

Dear Mr. Levi:

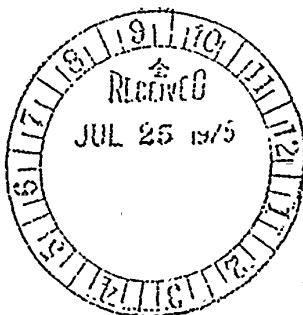
As Chairman of the House Select Committee on Intelligence, I am hereby requesting that the Committee be furnished with copies of all documents and materials provided to the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities by the Federal Bureau of Investigation, the Drug Enforcement Administration and any other intelligence agency within the Justice Department.

I would like to make a priority request for all documents and materials related to budgetary authority and procedures, all budget information for the past 15 years, and any General Counsel's opinions of the authorities, mandates, or charters of the Federal Bureau of Investigation, the Drug Enforcement Administration and any other intelligence agency within the Justice Department. Until such time as the materials can be delivered to the Committee, I request that arrangements be made for the Committee staff to review them at the respective departments.

Your cooperation in this matter is very much appreciated.

Sincerely,

OTIS G. PIKE
OTIS G. PIKE OFFICE OF LEGISLATIVE AFFAIRS
Chairman



DEPUTY ATTORNEY GENERAL	
DEPARTMENT OF JUSTICE	
10	JUL 22 1975
O.R.G.M.	
OFFICE OF LEGISLATIVE AFFAIRS	
DEPUTY ATTORNEY GENERAL	

ENCLOSURE

62-116464-24

COMMITTEE:
WAYS AND MEANS

Congress of the United States

House of Representatives

Washington, D.C. 20515

July 28, 1975

WASHINGTON, D.C. 20515
AREA CODE 202
TELEPHONE: 225-3825
MRS. BETTY ORR
OFFICE MANAGERDISTRICT OFFICE:
209 WEST MAIN STREET
RIVERHEAD, NEW YORK 11901
TELEPHONE: 727-2332

Mr. K. William O'Connor
Special Counsel for Intelligence Coordination
U.S. Department of Justice
Washington, D. C. 20530

Dear Mr. O'Connor:

As Chief Counsel to the House Select Committee on Intelligence I am hereby requesting, as soon as possible, a briefing between Messrs. Oliphant and Vermeire of our staff and Mr. Eugene W. Walsh of the Federal Bureau of Investigation's Administrative Division. Our field of inquiry will encompass all aspects of the FBI budget as it relates to gathering, use and dissemination of intelligence. We invite Mr. Walsh to bring to the briefing any subordinates who have direct knowledge of the areas into which we are inquiring.

In order to facilitate our investigation we request that Messrs. Oliphant and Vermeire be given immediate access to the following materials:

A. The most current and complete organizational chart of the FBI including names, titles and job descriptions.

B. The most current and complete telephone/office directory of SOG personnel.

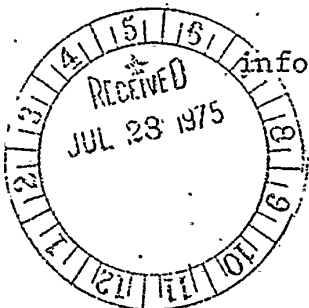
C. Listing by accounting categories of actual expenditures for fiscal years 1974, 1975 and 1976 to date.

D. Manual on accounting procedures and account codes.

E. Chart of accounts.

F. Information regarding Central File of FBI Informants, including but not limited to:

1. Procedure for classification, i.e., by type of informant, subject matter, etc.
2. How payments are approved and made to informants.

62-116464-24
ENCLOSURE

Mr. K. William O'Connor
July 28, 1975
Page 2

3. Total dollar listing of payments.
4. Number of payments.
5. Number of informants with breakout of multiple payments to a single informant.
6. Information pertaining to whether post payment internal reviews are made concerning payments to informants. (If so, include internal audit findings.)
7. All data pertaining to the cost effectiveness of the informant program.
8. All data (including but not limited to manuals and memoranda) pertaining to procedures for the recruitment and maintenance of informants.
- G. Names of all personnel involved in budget preparation.
- H. All data pertaining to confidential funds and the payment procedures relating thereto.
- I. All data pertaining to reward monies and the payment procedures relating thereto.
- J. All payments, and breakdowns thereof, made to persons outside the FBI with respect to intelligence and counterintelligence activities.

Thank you for your consideration.

Sincerely,



A. Searle Field
Staff Director and Chief Counsel

ROBERT J. CHAMBERLAIN, CONN.
JAMES V. LEE, TEX.
HOWARD V. D. LUMMA, CALIF.
MORGAN P. MURPHY, ILL.
LEE ADRIAN, WIS.
DALE MILFORD, TEX.
PHILIP H. HAYES, IND.
WILLIAM LEHMAN, FLA.

CHIEF, FBI, N. Y., CHAIRMAN

ROBERT MCGLORY, ILL.
DAVID C. TRUEN, I.A.
JAMES P. JOHNSON, CALIF.
ROBERT W. KASTEN, JR., WIS.

A. SCARLE FIELD, STAFF DIRECTOR
AARON D. DINER, COUNSEL

TELEPHONE: (202) 225-9731

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

July 30, 1975.

Mr. K. William O'Connor
Special Counsel for Intelligence Coordination
U.S. Department of Justice
Washington, D. C. 20530

Dear Mr. O'Connor:

This is to formally request various materials which Mr. Eugene W. Walsh of the Federal Bureau of Investigation, on July 29, 1975, agreed to turn over to this Committee, to-wit: 1) the Spring Planning Call submitted to the FBI by the Department of Justice; 2) the Spring Planning Call response sent by the FBI to the Department of Justice; and 3) the ten year Budget charts indicating resource allocations prepared by Dale W. Anderson for the GAO.

Furthermore, we request briefings, as soon as possible, between Messrs. Vermeire and Oliphant of our staff and Messrs. R. G. Hunsinger (Deputy Assistant Director, Administrative Division), L. C. Groover (Budget and Accounting Section Chief), D. W. Anderson (Budget Formulation and Presentation Unit), J. J. Clynick (Budget and Accounting Section), and T. L. Knowles (Special Detail Unit), all of the Federal Bureau of Investigation.

We further request that Messrs. Vermeire and Oliphant be given access to all FBI budgetary information already provided to the GAO pursuant to its investigation for the House Judiciary Committee.

We further request a briefing between Messrs. Vermeire and Oliphant and Glen A. Pommerening, Assistant Attorney General for Administration.

Thank you for your cooperation.

Sincerely,

A. Scarle Field
A. Scarle Field
Staff Director and Chief Counsel



ENCLOSURE

62-116464-24

UNITED STATES GOVERNMENT

Memorandum

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.: _____
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Telephone Rm. _____
Director Sec'y _____

TO : MR. JENKINS

DATE: 8/5/75

FROM : E.W. WALSH

SUBJECT: HOUSTUDY '75

Attached are the following communications from the House Select Committee setting forth requests for information interviews, or testimony which have been forwarded by the Department: letter dated 7/28/75 from A. Searle Field, Staff Director and Chief Counsel, to Mr. K. William O'Connor, which sets forth a two page listing of material requested. A letter dated 7/29/75 from Chairman Otis G. Pike to Attorney General Levi requesting that officials of the Department testify before the committee on Thursday, 8/7/75. Finally, a letter dated 7/30/75 from Mr. Field to Mr. O'Connor requesting certain documents and setting forth a list of Bureau representatives the committee staff would like to interview.

Inasmuch as testimony before the House Select Committee will begin as early as Thursday, 8/7/75, we feel it is essential that the material which has been requested be prepared immediately. With regard to the items requested in the committee letter dated 7/28/75, it is recommended that the divisions as indicated hereafter be responsible for preparing responses.

Administrative

A, B, C, D, E,
F(3), G, I

Intelligence

F(1), F(2), F(4)
F(5), F(7), F(8)
H, J

Inspection

F(6)

Response to each question should be submitted on a separate sheet to facilitate consolidation into a single package. Responses should be submitted to my office by 9:00 a.m., Wednesday, 8/6/75.

With regard to the requests set forth in the committee letter dated 7/30/75, the material is available in the Administrative Division and can be furnished to the committee staff if the Department approves.

Enclosures

- 1 - Mr. Bassett
- 1 - Mr. Mintz
- 1 - Mr. Wannall

LCG:dlm

OVER....

E.W. WALSH TO MR. JENKINS MEMO
RE: HOUSTUDY

RECOMMENDATION:

That the Administrative, Intelligence and Inspection Divisions prepare material as set forth herein which has been requested by the House Select Committee on Intelligence.



Congress of the United States
House of Representatives
Washington, D.C. 20515

TELEPHONE: 202-455-6000
MR. LUTHER
OFFICE MAIL
DISTRICT OFFICE:
209 WEST 114TH STREET
RIVERDALE, NEW YORK 11201
TELEPHONE: 718-2332

July 29, 1975

Hon. Edward H. Levi
Attorney General of the U.S.
Department of Justice
Washington, D.C. 20530

Dear Mr. Levi:

The House Select Committee on Intelligence requests that you or appropriate officials of the Justice Department testify before the Committee on Thursday, August 7, 1975, at 10:00 A.M.

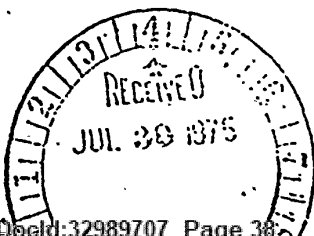
The Committee will meet in open session and testimony may proceed into an afternoon session. We are requesting that you testify as to Justice Department budget policies and procedures, as well as the proposed and approved budgets themselves, with respect to any intelligence activities of the Department.

If there are any additional questions, please feel free to contact me or our Staff Director, Searle Field.

Cordially,

Otis G. Pike
Otis G. Pike
Chairman

OGP/ca



ENCLOSURE

62-116464

523

AUG 1 1975

TO: John Mintz, Assistant Director
Legal Counsel Division
Federal Bureau of Investigation

FROM: Michael E. Sheheen, Jr.
Special Counsel for
Intelligence Coordination

SUBJECT: House Select Committee Request for
Access to Various Materials

Attached is a request from the House Select Committee dated July 23, 1975, for access to various materials. Please arrange for compliance with this request and advise me as to the length of time likely to be required for response. I understand that the requested briefing by Mr. Walsh has already been provided.

cc: ✓ Paul Daly

ENCLOSURE

OTIS G. PIKE
FIRST DISTRICT, NEW YORK
COMMITTEE:
WAYS AND MEANS

Congress of the United States

House of Representatives

Washington, D.C. 20515

July 28, 1975

2426 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202
TELEPHONE: 275-3026
MRS. BETTY ORR
OFFICE MANAGER

DISTRICT OFFICE:
299 WEST MAIN STREET
RIVERHEAD, NEW YORK 11901
TELEPHONE: 727-2332

Mr. K. William O'Connor
Special Counsel for Intelligence Coordination
U.S. Department of Justice
Washington, D. C. 20530

Dear Mr. O'Connor:

As Chief Counsel to the House Select Committee on Intelligence I am hereby requesting, as soon as possible, a briefing between Messrs. Oliphant and Vermeire of our staff and Mr. Eugene W. Walsh of the Federal Bureau of Investigation's Administrative Division. Our field of inquiry will encompass all aspects of the FBI budget as it relates to gathering, use and dissemination of intelligence. We invite Mr. Walsh to bring to the briefing any subordinates who have direct knowledge of the areas into which we are inquiring.

In order to facilitate our investigation we request that Messrs. Oliphant and Vermeire be given immediate access to the following materials;

A. The most current and complete organizational chart of the FBI including names, titles and job descriptions.

B. The most current and complete telephone/office directory of SOG personnel.

C. Listing by accounting categories of actual expenditures for fiscal years 1974, 1975 and 1976 to date.

D. Manual on accounting procedures and account codes.

E. Chart of accounts.

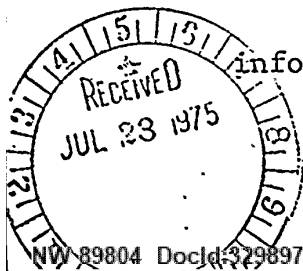
F. Information regarding Central File of FBI Informants, including but not limited to:

1. Procedure for classification, i.e., by type of informant, subject matter, etc.

2. How payments are approved and made to informants.

ENCLOSURE

62-116464-523



Mr. K. William O'Connor
July 28, 1975
Page 2

3. Total dollar listing of payments.
4. Number of payments.
5. Number of informants with breakout of multiple payments to a single informant.
6. Information pertaining to whether post payment internal reviews are made concerning payments to informants. (If so, include internal audit findings.)
7. All data pertaining to the cost effectiveness of the informant program.
8. All data (including but not limited to manuals and memoranda) pertaining to procedures for the recruitment and maintenance of informants.
- G. Names of all personnel involved in budget preparation.
- H. All data pertaining to confidential funds and the payment procedures relating thereto.
- I. All data pertaining to reward monies and the payment procedures relating thereto.
- J. All payments, and breakdowns thereof, made to persons outside the FBI with respect to intelligence and counterintelligence activities.

Thank you for your consideration.

Sincerely,



A. Searle Field
Staff Director and Chief Counsel

August 1, 1975

TO: John A. Mintz, Assistant Director
Legal Counsel Division

FROM: Michael E. Shaheen, Jr.
Special Counsel for Intelligence
Coordination

SUBJECT: House Select Committee Request for Materials
and Briefings

Attached is a request from the House Select Committee for various materials and for briefings with different Bureau officials. Please arrange for compliance with this request and advise me as to the length of time likely to be required for response.

cc: ✓ Paul Daly

JOSEPH P. KAY, N. Y., CHAIRMAN

ROBERT H. GIBBS, CONN.
JAMES V. GIBBS, OHIO
RONALD V. D. LUMMA, CALIF.
MORGAN F. MURPHY, ILL.
LES A. PHELPS, N.J.
DALE MILLER, TEX.
PHILIP H. HAYES, IND.
WILLIAM L. THOMAS, FLA.

ROBERT McCLELLY, ILL.
JAMES C. TERRY, LA.
JAMES P. JOHNSON, OHIO
ROLAND W. KASTEN, JR., WIS.

A. SCARLETT, STAFF DIRECTOR
ARTHUR D. BROWN, CHIEF OF STAFF

TELEPHONE: (202) 225-9751

Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

July 30, 1975

Mr. K. William O'Connor
Special Counsel for Intelligence Coordination
U.S. Department of Justice
Washington, D. C. 20530

Dear Mr. O'Connor:

This is to formally request various materials which Mr. Eugene W. Walsh of the Federal Bureau of Investigation, on July 29, 1975, agreed to turn over to this Committee, to-wit: 1) the Spring Planning Call submitted to the FBI by the Department of Justice; 2) the Spring Planning Call response sent by the FBI to the Department of Justice; and 3) the ten year budget charts indicating resource allocations prepared by Dale W. Anderson for the GAO.

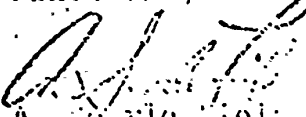
Furthermore, we request briefings, as soon as possible, between Messrs. Vermeire and Oliphant of our staff and Messrs. R. G. Hunsinger (Deputy Assistant Director, Administrative Division), L. C. Groover (Budget and Accounting Section Chief), D. W. Anderson (Budget Formulation and Presentation Unit), J. J. Clynick (Budget and Accounting Section), and T. L. Knowles (Special Detail Unit), all of the Federal Bureau of Investigation.

We further request that Messrs. Vermeire and Oliphant be given access to all FBI budgetary information already provided to the GAO pursuant to its investigation for the House Judiciary Committee.

We further request a briefing between Messrs. Vermeire and Oliphant and Glen H. Pommerening, Assistant Attorney General for Administration.

Thank you for your cooperation.

Sincerely,



A. Scarlett
Staff Director and Chief Counsel



UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Decker
FROM : C. D. Neudorfer
SUBJECT: HOUSTUDY

DATE: 8/7/75

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Telephone Rm. _____
Director Sec'y _____

Reference is made to memorandum Walsh to Mr. Jenkins dated 8/5/75, and my memorandum to you dated 8/6/75 concerning captioned matter.

As you know, the Computer Systems Division has been requested to furnish responses to questions raised by the House Select Committee in categories F(4), H and J. On 8/6/75 our response to category F(4) was submitted to the Administrative Division. The purpose of this memorandum is to furnish material and information for responding to categories H and J.

Category H involves the House Select Committee's request for all data pertaining to Confidential Funds and the payment procedures relating thereto. Following a discussion with representatives of the Committee, the Administrative Division has advised that in response to this category only material relating to procedures for developing and paying informants is to be furnished. Sections 107, 108, and 130 of the Manual of Instructions cover the Bureau's procedure for developing and paying informants. Sections 107 and 130 have been furnished to the Administrative Division by the Intelligence Division. Copies of Section 108 relating to criminal informants are enclosed with this memorandum for forwarding to the Administrative Division. In my memorandum to you on 8/6/75, it was recommended that information made available to the House Select Committee covering policies and procedures pertaining to the Confidential Fund be the same as that recently furnished to the Department of Justice. In view of this, there are

Enclosures

DEC:njd
(7)

- 1 - Mr. Wannall (Attn: Mr. Cregar) *direct*
- 1 - Mr. Gallagher
- 1 - Mr. Cleveland
- 1 - Mr. Walsh (Attn: Mr. Groover)
- 1 - Mr. Decker (with copy of enclosures) *(detached)*

OVER. . .

Memorandum Neudorfer to Decker
RE: HOUSTUDY

enclosed copies of this material for use in responding to the Committee. It is felt that the three sections of the Manual of Instructions plus the material that we furnished to the Department will suffice as a response to the Committee on the Bureau's policies and procedures for developing and paying informants.

With reference to category J, which covers the Committee's request for information on all payments and breakdown thereof made to persons outside the FBI with respect to intelligence and counterintelligence activities, the Computer Systems Division will not be able to respond because such information is not available from the payment records that we maintain. The payment documentation does not indicate whether a particular payment to a person was for intelligence-and/or counterintelligence-type activities. Any possible payment of this type made by our Field Divisions would be included in the monthly report entitled, "Confidential Fund and Informant Report" under the category of Miscellaneous Expenditures. It is also possible that payments of this type could have been made by FBIHQ. In order to accurately respond to this request, all miscellaneous expenditure payments made by the Field Divisions as well as payments made by FBIHQ covering the designated period of time would have to be manually searched and compared with background material relating to the authority for such payments. Since the Computer Systems Division does not have the responsibility for authorizing confidential payments, this analysis therefore would have to be made by the appropriate Investigative Division and the Intelligence Division. If it becomes necessary to go to this extent in responding to this category, the Voucher Unit of the Data Processing Section would conduct the survey to locate all possible payment records that might be involved and made such records available to the appropriate Division for analysis purposes.

RECOMMENDATION:

That this memorandum with enclosures be forwarded to the Administrative Division for their use in responding to the House Select Committee.



A. DEFINITION

An individual who furnishes valuable information within our criminal investigative jurisdiction or concerning other criminal matters of interest to the Bureau

B. ILLUSTRATION

This type informant includes members of the underworld, those who closely associate with criminals or have intimate knowledge of criminal activities. Typical examples of such persons are madams, prostitutes, pimps, fences, con men, hijackers, robbers, burglars, hoodlums, gangsters, and those individuals who associate with or have knowledge of such persons.

C. OBSERVATION

The listing of an individual as an approved Bureau informant is dependent upon whether he or she can regularly furnish valuable criminal information. In most instances an individual will be approved who has:

1. Furnished worth-while information in two or more Bureau cases
2. Furnished worth-while information in one Bureau case and better than average information [relating to criminal intelligence investigations]
3. Furnished worth-while information in at least one Bureau case and in one other state or local case which is acted upon by the responsible authorities so as to obtain corroboration of the informant's report
4. Furnished worth-while information in at least one Bureau case and in one other Federal case which is acted upon by the interested Federal agency, so as to obtain corroboration of the informant's report

D. DEVELOPMENT OF CRIMINAL INFORMANTS

1. One of the most important responsibilities of an Agent is the identification of prospective criminal informants and the development of prospective informants to the point where they will regularly contribute information to the Bureau.
2. Criminal informants are used to:
 - a. Solve cases
 - b. Locate fugitives and witnesses
 - c. Report cases we would not otherwise receive
 - d. Report plans to commit offenses
 - e. Advise of general criminal activities
3. Informants are developed from those who volunteer to be of assistance; from subjects in cases investigated; from persons interviewed during investigations; and from selected prospects who are clearly in a position to obtain worth-while information. Their development frequently requires patient, protracted effort to find a basis for persuading them to cooperate in furnishing information.
4. Care must be exercised in attempting to persuade individuals to act as informants to avoid any allegations of undue influence. An individual who is in custody and who offers to furnish information generally does so in the hope that he will receive some consideration in return. Bureau Agents cannot promise any immunity or any reduction in sentence to a criminal who furnishes information and they must not put themselves in a position where they might subsequently be accused of having done so.
5. Once an individual has started to cooperate and furnishes information of value, his continued cooperation can frequently be assured through payments for services rendered and information furnished. There should be no reluctance in recommending substantial payments to informants who supply substantial assistance, if such payments are necessary to obtain the assistance.
6. Another important factor in the initial problem of getting a potential informant started is the appreciation for fair and impartial treatment sometimes generated during the handling of a case. Agents must be alert to recognize such feelings on the part of subjects and to capitalize on them. Should a subject indicate in any manner that he is appreciative, and should he be qualified to act as a real informant by virtue of his background and associates, then affirmative action should be taken to re-contact him at frequent intervals fully to explore his potentialities.

271-10001

7. In the initial stages of developing an informant, background data concerning him should be compiled, as outlined in section E below. Once all of this information has been gathered together the technique to be used in persuading the prospect to act as an informant will depend upon the peculiar circumstances involved in the individual case and upon the resourcefulness of the Agent endeavoring to develop the prospect.
8. Each field office must have criminal informants who do furnish information concerning all types of offenses within the Bureau's investigative jurisdiction. In addition, informants must be available to furnish information concerning general criminal activities. Each field office's informant coverage must be regularly planned and adjusted to the changing volume of offenses occurring in classifications, such as:
 - a. Theft from interstate shipment
 - b. Interstate transportation of stolen motor vehicles
 - c. White Slave Traffic Act
 - d. Interstate transportation of stolen property
 - e. Bank robbery
 - f. Interstate transportation of obscene matter
 - g. Interstate transportation of lottery tickets
 - h. Gambling
 - i. Gang activities
 - j. Politics in crime
9. The following list suggests other sources from which names of potential informants may be secured.
 - a. Reports on general criminal activities
 - b. Major criminal cases
 - c. Applications for restoration of civil rights (closed cases)
 - d. Modus operandi file of local police departments
 - e. Victims in White Slave Traffic Act cases
 - f. Professional bondsmen
 - g. Bartenders in low-class neighborhoods
 - h. Salesmen catering to prostitutes
 - i. Hotel employees in low-class neighborhoods
 - j. Complainants who contact Bureau offices under certain circumstances
 - k. Operators of roadside taverns
 - l. Madams
 - m. Informants
 - n. Retired police officers, but care should be exercised in seeking their assistance

10. After an informant has been developed, and unless some reason to the contrary exists, his fingerprints are to be obtained if they are not on file in the Identification Division. If the informant refuses, the issue is not to be forced. The informant's fingerprints, obtained solely for this purpose, are to be removed from the criminal files when the use of the informant is discontinued. A flash notice is to be placed by the field in the files of the Identification Division by submission of form FD-165, using informant's true name for each informant who has fingerprints on file. In order to eliminate the possibility of jeopardizing the security of Bureau informants, the word "Informant" should not be indicated in blank ballot box on FD-165. It should be noted the informant file number serves as an indication to the Identification Division of the type of flash notice desired.
(Do not use form FD-9 to request an identification record on informant; FD-165 is to be used for this purpose.) The informant's FBI Identification Record number should be included in the Secure Teletype designating a symbol number informant. Informant's fingerprints, when obtained, should be forwarded as enclosure to FD-165 using applicant-type fingerprint card, FD-258. This card should be properly executed showing subject's complete description, including date and place of birth. Appropriate field office should be shown as contributor, field case file number in number space, and "inquiry" in space for "company and address" on face of card. The flash should be removed when the informant is discontinued by submission of FD-165.
11. When subjects in Bureau cases are sentenced to the penitentiary, consideration should be given to the possibility that these subjects may be used as criminal informants upon their discharge. If there are any possibilities of eventually developing one or more subjects as potential informants upon their release, forward a letter to the Bureau requesting that a stop notice be placed with the Bureau of Prisons so that the appropriate office will be advised of the subject's release. The procedures to be followed in requesting that such a stop notice be placed are set out in Section 8, part II, Manual of Rules and Regulations, under the heading "Stop notice." Upon notification of subject's release, steps can then be taken to attempt to develop him as a criminal informant.
12. [Requests of informant to help defend others
 - a. If requested to assist in preparation of defense in criminal-type cases or handle assignment where such information is readily available, informant should tactfully decline.
 - b. Such requests should be reported immediately to contacting Agent and made a matter of record.
 - c. If informant cannot avoid becoming involved, instruct him not to report any information pertaining to defense plans or strategy.
 - d. Promptly report any such incident to Bureau.
 - e. If an informant is present in conversation between an attorney and individual under criminal indictment, he should immediately leave. If he is unable to do so and inadvertently learns of defense plans or strategy, he is not to report the substance of any such conversation to the FBI. Additionally, the informant is not to engage in or report the substance of a conversation with a criminal defendant dealing with the offense for which the defendant is under indictment.
 - f. Each handling Agent must orally advise the informant of the above, reduce it to writing and record it in the informant's file.]

[13.] Parolees

As a condition of parole, which would include a conditional release, an inmate is required by U. S. Board of Parole to agree in writing that he will not act as an "informer" or special agent for any law enforcement agency. This condition applies to all releasees under the jurisdiction of the U. S. Board of Parole. While this procedure would not preclude accepting information from these persons, payments for information should not be made without prior Bureau approval. Once the period of parole has expired, these individuals may be considered for development.

E. PROCEDURE IN LISTING POTENTIAL CRIMINAL INFORMANTS AND CRIMINAL INFORMANTS

1. Before opening a 137 file on an individual to be considered for development as a potential criminal informant, the following elements must be present:
 - a. The individual under consideration must have been contacted at least once to evaluate his potential.
 - b. The individual must have an arrest record or criminal associates or be engaged in employment or activities (past or present) which make criminal information logically available to him.
2. When a prospective informant is identified:
 - a. Consolidate field office references in a file.
 - b. Obtain all readily available background data. FD-356 must be used in any routine check pertaining to informants making sure all references, such as symbol number, which would tend to identify individual as an informant are deleted.
 - c. Obtain current FBI identification record by FD-165 which will also be used to place a flash notice against his fingerprints if available.
 - d. Request summary of additional information in Bureau files but not available in field office. Specifically state reason for belief Bureau files contain additional information.
3. When a potential informant has furnished worthwhile information in accordance with the provisions of section C above, a symbol number should be assigned. Direct a secure teletype of not more than two full pages in linear paragraph form to the Bureau containing:
 - a. Informant's name and all aliases
 - b. Deleted
 - c. Deleted
 - d. Residence address
 - e. Description
 - f. Deleted
 - g. Deleted
 - h. Employment
 - i. Past activities
 - j. FBI Identification Record number with date obtained
 - k. Criminal associates
 - l. Brief resume of information furnished in the past, including:
 - (1) Title and character of each case (Field office file number should be shown on field office copy.)
 - (2) Date information furnished
 - (3) Estimate of the value of information
 - m. A statement as to whether informant has shown any indication of emotional instability, unreliability, or of furnishing false information

If the Bureau has previously furnished a summary of data in Bureau files, set forth the date and caption of the Bureau letter furnishing such information.
4. The Bureau will advise the field office if the informant is not approved. In the absence of such advice, the individual recommended for listing as a criminal informant is to be considered an approved informant.
5. Once an informant has been listed and approved by the Bureau, such informant will continue to be listed for a reasonable period. This continued listing will depend upon:

- a. Complete justification in subsequent[annual] letters of his ability to furnish information of a particular type should offenses of that type occur
 - b. Evidence that the informant is being regularly contacted
6. After the Bureau is advised of the symbol number for an informant, do not set forth the name of the informant in the heading but merely the symbol number. In all communications after the initial secure teletype, the Bureau and field office file numbers for the informant must be set forth. In communications between offices, the same procedure is to be followed.

F. MAINTAINING FILES ON CRIMINAL INFORMANTS

1. Individual files are to be maintained on all active and potential informants and are to be carried as pending active. Assignment and tickler cards are to be prepared, but do not show true name of informant or potential informant. The name of the informant is not to appear on the assignment and tickler cards. The files are to be included in the tabulations and calculations of delinquencies in the monthly administrative report. The handling of the subject of each of these files is to be assigned to an Agent who will be personally responsible for regular contacts.
2. If information which could be testimony is received from a symbol informant or a PCI, it should be put in FD-302 in exactly the same manner as information received from any other witness, and his name and address (without symbol number or PCI designation) should be set out. The original FD-302 is to be filed in the informant's file; a copy with the identity of the informant properly concealed shall be placed in the pertinent case file. The 137 file number should not be placed on the original or any of the copies of the FD-302. FD-209 shall be used as a cover sheet for the original FD-302 and copy and shall be stapled to the FD-302. The original FD-209 shall be serialized in the informant file and the copy of the FD-209 serialized in the case file. Neither the original FD-302 nor any copies of the FD-302 shall be serialized. The following should be stamped or typed on the FD-209 and copy: "Information herein obtained confidentially; informant's name is not to be disclosed in report or otherwise unless it has been decided definitely that he is to be a witness in a trial or hearing." Until it has been decided that the informant is to be a witness, information furnished by him should be sent to the Bureau and to other offices in the cover pages of a report. If furnished to the USA, it shall be forwarded by letter. If the information received cannot be testimony, it is to be put in memorandum form; where none of the information concerns FBI jurisdiction, it may be put in one memorandum. Do not predicate an investigative report, in any case in which prosecution can be expected, on information attributed to an informant whose identity should not be revealed. So that it will be clearly recognized as the initial report in an investigation, language similar to the following should be used in the first report: "This investigation has been instituted for the purpose of determining if..., followed by a statement of the objectives of the investigation, such as "a quantity of antibiotics had been stolen from the medical laboratory at Fort George G. Meade, Maryland."
3. Reports or memoranda concerning contacts with the informant shall not be placed in the informant's file unless and until assignments are made to run down any significant information. All substantial allegations received from informants must be followed to a definite conclusion.
4. Reports or memoranda showing the development of an informant or contacts with an informant should be posted on the assignment cards in the same manner as postings are made in any other type of case.
5. FD-209 may be used in recording contacts with approved and potential criminal informants. It may be used to extent deemed justified by SAC. Form may be filled out in longhand for brief reports and reports of negative contacts; lengthy reports should be typed and a second sheet used if necessary. Forms or memoranda prepared should show purpose of contact and cases discussed identified by file number; however, title must be shown on form or memorandum if positive information furnished. Contacts with informants are to be recorded in this fashion even if no

information is developed. During each contact, informant's activities since previous contact should be carefully reviewed and contacting Agent should make certain informant has furnished in writing or verbally all information and data which he has obtained since last contact.

6. Requests that an Agent contact a criminal informant may be made in any manner deemed practicable by the SAC. Memoranda prepared for the requesting Agent showing negative contacts with criminal informants are not to be filed. Such memoranda of a purely negative nature are to be routed to the requesting Agent so that he may record in the case file the contact with the informant, following which the memorandum showing negative contact is to be destroyed. Memoranda showing positive contacts with informants are to be filed. The files of the informants must always show that contact was made with the informant regardless of whether the contact was of positive or negative nature.
7. If desired, subfiles may be opened in conjunction with the informants' files to permit filing information received from informants and avoid cluttering the file, when the flow of information is sufficiently voluminous.
8. All pending and closed symbol number informant files are to be maintained under lock and key under the personal supervision of the SAC, ASAC, field supervisor, or responsible employee designated by the SAC. These files are to be available to all Agents and must be reviewed before each contact with the informant by anyone other than the Agent to whom he is assigned.
9. Form FD-237 (printed on pink paper) has been approved for use in criminal informant and potential criminal informant files. It is to be used in the nature of a table of contents or as an index to show where in the file particular data can be found. This form is to be kept as the top document in the pertinent informant file and is not to be serialized.

G. CRIMINAL INFORMANT INDEX

1. A criminal informant index (on form FD-348) shall be maintained in each field office containing a list of informants by names and a separate list by symbol numbers. The names of potential criminal informants who have been personally and favorably contacted in an attempt to develop them as such shall be included in the indices.
2. Name cards
 - a. Criminal informant and potential criminal informant name cards shall contain:
 - (1) Full name
 - (2) Residence address and telephone number
 - (3) Employment address, position, and telephone number
 - (4) Office file number
 - (5) Symbol number
 - (6) Type of information
 - (7) Remarks
 - b. Deleted
 - c. Name cards shall be subdivided by state, towns or counties, type of information furnished when desirable, and then alphabetically.

3. Symbol cards
 - a. Criminal informant symbol cards shall contain:
 - (1) Symbol number
 - (2) Full name (geographical subdivision, if any)
 - b. The symbol index cards shall be arranged alphabetically by symbol and then numerically.
 - c. Symbols consisting of fictitious names shall be filed alphabetically behind the numerical symbol index section. This portion of the index shall be maintained in a specially designated drawer or index box in the same location as the name cards.
 - d. Agents should not have to handle the symbol cards when searching through name cards looking for informants who can furnish a particular type of information.
4. When a criminal informant is discontinued, the symbol card shall be destroyed. The name card which contains the descriptive data outlined above shall be stamped "discontinued" or "canceled" and transferred to the symbol index. When a potential criminal informant fails to develop within a reasonable time, all cards relating to that potential informant shall be destroyed except the name card, which shall be placed in the source of information index, if appropriate, or shall be destroyed.
5. Numbers assigned to your informants are to be taken from the series of numbers used for your security, [extremist, criminal, and top echelon informants.
6. Once a number is assigned, it must not be subsequently reassigned to any other informant, source, or confidential technique, regardless of type or designation. If an informant is once discontinued and later reactivated, the original number should be used again for him.
7. The criminal informant index shall be maintained in the office and under the supervision of the SAC, ASAC, or the criminal supervisor, in the discretion of the SAC.
8. Index names of criminal informants in the general field office index in the same manner as any other name. If the informant is one with whom contact is restricted, the index card in the general field office index should not contain the informant's field office file number but merely the words "See SAC."
9. The Bureau must be advised whenever a criminal informant is added or discontinued.
10. The prefix of a symbol number is made up of the appropriate field office teletype abbreviation followed by the appropriate assigned number.
11. The suffix of the symbol number will consist of the letter "C" to designate criminal informant; the letters "FCI" to designate a potential criminal informant who has been assigned a symbol number; the legend "C-TE" to designate a top echelon criminal informant; and the letters "PC" to designate a potential top echelon criminal informant.
12. Although an individual, confidential technique, or source may subsequently furnish information requiring a change in designation (e.g., from criminal to [extremist] or to top echelon, etc.), the number previously assigned will remain the same; however, the suffix is to be changed to the appropriate letter or letters indicating this change (NY 000-C to NY[000-E] or to NY 000-C-TE).
13. If there is a change in the current employment or activity which enables informant to obtain information, the change should be submitted by secure teletype.

H. PROGRESS LETTERS

1. Monthly

A letter (original only, no abstract) must be mailed to the Bureau by the fastest special delivery mail service available by the third business day following the end of the month for which prepared.

a. Set up as follows:

Use form FD-374 as the first page of the letter. There are 13 items to be completed on this form, all of which must be answered either through the insertion of the appropriate figure, or by the use of the word "none" if no accomplishments were recorded.

b. Administrative accomplishments

Under item 2 list the symbol numbers of informants added and under item 3 list the symbol numbers of informants deleted. Do not list or count any informants added or deleted after the 25th of the month for which prepared. These informants should be listed and counted in the next monthly progress letter submitted.

c. Statistical accomplishments

Every statistical accomplishment which can be credited to criminal informants or potential criminal informants must be reported in the first monthly progress letter submitted after the accomplishment took place. Set out as follows:

Opposite items 6-10 list the total number of subjects in each category who were arrested or located as a result of information furnished by criminal informants, or potential criminal informants, during the month. Item 7 is included in the total of item 6. Item 8 is not included in the totals of either items 6 or 7.

Opposite items 11-13 list the total dollar value of stolen property recovered or property confiscated as a result of information furnished by criminal informants, or potential criminal informants, during the month.

The statistics reported in items 9, 10, 12, and 13 are the accomplishments of other law enforcement agencies as a result of our referral to them of information furnished by an informant, or potential informant.

d. Documentation of statistics

Attach to form FD-374 (use as many pages as necessary) a schedule, headed by the name of the submitting office and the date, to show the sources of the statistics compiled on the form. This schedule will have three categories; namely, "Bureau Matters," "Local Matters," and "Other Federal Matters." Under each category will be listed in three columns the criminal informant symbol number or potential criminal informant symbol number, the title and character of the case, and the nature of the statistic being credited to the informant (such as "subject arrested" or "fugitive apprehended" or "subject located" or "\$700 stolen watches recovered"). If, as in the case of local, state, or other Federal violations, there is no case title, this information may be omitted; however, the description of the statistic should include enough information to identify the type of violation (such as "John Green arrested for local burglary" or "\$475 stolen hams recovered from local burglary"). If two or more statistics result from one informant on one case, list the statistics separately opposite the informant (such as "subject arrested on narcotics charge. \$700 narcotics recovered").

[e. [Deleted]

2. [Annual

[An annual] letter should be submitted concerning criminal informant coverage in each field office's territory. [This letter should be submitted six months after the completion of the annual inspection of your office.]

a. Except for those informants who have been the subject of a payment request letter or a letter designating the criminal informant within the past 90 days, an individual communication for each informant shall be submitted in duplicate on letterhead stationery, be dated, and show the place where made. These communications must contain:

- (1) Symbol number
- (2) Bufile number for informant
- (3) Deleted
- (4) Statement showing reason why 30-day contact not made if missed [since the completion of your office's annual inspection.]
- (5) Outcome of cases not completed when [report of annual inspection of field office was submitted.]
- (6) Succinct summary (identified by case title, character, and date) of information furnished or assistance rendered since last [inspection of your office] and an estimate of its value.
- (7) Deleted
- (8) Deleted

Note: The above data are not required for regularly paid informants; communications pertaining to them should simply indicate they are being paid.

b. All communications shall be submitted to the Bureau by cover letter which should show the symbol numbers of informants in the territory covered by headquarters city and by each resident agency.

Schedule captioned "Potential Criminal Informants" shall list in alphabetical order each potential criminal informant who has been under development one year or longer and shall include for each one listed the date placed under development, brief statement outlining the basis for development, brief statement outlining efforts to develop potential criminal informant and information furnished to date (include case title, character, and date information furnished), and specific comments as to reasons for further efforts to develop.

- [c. [These annual reports should be furnished the Bureau six months
[after the completion of the last annual inspection of your office.]

I. BUREAU POLICY

1. All investigative activity must be made a matter of record in the field office files with all sources of information being completely identified. Sources include all confidential informants - criminal, extremist, or security. Agents must not have and use informants known only to the individual Agents personally.
2. Criminal informants must be advised that they are not Bureau employees. It must be recognized that many such informants are also criminals and considerable care must be exercised in dealing with them so they will not become aware of and have the opportunity to obstruct the Bureau's work.
3. Arrangements must be worked out so that at least two Agents are in a position to contact each criminal informant. For a short time after an informant is first developed, it may sometimes be necessary to have one Agent make all contacts. However, a program must be established and actually started within six months after the informant is developed to establish a working arrangement so that a second Agent can contact such an informant. If any situation arises in which this cannot be done, the Bureau must be informed.
4. Consideration should be given to the assignment of specific projects to good informants, particularly those who have had little current opportunity to furnish information because of a temporary lull in criminal activity in the area in which the informant is utilized.
5. All informants and potential informants should be contacted as often as necessary, but at least one personal contact should be made every thirty days, unless there is some substantial reason for not doing so.
6. Information from informants of interest to another Government agency must be furnished to that agency. When information is passed on to local or other investigative agencies, or acted upon by the Bureau, the identity of the informant must be fully protected.
7. When it appears that a criminal informant or potential criminal informant shows indications of emotional instability, unreliability, or has furnished false information, advise the Bureau immediately and furnish information as to any instance in which such informant has appeared as a witness in behalf of the Government in a Bureau case and any instances in which he has furnished information which was disseminated to any other agency.
8. Constant care must be exercised to avoid any disclosure to anyone which might permit identification of a criminal informant or even cast suspicion

on a criminal informant. The danger to be recognized and guarded against is that routine, everyday contacts with criminal informants will result in a relaxing of our vigilance to protect informants. It must always be remembered that one slip or one misstatement may cause a criminal informant to be killed.

9. Where prosecution is contemplated in a matter in which information has been received from an informant and the USA can give no assurance of his ability to protect the informant's identity, no further action is to be taken until the Bureau can be advised and the case can be discussed with the Department.
10. Informants should furnish information to the Bureau exclusively. If under unusual circumstances they find it necessary to furnish information to representatives of some other agency or organization, be certain that they will first advise the Bureau of their intention to do so.
11. Informants should confine themselves to matters within the Bureau's primary investigative jurisdiction so far as it is possible to do so and should not become involved in procuring evidence regarding violations not within the Bureau's primary investigative jurisdiction. Debrief all informants and sources on at least a monthly basis regarding their knowledge of narcotics activities.
12. Criminal informants should be cultivated on Government reservations when the investigative problems warrant this action but do not develop informants among active duty military personnel.
13. The office supervising an informant must furnish to any other office using him a summary of information as to the informant, such as descriptive data, mode of travel, criminal background, an up-to-date identification record, and any other information pertinent to the assignment.
- [14. All pending informant files are to be reviewed personally by appropriate supervisory personnel on a regular periodic basis not to exceed 60 days. This review must include the informant's file and its sub-files.]

J. PAID CRIMINAL INFORMANTS

1. Investigative employees must not approach, directly or indirectly, representatives of companies, private industries, or insurance companies and request assistance regarding payments of money, gifts, or products of such companies to informants. Gifts should not be given to criminal informants.
2. SAC may approve advances to an individual for expenses in obtaining information, for the performance of services, or for information on a c.o.d. basis, up to \$400. Several payments or advances may be made under this general authority until the sum of such payments or advances aggregates \$400. Thereafter, Bureau authority must be obtained before further payments or advances may be made. The first communication to the Bureau requesting payments to PCI under SAC authority must contain description and FBI Identification Record number (if available) of the individual. If it is necessary to request a new \$400 SAC authorization at the same time as the secure teletype designating the informant as an approved symbol number informant is being submitted, include all data in one secure teletype.

When requesting authority to expend an additional sum aggregating \$400 on authority of SAC, submit original and one copy of letter. If authority granted, correspondence will be prepared and transmitted to the field. Letter must include statement and information required by paragraphs 3 and 4 (latter covering preceding authorization) of this section. If request not approved, correspondence will be prepared and transmitted to field.

3. Any communication to the Bureau recommending payment authorization to a criminal informant or potential criminal informant should include a statement as to whether there has been any indication on the part of the informant of emotional instability, unreliability, or of furnishing false information.
4. When requesting authority for additional payments or advances, advice should be furnished concerning:
 - a. The symbol number of the CI or PCI
 - b. The amount of each payment or advance made
 - c. The title and character of the case or cases involved
 - d. Details of information furnished or to be obtained
 - e. The value of the information or services
5. When it is recommended that regular payments be made to an informant, the recommendation should propose a maximum amount to be paid to the informant per day, week, or month. If the amount to be paid is on a per diem basis, or on a "whenever used" basis, the maximum to be disbursed to the informant per month should be set.
6. Recommendation for continued payments to an informant who has been paid on a regular basis should set forth:
 - a. Deleted
 - b. Specific details of information received since submission of last progress letter. Set forth in a succinct manner.
 - c. Title and character of case in which pertinent
 - d. Evaluation of the worth of the information and amount paid in each instance

Letters recommending renewal of authority to continue regular payments must be submitted promptly and at least two weeks prior to the expiration of the currently authorized period.

7. Submit an original and one copy of the letter requesting continued payments to criminal informants. If payments as requested are approved or denied, the field will be advised by separate communication. In addition, the initial payment authorization for an informant will be in the form of regular correspondence. Payment letters must be explicit. The first paragraph of your letter should read as nearly as possible as follows:

"I recommend that authority be granted to continue (increase, decrease) payments to the above informant up to \$____ (amount) per ____ (month, week) for a period of ____ months on a c.o.d. basis or for expenses to be incurred or services rendered in seeking information at our specific request. This authorization is to be effective ____ (date) and letters of progress will be submitted (date set forth in original authorization letter showing letters to be submitted monthly, weekly, etc.) and my letter of (two weeks before expiration of authorization) will contain my recommendation concerning further payments."

8. Blue slips (FD-37) reclaiming payments to regularly paid informants need only refer to the letter authorizing such payments. Blue slips reclaiming payments to individuals under the general authority set forth in item two of this subsection must clearly and accurately explain the circumstances and outline the information obtained so that the Bureau will be able intelligently to pass upon such blue slips.

9. If at any time regular payments are being made to an informant, it appears that the information being received or services being performed are not commensurate with the amount being disbursed, the payments should be adjusted or discontinued immediately. It must be recognized that a good informant can often obtain pertinent information in a matter of hours or days which would require much more time, if it could be obtained at all, by an Agent conducting investigation. Payments should be gauged by the following:
 - a. How much is it necessary to pay the informant to obtain the needed information?
 - b. How much would have to be paid to another informant to obtain the same information?
 - c. How much salary would be paid to an Agent during the time it would take him to obtain the same information?
10. Paid informants should not be paid for information they furnish to any other individual or agency.
11. Informants must also be instructed to report payments they receive as a part of their income when making income tax returns. See section[107L] for additional instructions on income tax returns applicable to informants.
12. Receipts
 - a. Receipts for payments to informants and sources should be obtained in every instance where possible to do so. If a receipt cannot be obtained for a particular payment, complete circumstances should be set forth on the blue slip at the time reimbursement is claimed. Receipts should be self-sufficient so that, if it is necessary to introduce receipts in evidence during course of a trial, receipts will not relate to other documents or files.
 - b. These receipts should clearly show:
 - (1) Date of payment
 - (2) Period for which made (when informant paid on a period basis)
 - (3) Total of payment broken down into separate amounts for services or expenses where these items are pertinent
 - (4) Name of Agent making payment
 - (5) Signature of person receiving the money
 - c. Receipts are not to be witnessed by another Agent.
 - d. If necessary to make corrections on the receipts, such corrections must be initialed by the informant and not by the Agent.
 - e. When transmitting receipts and itemized statements of expenses to the Bureau, they should be stapled directly to the blue slip, leaving a margin of at least one inch to one and one-half inches at the top to avoid contact with the Acco fastener punch. The staples should be placed in such a manner that the date or other data appearing on the receipt will not be mutilated and all information on the receipt can be easily read without detaching it from the blue slip. Care must be taken to insure that receipts are of such a nature that they clearly record the payment of money and do not refer to any other documentary material contained in Bureau files.
13. Stipulation re payments made to witnesses
See section[107L]for instructions regarding preparation of tabulations of payments made to prospective witnesses.

K. DEPARTMENT POLICY AND OPINION

The Department has issued instructions to tell all USAs that informants of the Bureau shall not be interviewed or subpoenaed without prior consent of the Department. Any deviation from this policy should be immediately brought to the Bureau's attention.

On 7-10-52 the Department furnished an opinion regarding the question whether an informant could be prosecuted for technically violating the law while attempting to obtain evidence regarding a Federal violation. The Department stated "...If the intent throughout was to assist the government agents in the enforcement of the law, and not to violate or to 'cover-up' for a violation of the law, it is not believed a case for prosecution could be made against such an informer...."

"The procedures to be followed by informers working under the supervision of your agents in the aid of enforcing the statutes coming within your jurisdiction largely rests upon your sound discretion....It is not believed that an informer would be otherwise immune from prosecution for actions which would subject a Federal enforcement officer to prosecution."

L. TOP ECHELON CRIMINAL INFORMANT PROGRAM

1. The top echelon criminal informant program is aimed specifically at developing informants who can provide a continuous flow of quality criminal intelligence information regarding the leaders of organized criminal activity throughout the nation. It is directed at developing informants in the following categories:
 - a. Informants who are members of La Cosa Nostra (LCN)
 - b. Informants who can furnish significant information regarding other organized criminal groups
 - c. Informants at the top level of organized gambling activity who can provide information that will enable the Bureau to effectively enforce the anti-gambling statutes
 - d. Informants who can produce accurate and authentic data regarding the extent of graft and corruption in each sector of the nation
 - e. Informants who can furnish information which will enable the Bureau to prosecute the hoodlum hierarchy
2. The development of informants who can provide information of this caliber is mandatory to insure the Bureau meets its commitments.
3. This program calls for the selection of targets for development. The selection should be based upon a combination of a particular hoodlum's qualifications by virtue of his position in the organized hoodlum element and upon circumstances indicating his possible susceptibility to development. To insure maximum security for an individual under development, he should be assigned a symbol number immediately upon being designated for attention. The symbol number for these individuals should be followed by the suffix PC to insure that they will be distinguished from regular criminal informant. The Bureau should be promptly advised whenever an individual is added or deleted from your program.
4. When requesting authority to add a target, include sufficient data in a [UACB] communication to indicate [that] the individual is a logical choice for inclusion in your program. [For purposes of security, this initial communication should always be transmitted by secure teletype and should] include such data regarding the proposed target as a complete description, [a summary of his] arrest record, and information indicating that [he has] access to significant information [concerning] top level racket figures. Insure that the program is not diluted by requesting authority to add targets who [should] more appropriately be considered PCIs.
5. A penetrative investigation of each individual selected as a target should be conducted prior to any approach of the individual. After completion of the penetrative investigation, request the Bureau to approve the interview of the target. The letter requesting such authority should set forth the approach to be utilized in the interview. A full exploitation must be made of any circumstances which place a target in a

position whereby he will assist the Bureau. In making a determination as to an appropriate approach, all possibilities should be thoroughly explored.

6. The requirement of obtaining Bureau authority to conduct interviews is restricted to informant development interviews and does not preclude interviews conducted in connection with other investigations.
7. Advise the Bureau at a minimum of every 90 days of progress in attempting to develop each target designated for attention. Include positive information in summary form and also set forth your contemplated plan to effect the cooperation of the target. In subsequent communications point out the result of action taken and in the event your contemplated plan was not productive or feasible, advise of your alternate plan. Also include the specific number of times the top echelon source was contacted by the alternate Agent as well as the Agent to whom the case is assigned and set forth data regarding corroboration of the source's information.
8. A letter should be directed to the Bureau when an individual under development furnishes sufficient information to qualify him as a top echelon informant. This letter should follow the same format used to designate regular criminal informants, and the suffix of the symbol number should be changed to C-TE in accordance with subsection G, item 12, of this section.
9. Every effort must be made to insure the potential of each top echelon informant is fully utilized to the Bureau's advantage. Be particularly alert to the possibility of utilizing information from member-informants in LCN to further penetrate LCN.
10. Justification letters are to be submitted regarding top echelon informants, except those on a regularly paid status, on a triannual basis. Offices Albany through Newark should forward these letters by February 1, June 1, and October 1. Offices New York through Washington Field should submit these letters March 1, July 1, and November 1. Prepare these letters in the same manner as annual letters for regular criminal informants.
11. Following the initial teletype communication, care should be exercised to make certain that subsequent communications to either the Bureau or other field offices containing information which may jeopardize the informant's identity are sent by secure teletype.
12. As in the payment of criminal informants, SAC may approve advances to top echelon informants or targets under development for expenses in obtaining information, for the performance of services, or for information on a C.O.D. basis up to \$400 initially. Several payments or advances may be made under this same authority until the sum of such payments or advances aggregates \$400. [All future requests for renewal of SAC authority to pay top echelon informants and targets within the Top Echelon Criminal Informant Program should be submitted to the Bureau on a "UACB within seven calendar days" basis. All additional authorizations should be requested in increments of \$600.]
13. For other regulations concerning the handling of top echelon criminal informants and targets, be guided by instructions set out above for regular criminal informants.

M. PARTICIPATION OF AGENTS

On March 31 of each year furnish the Bureau a list of Agents in the office who have been assigned to criminal investigative matters 50 percent or more of the time during the previous year (excepting Agents assigned primarily to accounting investigations) and have not developed an informant or have not effectively operated an informant, during the same period, which they previously developed. The SAC is to provide an analysis of each listed Agent's performance and furnish as an attachment to the list explanations secured from all listed Agents, along with recommendations for administrative action.

N. CLASSIFICATION - 137

POLICY
INFORMANT AND INFORMANT PAYMENTS

62-16464-22

ENCLOSURE

271-10001

(E) PAYMENTS TO CONFIDENTIAL INFORMANTS -- The Bureau has received inquiries regarding the amount a Special Agent in Charge may approve paying an informant without prior Bureau authority.

You are advised you may approve payment of an amount up to \$50 to an informant in a specific instance for information submitted. The blue slips submitted for claiming these payments must clearly and adequately explain the circumstances and summarize the information obtained so the Bureau will be in a position to intelligently pass such slips for payment, receipts to be attached wherever possible.

This does not change the present instructions that prior Bureau authority must be obtained before paying an informant on a regular basis at a rate exceeding \$10 per month, but applies only to specific instances in which it is expedient or necessary to expend money to obtain information concerning matters or persons under investigation which information is not otherwise obtainable. This of course does not apply to expenditures for entertainment. You will be held responsible to insure the Bureau receives full value for all the money expended by you and such matters must receive your personal attention and approval.

Very truly yours,

J. E. Hoover

John Edgar Hoover
Director

Enclosures for (C) and (D)

- 4 -

7-31-45

SAC LETTER NO. 71

Series 1945

(C) CONFIDENTIAL INFORMANTS -- Full coverage of all our investigative activities must be maintained and the use of paid confidential informants is necessary. Without a constant and careful check of the production of these paid informants, it is possible that full value will not be received for the services rendered.

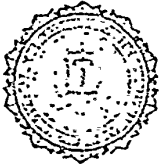
You are instructed, therefore, to personally review all reports submitted by paid confidential informants either National Defense or General Investigative to be certain that they are providing information commensurate with the amount of money being paid to them. If it is determined after a personal check of each paid confidential informant that the Bureau is not receiving an adequate return, payments should be immediately discontinued and the Bureau advised. Likewise, if you feel that any informant's compensation should be adjusted based upon a decrease of his activity, a summary should be furnished to the Bureau together with your recommendations concerning a change in payment to him.

After you have completed this check of all paid confidential informants, you should continue to afford this matter your personal attention to insure the Bureau at all times receiving a full return for any money paid to informants.

-1-21-47

SAC LETTER NO. 5

Series 1947



United States Department of Justice
Federal Bureau of Investigation
Washington 25, D. C.

PERSONAL ATTENTION

SAC LETTER NO. 161
SERIES 1948

IN REPLY, PLEASE REFER TO

FILE NO. _____

December 29, 1948

MEMO FOR MR. HOOVER
TOLSON
CLEGG
CONNELLEY
GLAVIN
HARBO
LADD
NICHOLS
ROSEN
TRACY
BAUMGARDNER
BAUGHMAN

~~CALLAHAN~~
CALLAN
CARLSON
CARTWRIGHT
CONRAD
DOWNING
EDWARDS, H. L.
EGAN
FEENEY
FLETCHER, H. B.
GURNEA
HARGETT

HINCE
JONES, M. A.
KEAY
LAUGHLIN
LEONARD
LONG
McCABE, E. J.
McCABE, N. H.
McGUIRE
McINTIRE
MOBLEY
MOHR

NANNA
NAUGHTEN
NEASE
PARSONS
PENNINGTON
RENNEBERGER
ROGERS
SIZOO
TAMM, Q.
WAIKART
WALL
WHITSON
AND SUPERVISORS

(A) PAYMENTS TO CONFIDENTIAL INFORMANTS -- At the present time, upon the authority of the Special Agent in Charge, an individual who furnishes information of value may be paid up to \$50 at any one time. This is considered a COD payment as differentiated from a payment to an individual who is on the confidential payroll. On a regular basis an individual may be paid up to \$10 per month without prior Bureau authority. These methods of payment are now altered as follows:

1. A single payment may be made on a COD basis up to \$50 as in the past.
2. If the same person is paid a second time, regardless of the amount or method, a letter should be directed to the Bureau advising the amount of the second payment, what was paid to the individual before, the purpose of both payments, background information if not already available to the Bureau and your opinion and recommendation as to whether the individual should be considered a regularly paid informant due to his ability to continue furnishing information of value.
3. No additional payments may be made to an individual after he is paid a second time without Bureau authority as it is believed that after a second payment, this type of individual should be considered in the category of a continuing informant. Authority must, therefore, be obtained to pay anyone regardless of amount on a regular basis, and to determine a regular basis you should consider anyone who is paid more than twice.

(B) INFORMANTS -- The following procedure relative to cash payments to Bureau informants should be followed by you in the future.

1. You are authorized to pay a sum up to \$100.00 for information given to the Bureau on a C.O.D. basis. At the present time you are authorized to pay up to \$50.00 without Bureau authority for such information.
2. You are authorized with reference to expense money in proper cases to advance to an informant, who necessarily incurs expenses in seeking out information for the Bureau to pay an amount up to \$100.00 for such expenses to be incurred for the purpose of seeking out information.

The Bureau should be promptly informed concerning any payment made in accordance with the above instructions. You should report the name of the informant, the amount of payment, the identity of the case involved, details of information received from the informant and the value of the information. This instruction does not abrogate any previous instructions with reference to the payment of regularly paid informants.

All Special Agents handling confidential informants in your office should be advised of the foregoing instructions.

3-14-50

SAC LETTER NO. 19
Series 1950

D. CONFIDENTIAL INFORMANTS - PAYMENT

✓ Carroll Hunt

Henceforth, in specific instances in which it is necessary and expedient to expend money to obtain information concerning matters or persons under investigation, which is not otherwise obtainable, or to advance expense money to enable an informant to obtain such information, the SAC may approve payments of amounts up to \$100 and totalling not more than \$100 to an informant on a COD basis, regardless of the number of payments.

This applies only to persons who are not being paid regularly as confidential informants.

Prior Bureau authority must be obtained in order to make any additional payment to an informant who has received payments totalling \$100.

7-25-50
SAC LETTER NO. 48
Series 1950

- 9 -

(D) CONFIDENTIAL INFORMANTS (SECURITY AND CRIMINAL) -- Reference is made to SAC Letter #68, dated July 18, 1952, Item B.

In view of the Bureau's critical condition insofar as its operating appropriations are concerned, the payments to informants set forth in the above SAC letter are being changed. Hereafter payments to informants may be made upon the authorization

9/19/52
SAC LETTER NO. 93
Series 1952

- 2 -

of the Special Agent in Charge up to the point where such payments aggregate \$100 without prior authority from the Bureau.

You should carefully administer this program in order to insure that all payments are sufficiently justified and in the event payments in the amount of more than \$100 to an informant are necessary, prior Bureau authorization should be obtained.

7-28-52 *98H*

(F) SECURITY INFORMANTS -- As an economy measure, the Bureau will no longer prepare correspondence to the field granting authority to continue payments to security informants when the payments as requested by the field are approved. Effective immediately, the duplicate copy of your recommendation for authority to continue payments will be stamped "Approved" at the Bureau, initialed with the autographic initials of the Director and returned to you. This will serve as authority to continue payments at the requested rate. Whenever your recommendation is not approved, correspondence will be prepared and transmitted to you, so indicating. In addition, the initial payment authorization for an informant will be in the form of regular correspondence.

In order that this system may function properly it is essential that payment letters be explicit and that ambiguity be avoided. Therefore, the last paragraph of your letter should read as nearly as possible as follows:

"I therefore recommend that authority be granted to continue (increase, decrease) payments to the above informant up to \$ _____ (amount) per _____ (month, week) for services, plus \$ _____ (amount) per _____ (month, week) for expenses actually incurred for a period of _____ months, effective _____ (date)."

If payments are to be made on a C.O.D. basis, this fact should be indicated.

In order to insure prompt and efficient handling of this type of correspondence, you should be certain that sufficient information is furnished to the Bureau upon which to base a decision as to the justifiability of the payments and other details must be correct, such as amount of previous payments, the effective date of future payments, etc.

There is, of course, to be no laxity shown in the supervision of security informants and payments made to informants, and it will be your personal responsibility to see that the Bureau is receiving an adequate return for compensation paid to each and every informant.

In preparing blue slips reflecting payments to security informants in the future, you should show as the date of authority the date of your letter to the Bureau requesting said payments, provided approval has been received.

10-28-52
SAC LETTER NO. 115
Series 1952

- 4 -

(D) CRIMINAL INFORMANTS. - PAYMENTS MADE ON SAC AUTHORITY -- Section 108 - J, Manual of Instructions, and Part I, Section 26,b,7, of the Handbook provide for payments to criminal informants on the authority of the SAC in the amount of \$100. These provisions are being changed to provide for payments to criminal informants under the authority of the SAC up to \$200.

7/7/53

SAC LETTER NO. 53-47

(M) SECURITY INFORMANTS - CRIMINAL INFORMANTS - CONFIDENTIAL
SOURCES - GIFTS -- Instances have come to the Bureau's attention in which gifts of bottles of whiskey had been made by Special Agents to confidential informants as a means of payment for services rendered. Thereafter, reimbursement has been claimed by voucher drawn on the field office confidential fund. The Bureau considers this practice to be undesirable and it should be discontinued. Hereafter, gifts of alcoholic beverages to confidential informants and sources, both security and criminal are prohibited.

Very truly yours,

John Edgar Hoover

Director

Attachments for (F) & (H)

1/26/54
SAC LETTER NO. 54-5

- 10 -

(D) "SECURITY INFORMANTS - CRIMINAL INFORMANTS - PAYMENTS -- A situation recently arose whereby an informant complained that he signed receipts for money which he did not receive from the contacting Agent. It developed that the Agent was in the habit of obtaining a receipt for a specific Bureau-authorized amount, but if in the opinion of the Agent the informant did not deserve the full amount, only a part of the authorized sum would be furnished to the informant at the time the receipt was obtained. The Agent would then deposit to his own personal account the sum which he had not given to the informant with the idea in mind of later furnishing to the informant from his personal account an appropriate sum when he felt the informant deserved the additional money. As a result, confusion arose as to whether the informant received the fully authorized sum.

This type of operation, of course, results in falsification of records and is highly improper. The handling of Government funds is a serious responsibility and all employees should exercise good judgment at all times. Whenever anyone in the Bureau's service is charged with the duty of handling Government money, the rules and regulations in connection therewith must be strictly followed. If a receipt is obtained from an informant, or anyone else, the recipient must be paid in full in accordance with the receipt.

I want each Special Agent in Charge to review carefully the methods presently in operation in his Division concerning the handling of the confidential fund, particularly as it relates to informants, and make certain that disbursements and receipts are being handled in the proper fashion.

You are reminded that the proper maintenance and handling of the confidential fund is your personal responsibility and it is imperative that the Bureau's regulations be followed explicitly.

John Edgar Hoover

Director

2/2/54

SAC LETTER NO. 54-7

(D) CONFIDENTIAL EXPENDITURES -- The Bureau wishes to re-emphasize the importance of SACs making certain that the Bureau receives appropriate value for every dollar expended in the informant program or in any other type of confidential expenditure. This program cannot be treated lightly by SACs. It is your personal responsibility to examine carefully and critically each expenditure and have adequate justification for any approval or recommendation made by you. For your information, field inspectors will bring with them a representative number of blue slips executed by you and will trace these expenditures through appropriate files in order to determine that value has been received for expenditures. Any questionable items will result in interviews with employees and may, if the expenditure is not proper, result in the Government's requiring reimbursement from the appropriate SAC or Agent.

You should re-examine provisions in the Bureau's SAC Letters and Manuals concerning the handling of confidential expenditures and be guided accordingly. Nothing in this communication changes any Manual provision.

6-29-54
SAC LETTER NO. 54-33

(AB) SECURITY INFORMANTS - PAYMENTS -- Henceforth, the Bureau will not authorize continued payments to security informants and confidential sources furnishing information in security cases for periods longer than three months. In the past the Bureau has authorized continued payments to certain of these individuals for periods as long as six months; however, this will no longer be the case and it will be necessary to justify continued payments to security informants and to obtain additional authority for such

7/13/54

SAC LETTER NO. 54-36

- 33 -

payments wherever desired at least every three months.

The above will not change any authorizations presently in effect even though they may be for a six-month period. When submitting justification for continued payment for any of your security informants, however, you should limit the pay period to three months.

It is pointed out that requests for authority to continue payments to informants should be submitted to the Bureau at least two weeks prior to the expiration of the current pay period in order to prevent any lapse of pay authority. Immediately upon receipt of this letter, you should review the files on your paid security informants in order to assure that the necessary action will be taken so that these letters are submitted at the appropriate time.

I have repeatedly emphasized the necessity for careful examination of any and all payments from the confidential fund. Your attention is directed in this regard to SAC Letter 54-33. Payments to informants are made only on the personal recommendation of the Special Agent in Charge and must in every instance be commensurate with the information being received from the informant.

You should use very careful judgment in handling expenditures from your confidential fund and in requesting authority to make payments to security informants and confidential sources.

(B) SECURITY AND CRIMINAL INFORMANTS - RECEIPTS FOR PAYMENTS --

Recently Bureau learned a former Special Agent improperly arranged for a third person to affix an informant's name to a receipt covering payment due informant. Allegation made amount due was not paid by the former Agent who claims amount was subsequently given to the informant.

In order to eliminate unjust claims that Special Agents are improperly handling financial transactions with informants, receipts must be signed by the payee whenever possible. Exceptions should be fully explained. Under no circumstances should anyone sign a receipt for the payee.

12/11/56

SAC LETTER NO. 56-64

(J) SECURITY INFORMANTS - CRIMINAL INFORMANTS - RECEIPTS FOR PAYMENTS TO INFORMANTS AND SOURCES -- In connection with the payment of informants, and sources either on the SAC's authority or on prior Bureau approval, receipts are to be obtained in every instance where it is possible to do so.

Receipts obtained for the payments of money should be of such a nature that they will be self-sufficient so that, if it becomes necessary to introduce the receipts in evidence during the course of a trial, the receipts will not relate to other documents or files.

Receipts obtained in the future should clearly show the date on which payment was made, the period for which made when informant is paid on a period basis, the total amount paid broken down into separate amounts for services or expenses where these items are pertinent, the name of the Agent making the payment and the signature of the person receiving the money. It is reiterated that informants who receive money for services rendered must clearly understand that such money must be listed as income for tax purposes.

In transmitting the receipts to the Bureau, they should not be stapled to any other documents but should be enclosed in an envelope with the envelope stapled to the supporting blue slip and voucher. Extreme care must be taken that the receipts are of such a nature that they clearly reflect the payment of money and do not refer to any other documentary material contained in the Bureau files.

When an itemized statement of expenses is furnished by an informant, it should not be attached to any other document but should be forwarded to the Bureau in the same envelope with the receipt.

Very truly yours,

John Edgar Hoover

Director

Attachments for Letters (E) and (G)

3/5/57

SAC LETTER NO. 57-14

- 7 -

200
5/21/57

SAC LETTER NO. 57-31

Supervision

(o) CRIMINAL INFORMANTS - SECURITY INFORMANTS - SOURCES - PAYMENT OF FINES -- Bureau personnel shall not pay fines, court costs, or provide money or collateral for any informant, potential informant, or other person being contacted in connection with official business who is charged with a violation of law. Any expenditures of this nature will not be reimbursed from Government funds.

9/15/59
Supervision -

(N) SECURITY INFORMANTS AND SOURCES - RECEIPT OF UNEMPLOYMENT BENEFITS -- Instances have arisen in the past whereby security informants have temporarily lost their jobs with private industry due to strikes, economic conditions or similar circumstances. As a result they become eligible for unemployment compensation. Where unemployment regulations require listing of all sources of income as a prerequisite for obtaining unemployment compensation and security informants who at the time are being paid by the Bureau for services rendered fail to comply, the situation is potentially embarrassing. The Bureau cannot be placed in the position of condoning a violation of the state law on the part of any informant or source. In order to resolve these situations as they occur, it is felt the field should take the following action:

- (1) A designated Special Agent after acquainting himself with unemployment compensation laws should effect appropriate liaison with responsible state official at

66-04-2827

FILED IN

134-00-
NOT RECORDED
17 MAR 2 1959

353
66 MAR 3 1959

PAYMENTS ON SAC AUTHORITY

In specific instances in which it is necessary and expedient to expend money to obtain information concerning matters or persons under investigation which is not otherwise obtainable or to advance expense money to enable an individual to obtain such information, SAC may now approve such payments to a single individual of amounts up to \$200 and totaling not more than \$200 on a c.o.d. basis regardless of the number of payments. This applies only to individuals who are not being regularly paid for services or expenses on Bureau authorization. An individual who is paid on SAC authority should not be described in correspondence as an informant or source who is being paid on a "regular basis" or on "Bureau authorization."

(B) SECURITY INFORMANTS - RACIAL INFORMANTS - CRIMINAL INFORMANTS - CONTROLS EXERCISED OVER PAYMENTS TO BUREAU INFORMANTS -- You are reminded of the need to closely follow matters involving payments to informants to insure that the Bureau is getting full value for money expended and that the record shows complete justification for all payments made.

Requests for authority to pay informants must be supported by a summary of the information previously furnished in sufficient detail to allow an intelligent analysis at the Bureau. The communication should also show anticipated future coverage informant will provide and an appraisal of the informant's value. You should also outline the nature of the expenses incurred by the informant for which payment is being requested. Payments for services must be made on a strictly c.o.d. basis, and payments for expenses can only cover expenses actually incurred by the informant in obtaining information for the Bureau.

The present Bureau system regarding the authorization of payments to informants affords close supervisory control in the field and at the Seat of Government. I expect supervisory and investigative personnel to fully comply with Bureau regulations in these matters.

File 7

*U.S. Dept. of Justice
J. Edgar Hoover
March 12, 1968*

(H) RACIAL INFORMANTS - RACIAL MATTERS -- Recently there were held at the Seat of Government specialized conferences concerning militant black nationalist investigations and racial informant matters. These conferences were attended by representatives from key field offices handling the major portion of the Bureau's work in this field. *of these
plain
field*

The conferees were unanimous in their observation that money is the primary motivating force in developing racial informants. In view of this, they recommended that each Special Agent in Charge be given authority to expend up to \$400 in the development of racial informants instead of the \$200 the majority of Special Agents in Charge may now expend on their own authority.

I concur with this recommendation of the conferees and effective March 15, 1968, the Special Agents in Charge of all field divisions are authorized to expend the sum of \$400 in the development of racial informants. In this connection, you are reminded that money expended for informant development must be on a c. o. d. basis and full value must be received in proportion to the amount of money expended. Appropriate Manual change will be forthcoming.

Director

3/12/68
SAC LETTER 68-16

- 7 -

(D) SECURITY INFORMANTS AND SOURCES - PAYMENTS -- As you are aware, all security informants and sources receiving compensation from the Bureau are paid on the basis of the value of information furnished, services rendered and incurred expenses. Recently, it has been noted that some informants and sources have been paid consistently the same amount each month with no variation in payments during periods when the informants or sources were less productive, which leads to the illogical implication that information furnished or expenses incurred or both seldom, if ever, vary. This practice must be discontinued. Your informants and sources must understand they are independent contractors remunerated on a C.O.D. basis, and they must never be led to believe they are recipients of a fixed salary.,

This matter will continue to receive careful consideration at the Seat of Government and you will be held accountable to insure that payments are for value received and no fixed patterns continue to develop. These instructions should be called to the attention of all Special Agents in your office handling security informants and sources.

6-11-68
SAC LETTER 68-34

- 2 -

(B) SECURITY INFORMANTS - SUBMISSION OF JUSTIFICATION LETTERS -- Effective immediately justification letters for security informants should be submitted each six months instead of each four months as was previously required. Current authorized payments for four months should be considered extended to six months from the effective date. Under item four, requiring a "summary of information furnished and/or services rendered during pertinent period," you should henceforth include a brief statement as to what coverage or information furnished is available only from that source. In the event there is none, a specific statement to that effect should be set out.

As I have previously emphasized, it is the responsibility of each Special Agent in Charge to insure all expenditures for information are on a c.o.d. basis commensurate with the value of the information. Excessive coverage of routine matters resulting in unwarranted expenditures for the same information must not be approved. Good judgment must be exercised and, where possible and warranted, efforts of established informants must be directed into areas where increased coverage is needed, such as the New Left and other radical subversive groups. You must not be complacent with mere numbers but take positive steps to insure your coverage of subversive groups is sufficiently flexible to adequately meet the Bureau's responsibilities in this constantly changing field.

Appropriate manual changes will follow.

Very truly yours,

John Edgar Hoover

Director

8/20/68
SAC LETTER 68-47

- 2 -

(F) RACIAL INFORMANTS - SUBMISSION OF JUSTIFICATION LETTERS -- You were recently advised that justification letters for security informants should be submitted every six months instead of every four months. Effective immediately justification letters for racial informants should be submitted every six months as in the case of security informants. Currently authorized payments for four months or less will continue in effect until the expiration date thereof.

Although the period during which letters are to be submitted has been extended as a streamlining measure, your responsibility to maintain a tight control of payments and to make certain that informants will make suitable progress is in no way minimized.

9/10/68
SAC LETTER 68-52

- 5 -

(B) TOP ECHELON CRIMINAL INFORMANT PROGRAM - CRIMINAL INFORMANT PROGRAM -- Section 108 J, 2, of the Manual of Instructions provides that payments on a C.O.D. basis to informants in the criminal field may be made to the point where such payments aggregate \$200. This authority is hereby increased to \$400.

Keep in mind this instruction in no way lessens your responsibility to insure money expended for criminal informant development is on a C.O.D. basis and that full value is received for all funds disbursed. You should thoroughly scrutinize every request to pay criminal sources and make certain all payments are completely justified.

Your expenditures to informants will continue to be the subject of careful examination by the Bureau and will be reviewed at the time your office is inspected. Appropriate manual changes forthcoming.

2/25/69

SAC LETTER 69-14

- 2 -

LAH memo J. H. Hale to DeLoach 3-26-69 same re

(B) CRIMINAL INFORMANT PROGRAM -- It is incumbent upon each SAC to insure that all letters to the Bureau requesting authority to make payments to criminal informants clearly reflect the value of information or service received that will fully justify any payments.

no rec

Recently, the Bureau has noted too many instances where the value of informant's information has not been adequately set forth causing additional correspondence between the Bureau and the field.

You must closely examine all future requests emanating from your office to insure that adequate justification is provided the Bureau in each and every instance.

4/1/69
SAC LETTER 69-21

- 2 -

Al Dean
Kelly
Jeffrey

(B) SECURITY INFORMANTS -- Section 107 N, 2, of the Manual of Instructions authorizes an SAC to make payments up to \$200 to security informants on a c. o. d. basis. Effective immediately, this authority is increased to \$400 in order to be uniform with the amounts available in criminal and racial informant cases.

You are reminded that this increased authority in no way lessens your responsibility to insure that payments are on a c. o. d. basis and full value is received.

Appropriate manual and handbook changes are forthcoming.

Very truly yours,

John Edgar Hoover

Director

4/29/69
SAC LETTER 69-26

- 2 -

(B) AUTOMOTIVE EQUIPMENT USED IN SURVEILLANCES -- You are reminded of the necessity that automotive equipment used in surveillances be sufficiently varied as to minimize the danger that persons under surveillances will recognize it as "policemen's equipment." A limited amount of special surveillance equipment is located in the various offices. Efforts will be made in the future to augment this equipment. Until procurement of sufficiently varied automotive equipment can be obtained, you are authorized to make appropriate use of rental equipment where necessary; however, it is your responsibility to see that such rental equipment is completely justified. Whenever such use will be extensive and the cost is estimated to exceed \$100, prior Bureau authority must be obtained and may be obtained on an expedite basis. You are reminded of the importance of maintaining special surveillance vehicles and equipment in a secure manner to insure none of our surveillances are in any way jeopardized. Existing regulations require that all radio-equipped surveillance trucks be provided separate garage and storage treatment. The desirability of maintaining other surveillance automotive equipment separately from our normal equipment should be carefully evaluated. Where circumstances dictate, such equipment should be provided the same separate facilities as is now required of radio-equipped surveillance trucks. Appropriate manual changes concerning the rental of surveillance equipment will be forthcoming.

(Security page attached)

7-11-72

MEMORANDUM 11-72

NW 89804 DocId:32989707 Page 89

Auditors Initials

*Jim
Jim
dick
Jim
Paul*

2/14/72

Airtel

To: SAC, Albany

From: Acting Director, FBI

**AUTHORITY TO APPROVE LIMITED EXPENDITURES
FOR INVESTIGATIVE OPERATIONS**

In those instances where it is essential to the successful conduct of an important investigation, SACs are authorized to expend up to \$100 from the confidential fund without prior Bureau Headquarters approval. These expenditures must be highly selective and essential to the investigative operation. Instances in which such expenditures may be appropriate include but are not necessarily limited to the following situations:

- (a) Rental of surveillance plants and support equipment on a temporary basis.
- (b) Necessary expenditures by Agents working in an undercover or covert capacity.
- (c) Rental of special automotive equipment for surveillance purposes. (Only when available Bureau equipment is not satisfactory and the case is of major importance.)
- (d) Other items necessary to the conduct of an investigation not available through normal supply or acquisition channels.

A full accounting must be maintained for such expenditures and at the time that reimbursement is requested from Bureau Headquarters for confidential funds expended, appropriate FD-37 (blue slip) must be executed for each such expenditure.

2 - All offices

SEE NOTE PAGE 2

JCL:xxx

Airtel to Albany
Re: Authority to Approve Limited Expenditures
For Investigative Operations

The purpose of the above-cited changes is not to lessen accountability for appropriate action in each of these areas, but to shift the decision process to the SAC who should be in the most advantageous position to make an adequate judgment based upon the facts at hand. The Headquarters and Inspection staff will retain the responsibility for reviewing and auditing the practices in these areas.

Manual changes follow.

NOTE: The above suggestion was contained in a memorandum of Assistant Director Cleveland to Mr. Felt captioned "Organized Crime Program" dated 6/13/72, and was approved by Mr. Gray in his memorandum dated 8/3/72. Manual changes being prepared.

Please note Items 1 and 2. This Confidential Source has received no prior payments. These payments cover expenses incurred and are charged against the authority granted by Buairtel of 8/14/72. Can we charge these payments against the 8/14/72 airtel? Yes ☒ No

Can expenses incurred by an informant while obtaining information be charged against the 8/14/72 airtel? Yes ☒ No

Can payments for services rendered by an informant be charged against the 8/14/72 airtel? Yes ☒ No

*H/S to Buffalo
dtd 11/24/72*

BD

RD

17/1/72

note initial
Albin
Access
retain

(C) SECURITY AND EXTREMIST INFORMANTS - PAYMENTS UNDER SAC AUTHORITY -- Effective immediately all newly developed security and extremist informants are to be paid under SAC authority for the first six months. If additional funds under SAC authority are necessary during this period, such request must be accompanied by a complete detailed justification of past expenditures. Should circumstances require it such as the rapid development of an extremely productive informant the above instructions will not preclude a request for Bureau-approved regular payments prior to the expiration of six months provided it is fully justified.

Manual and Handbook changes follow.

L. Patrick Gray, III
Acting Director

8/29/72

MEMORANDUM 18-72

- 3 -

W. Dean Davis
J. R. [unclear]

(B) INFORMANTS AND SOURCES - PAYMENTS -- As you are aware informants and sources receiving compensation from the Bureau are reimbursed on the basis of the value of the information reported, services performed and expenses incurred. An increasing tendency has been observed in field submissions to request special payments or justify regular payments for informants or sources seemingly based on personal needs of the informant as distinct from the value of information furnished and legitimate and related expenses incurred. The personal needs of an informant, such as repair of a vehicle, illness or other pressing necessity for funds, do not meet the basic criteria of information furnished or related expenses. Informants should not be influenced to believe we will pay for such personal needs. The basic concept that the informant is selling information of value on a c.o.d. basis, much as an independent contractor, and is not an employee must be adhered to and understood by contacting Agents and the informants.

This does not, however, preclude use of imagination and innovation when a source of considerable potential value needs financial inducement to engage in gathering of information under conditions which will take time to reach fruition and may involve considerable risk and hardship. In such instances you should fully develop the facts and present them to FBIHQ for approval prior to making any commitment.

This matter will continue to receive careful attention at FBIHQ and you will be held accountable to insure that payments are for value received. These instructions should be called to the attention of all Special Agents in your office handling informants and sources.

10/10/72
MEMORANDUM 25-72

- 2 -

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Felt

DATE: June 7, 1973

FROM : N. P. Callanan

SUBJECT: CONFIDENTIAL EXPENDITURES

Mr. Felt _____
Mr. Baker _____
Mr. Callahan _____
Mr. Cleveland _____
Mr. Conrad _____
Mr. Gebhardt _____
Mr. Jenkins _____
Mr. Marshall _____
Mr. Miller, E.S. _____
Mr. Soyars _____
Mr. Thompson _____
Mr. Walters _____
Tele. Room _____
Mr. Baise _____
Mr. Barras _____
Mr. Bowers _____
Mr. Herington _____
Mr. Conroy _____
Mr. Mintz _____
Mr. Eardley _____
Mrs. Hogan _____

For the past several months, informational and file copies of memoranda authorizing payments to individual informants and sources have been routed to the Administrative Division for information. In order to exercise adequate control of the overall expenditures of the Bureau, it is necessary that the Administrative Division have an opportunity to review confidential expenditures before final approval. This would include new authorizations of payments to informants or sources; authorizations to increase payments to regularly paid informants or sources; lump sum or bonus payments to informants or sources; and any other unusual or special confidential expenditures.

During the first nine months of fiscal year 1973, confidential expenditures increased a total of \$286,476, or 9.3%, when compared to the same period in fiscal year 1972. Like all other expenditures, confidential expenditures must be closely followed and controlled.

Since the Computer Systems Division is responsible for the record keeping of confidential expenditures, copies of all authorizations for such expenditures should continue to be sent to that Division but informational copies of authorization memoranda for the Administrative Division are not necessary.

RECOMMENDATION:

That proposed confidential expenditures for new payments to informants or sources; increased payments to regularly paid informants or sources; lump sum or bonus payments to informants or sources and any other unusual or special payments be routed through the Administrative Division for review before final approval.

- 1 - Mr. Cleveland
- 1 - Mr. Gebhardt
- 1 - Mr. Marshall
- 1 - Mr. E. S. Miller
- ① - Mr. Soyars
- 1 - Mr. Walters
- 1 - Mr. Jackson

LCG:
LCG:lap

(9) lap

Airtel

2/4/74

To: SAC, Albany

From: Director, FBI

INCREASE OF SAC AUTHORITY
TO PAY TOP ECHELON INFORMANTS
FROM \$400 TO \$600
TOP ECHELON CRIMINAL INFORMANT PROGRAM

Effective immediately, all SAC requests for additional authority to pay top echelon informants and targets, following the expenditure of the initial SAC authority, should be submitted in increments of \$200 instead of \$400. This does not alter the initial \$400 SAC authority for each top echelon informant and target and applies only to those informants being developed under the Top Echelon Criminal Informant Program.

It remains incumbent upon each SAC to fully justify all expenditures made to top echelon informants or targets.

2 - All Offices

POLICY
CONFIDENTIAL FUND ACCOUNTING PROCEDURES
AND
HANDLING OF BLUE SLIPS AND VOUCHERS

62-116464-22

ENCLOSURE

271-10061

March 23, 1940

MEMORANDUM FOR

PERSONAL AND CONFIDENTIAL

Dear Sir:

In connection with expenditures of a confidential nature for which reimbursement is claimed by blue slip, you are advised that such expenditures must be limited strictly to investigative cases of major importance wherein monies may be paid to confidential informants or for confidential purposes, reimbursement for which could not be claimed by regular personal service voucher without jeopardizing the successful completion of the investigation.

You are, therefore, advised that it will not be necessary to continue the retention of copies of confidential blue slips in the various field division files. The present field blue slip files should be forwarded to the Washington headquarters of the Bureau under personal and confidential cover.

Very truly yours,

John Edgar Hoover
Director

August 20, 1941

SAC

Dear Sir:

It has been noted in connection with confidential disbursements being made by special agents for which reimbursement is claimed by blue slip that in many instances the receipt is executed in the name of an agent or person other than the agent claiming reimbursement.

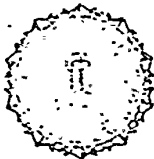
It is desired that whenever possible the receipt be made in the name of the agent who pays the bill and who will claim reimbursement. It is understood that in all instances this will not be practical, for instance, if Agent Smith makes arrangements for the rental of an apartment for surveillance purposes and he is later transferred from this assignment the bill ordinarily will be continued in his name and paid by another agent. In instances such as this the agent who pays the bill should certify on the receipt that he personally paid same and that he is claiming reimbursement therefor. If the receipt is made out in the name of an alias being used by the agent this fact should be explained in the blue slip.

In those instances where payment is made to an informant for services rendered over a definite period the date of the beginning and ending of the period should be indicated on the blue slip.

This matter should be brought to the attention of all special agents under your supervision and the blue slips submitted should be carefully checked by you to see that they conform with the above instructions. Close attention to this matter will obviate the necessity for returning expense accounts for correction.

Very truly yours,

John Edgar Hoover
Director



Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

PERSONAL AND CONFIDENTIAL

June 12, 1943

NO. 249
SERIES 1943

SAC	ALBANY	DETROIT	MEMPHIS	PROVIDENCE
	ATLANTA	EL PASO	MIAMI	RICHMOND
	BALTIMORE	GRAND RAPIDS	MILWAUKEE	ST. LOUIS
	BIRMINGHAM	HONOLULU	NEWARK	ST. PAUL
	BOSTON	HOUSTON	NEW HAVEN	SALT LAKE CITY
	BUFFALO	HUNTINGTON	NEW ORLEANS	SAN ANTONIO
	BUTTE	INDIANAPOLIS	NEW YORK	SAN DIEGO
	CHARLOTTE	JACKSON	NORFOLK	SAN FRANCISCO
	CHICAGO	JUNEAU	OKLAHOMA CITY	SAN JUAN
	CINCINNATI	KANSAS CITY	OMAHA	SAVANNAH
	CLEVELAND	KNOXVILLE	PHILADELPHIA	SEATTLE
	DALLAS	LITTLE ROCK	PHOENIX	SIOUX FALLS
	DENVER	LOS ANGELES	PITTSBURGH	SPRINGFIELD
	DES MOINES	LOUISVILLE	PORTLAND	WASHINGTON, D. C.
				QUANTICO

The Bureau has noted an increasing trend on the part of Special Agents in Charge of approving confidential expenditures which may at some time be subject to question. The Bureau refers particularly to those expenditures made by Special Agent personnel in the field service for entertainment of confidential informants.

It has been necessary for the Bureau in the past to refuse to reimburse certain Agents for expenditures made when it appeared that the expenditures made were out of line in so far as necessity for the securing of the information was concerned. The Bureau has further noted a tendency growing up in the field for Special Agents in Charge to approve confidential expenditures for 10¢ and 15¢ and other very minor amounts which probably should be subject to further scrutiny by the Special Agent in Charge.

The Bureau must not at any time routinely consider confidential expenditures but must insist that each Special Agent in Charge personally review and approve such expenditures as are made by employees under his jurisdiction. It is understood that with the type of internal security work presently being performed by a great many Special Agents, certain necessary expenditures must be made in connection with physical surveillances and like matters; however, it should be understood that a Special Agent, in so far as food and entertainment are concerned, is under certain expense at the present time, even though he is not assigned to confidential surveillances and when any charge is made for reimbursement for expenditures made by him in connection with the successful handling of a surveillance matter, only that portion of the charge which would be over and above his regular living expenses should be submitted.



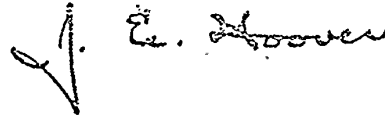
For your information, the Bureau must certify to all confidential expenditures as follows:

- 2 -

"The confidential information item as above was paid in the interest of the Government service and that no other amount has been paid before for the same purpose, the amount representing expenditures incurred in making secret investigations of alleged plots and conspiracies against the United States Government, and that the detailed information has been submitted and is now and will be held in the confidential files of the Federal Bureau of Investigation and will be open to inspection for any purpose by the representative of the Comptroller General at any time he may desire."

The Bureau will continue its present policy of returning to any Agent without reimbursement any confidential expenditure which does not appear to be fully and thoroughly justified. The Bureau must, of course, insist on each Special Agent in Charge making it his personal responsibility, without delegation to other subordinate employees the review of confidential expenditures, to definitely ascertain that the expenditure has been proper and that the expenditure of the funds in question has been of material benefit and advantage to the Government.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. Edgar Hoover". The signature is written in a cursive style with a large, stylized initial "J".

John Edgar Hoover
Director



Federal Bureau of Investigation
United States Department of Justice
Washington 25, D. C.



IN REPLY, PLEASE REFER TO
FILE NO. _____

July 8, 1945

PERSONAL AND CONFIDENTIAL

NO. 280
SERIES 1943

SAC ALBANY	DES MOINES	MEMPHIS	RICHMOND
ANCHORAGE	DETROIT	MIAMI	ST. LOUIS
ATLANTA	EL PASO	MILWAUKEE	ST. PAUL
BALTIMORE	GRAND RAPIDS	NEWARK	SALT LAKE CITY
BIRMINGHAM	HONOLULU	NEW HAVEN	SAN ANTONIO
BOSTON	HOUSTON	NEW ORLEANS	SAN DIEGO
BUFFALO	HUNTINGTON	NEW YORK	SAN FRANCISCO
BUTTE	INDIANAPOLIS	NORFOLK	SAN JUAN
CHARLOTTE	JACKSON	OKLAHOMA CITY	SAVANNAH
CHICAGO	KANSAS CITY	OMAHA	SEATTLE
CINCINNATI	KNOXVILLE	PHILADELPHIA	SIOUX FALLS
CLEVELAND	LITTLE ROCK	PHOENIX	SPRINGFIELD
DALLAS	LCS ANGELES	PITTSBURGH	SYRACUSE
DENVER	LOUISVILLE	PORTLAND	WASHINGTON, D. C.
		PROVIDENCE	QUANTICO

The Bureau is particularly desirous at the present time of again bringing to your attention the absolute necessity for the continued careful handling of expenditures from the confidential fund and the submission of monthly reports in connection therewith.

You are aware, of course, that under existing Bureau regulations it is absolutely essential that an appropriate statement be submitted at the end of each month reflecting the condition of the confidential fund in each field office, including therein its status with respect to the cash balance on hand, plus disbursements which have been made during the current accounting period.

Many of the field offices have in the past failed to submit such monthly statements promptly, as a consequence of which it is becoming increasingly difficult to properly audit the Bureau's records in connection therewith or to otherwise maintain an accurate record upon the basis of which the accountability of each Special Agent in Charge may be definitely determined.

In this connection, a review of blue slip items received at the Bureau over a period of time reflects an increasing number of payments in the nature of so-called "advances" to confidential informants. The same is true of "deposits" with electric light companies and other utilities, which deposits usually range in amounts from \$10 to \$20. At the time the monthly statement is submitted by the field office involved, such statements invariably fail to indicate that the expenditures in question were "advances" or "deposits," the amounts of which are to be subsequently refunded and returned. In other instances they are improperly recorded in such a manner as to preclude

an accurate accounting on the part of the Bureau in respect thereto.

For your guidance in the preparation of future monthly reports concerning confidential fund expenditures, there is being enclosed herewith a sample form which outlines briefly and succinctly the manner in which disbursements, advances, refunds, or purchases are to be listed. All subsequent monthly statements prepared by your office should be submitted strictly in accordance therewith.

It is further noted that in a great number of cases Special Agents have not been submitting receipts to justify the expenditures for which reimbursement is being claimed through blue slips. For instance, subscriptions to various newspapers and periodicals subscribed to by the year have been observed with no receipts therefor having been secured. It is believed that such items, wherever practicable, should be paid for by the issuance of a money order and the money order receipt attached.

In addition, the failure to obtain receipts has been particularly prevalent in respect to payments made for services rendered by confidential informants, for expenses incident to the rental of rooms, and the obtaining of keys, locks, et cetera, and other items of a related nature where a receipt could reasonably be secured.

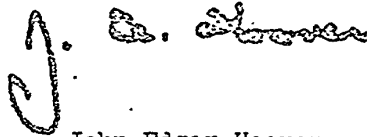
Although the Bureau is necessarily aware of the fact that receipts cannot be secured in each and every instance, due to exigencies peculiar to certain types of investigative activities, nevertheless, it must insist that such receipts be obtained for confidential expenditures wherever it is possible and otherwise practicable to do so. Hereafter, confidential items will be suspended from the accounts in question unless the expenditures involved are properly supported by the necessary receipts.

Likewise, the Bureau has noted with considerable concern increased purchases in the form of furniture, bedding, clothing, and related items utilized in the conduct of various plants and other confidential investigative activities. This is of particular significance in that such items are being paid for through the submission of blue slips, and the non-expendable items are not being taken up properly on the field office inventories. Accordingly, it is desired that you forward to the Bureau in the near future a detailed report indicating the type and quantity of such equipment purchased and presently in use in order that same may be properly inventoried on the Bureau's records. Such an inventory should, of course, be maintained simultaneously by each of the respective field offices having control, custody, or possession of such equipment. With reference to future purchases of this kind, the field offices will be held strictly accountable for the submission to the Bureau of appropriate non-expendable receiving slips. Such slips should indicate that the item was purchased through the submission of blue slips. The Bureau will maintain a check on blue slips submitted and suspensions from the vouchers will be made in those instances where field offices fail to submit non-expendable receiving slips.

Accordingly, it is desired that the non-expenditure receiving slips covering purchases of furniture, bedding, and other equipment by blue slips, be attached to the voucher when it is submitted for payment.

It is desired that you give the matters outlined herein your immediate personal attention and supervision: It is expected that in the future there will be strict compliance with the foregoing instructions in order that the correction of these delinquencies may be logically concluded with a minimum of delay.

Very truly yours,



John Edgar Hoover
Director

Enclosure

APRIL 30, 1943

Total amount to be accounted for \$2,500.00

Balance on hand April 1, 1943 \$1,200.00

DETAILS

<u>Check No.</u>	<u>Dated</u>	<u>Description</u>	
1	4-1-43	Salary to confidential informant__ from March 25 to March 31, 1943, incl.	45.00
2	4-12-43	Expenses for confidential informant__ for month of March	38.20
3	4-13-43	Payment of rent, 1596 Broadway, April 1st to 30th, incl., File #100-3535	60.00
	4-23-43	Expense check received from Bureau deposited	1,300.00
4	4-24-43	Payment New York Telephone Company bill dated 3-21-43, address 1776 Lexington Avenue	16.55
5	4-26-43	Advance to confidential informant N-29. This amount to be returned to Bureau	250.00
	4-27-43	Refund by the New York Telephone Company, 1776 Lexington Avenue	5.83
6	4-28-43	Payment to the Hub Furniture Company for furniture for use in confidential plant at 1776 Lexington Avenue. Detailed receipt, attached	155.00
7	4-30-43	Payment of rental of furniture for one month, 2845 Lexington Avenue, File #65-99	50.00
			<u>\$2,505.83</u>
		Balance on hand April 30, 1943	\$ 614.75 <u>1,891.08</u> \$2,505.83

In other words, the check number of each disbursement should be listed together with the date and a brief explanation of what the expenditure was for and the amount and the reconciliation of the balance at the beginning of the month and at the end of the month. All expenditures, advances, refunds or purchases of any kind should be listed in detail briefly, as shown above.

(C) BLUE SLIPS. -- In the future all Blue Slips reclaiming amounts for confidential expenditures which have been previously authorized by the Bureau must set forth the date of the Bureau letter under which such authority was granted.

3-29-44

BUREAU BULLETIN NO. 21

Series 1944



Federal Bureau of Investigation
United States Department of Justice
Washington 25, D. C.



IN REPLY, PLEASE REFER TO
FILE NO. _____

January 12, 1945

NO. 11
SERIES 1945

MEMO FOR MR. HOOVER	ALDEN	HARBO	PARSONS
TOLSON	BAUGHMAN	HENDON	PENNINGTON
TAMM, E. A.	CALLAN	HINCE	PFERMAN
CLEGG	CARLSON	JONES	RENNBERGER
COFFEY	CARSON	LAUGHLIN, R. H.	ROGERS
CONNELLEY	CARTWRIGHT	LONG	SCHLESKEE
GLAVIN	CONRAD	MARTIN	STRICKLAND
LADD	CUNNINGHAM	MCGUIRE	TAMM, Q.
NICHOLS	DOWNING	MOHR	WELCH
ROSEN	EGAN	MULFORD	
TRACY	FITCH	NAUGHTEN	
ACERS	GURNEA	NEASE	

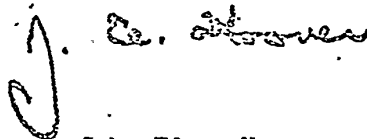
RE: CONFIDENTIAL FUND

The Bureau at this time wishes to again invite your attention to the absolute necessity of maintaining in proper accounting order the confidential fund records of your Division. The Special Agent in Charge should continue to carefully supervise the handling of this fund and the records pertaining thereto so that an audit can be readily made and receipts and disbursements accounted for. Each Special Agent in Charge should abide by the following procedure:

1. Maintain the checkbook on a current, accurate basis, so that it will always reflect the current balance in the fund.
2. The bank statements and cancelled checks should be retained and appropriately filed in a confidential administrative file (66 classification).
3. Copies of blue slips shall not be maintained in the field. The monthly report, properly prepared, will serve as an adequate record of the transactions in the fund.
4. The monthly bank statement should be reconciled with the account record in the checkbook.

5. Receipts and disbursements pertaining to the fund are to be cleared through the fund bank account.

Very truly yours,



John Edgar Hoover
Director

2-20-45

SAC LETTER NO. 22

Series 1945

(F) CONFIDENTIAL EXPENDITURES -- With reference to confidential expenditures, as you have been advised in the past, it is absolutely essential that such expenditures be held to an absolute minimum. The Bureau will not approve any confidential expenditure made by any Special Agent of the Bureau unless such an expenditure was made for the purpose of securing information relating to matters under the investigative jurisdiction of the Bureau, it not being possible to secure such information in any other manner.

In making such expenditures, all Special Agents must bear in mind that repayment can be made only in the event the certification can be made that the payment for such confidential information was made in the interest of the Government Service, and that the amount paid represented expenditures incurred in making confidential investigations of alleged plots or conspiracies against the United States Government or for the purpose of securing confidential information pertaining to violations of the Federal Statutes which could not otherwise have been secured. The information contained on the confidential item submitted by the Agent in question should be such that it will be readily ascertainable at the Bureau that such expenditure was essential and necessary.

C O P Y

PERSONAL ATTENTION
SAC LETTER (no number)
February 17, 1948

RE: CONFIDENTIAL FUND

It is desired that effective immediately arrangements be made with the banks handling your confidential fund whereby the Assistant Special Agent in Charge can write checks against the fund in the bank.

It is felt that this is necessary in order that should the Special Agent in Charge be away from the headquarters city, no delay will be experienced in making payments from the confidential fund.

Very truly yours,

John Edgar Hoover
Director



United States Department of Justice
Federal Bureau of Investigation
Washington 25, D. C.

IN REPLY, PLEASE REFER TO

FILE No. _____

March 23, 1949

MEMO FOR MR. HOOVER	CALLAHAN	HINCE	NANNA
TOLSON	CALLAN	JONES, M. A.	NAUCHTEN
CLEGG	CARLSON	KEAY	NEASE
CONNELLEY	CARTWRIGHT	LAUGHLIN	PARSONS
GLAVIN	CONRAD	LEONARD	PENNINGTON
HARBO	DOWNING	LONG	RENNEBERGER
LADD	EDWARDS, H. L.	McCABE, E. J.	ROGERS
NICHOLS	EGAN	McCABE, N. H.	SIZOO
ROSEN	FEENEY	McGUIRE	TAMM, Q. :
TRACY	FLETCHER, H. B.	McINTIRE	WAIKART
BAUMGARDNER	GURNEA	MOBLEY	WALL
BOSWELL		MOHR	WHITSON
			<u>AND SUPERVISORS</u>

RE: AUTHORIZING EXPENDITURES
FROM CONFIDENTIAL FUND

It has been noted that various officials and supervisors are granting authority to the field offices to make expenditures from the field office confidential fund. When Bureau authority has been granted for an expenditure of this nature, the field office is required to give such authorization on the confidential item submitted to reclaim the expenditure.

Numerous vouchers are being received by the Bureau wherein a reclaim is made for authorized expenditures. In checking the voucher against the file maintained in the Administrative Division, it is noted that in many instances there will be no record of the expenditure having been authorized.

In the future when authorization is granted for expenditures of this nature, the Administrative Division must be advised. If the field office is granted authority by letter, a copy of the letter must be made for the Chief Clerk's Office, Room 5517. If authority is granted telephonically, it will be necessary that the official or supervisor granting the authority notify the Administrative Division by memorandum, giving the name of the person to whom payment is authorized and the field office involved.

The above instructions are to be placed into effect immediately in order to preclude the delay which is now being experienced in determining whether the expenditures claimed by the various offices were properly authorized.

Very truly yours,

John Edgar Hoover

Director

DATED APRIL 4, 1950

PERSONAL ATTENTION
STRICTLY CONFIDENTIAL

SAC LETTER NO. 23
Series 1950

(A) INFORMANTS - CONFIDENTIAL FUND -- A monthly statement is presently prepared by you for the Bureau reflecting a summary of the receipts and disbursements from the confidential fund in your office.

It is desired that in the future the following information concerning live informants be added at the end of the monthly Statement of Receipts and Disbursements from the confidential fund in your office: (1) Total payments to criminal informants during month; (2) Total payments to national defense informants during month; (3) Total payments to atomic energy informants during month; (4) Total payments to all types of informants during month.

In the event you do not have a confidential fund in your office the requested information should be furnished to the Bureau by separate communication, captioned as above, no later than the 20th of the following month.

March 27, 1951

NO NUMBER
SAC LETTER

RE: ACTIVITIES OF THE
CONFIDENTIAL FUND

The Bureau is desirous at the present time of bringing to your attention the absolute necessity for the careful handling of expenditures from the Confidential Fund and the submission of monthly reports in connection therewith.

You are aware that under existing Bureau regulations it is absolutely essential that an appropriate statement be submitted at the end of each month reflecting the condition of the Confidential Fund in each field office, including therein its status with respect to the cash balance on hand, plus disbursements which have been made during the current accounting period.

Many of the field offices have in the past failed to submit such monthly statements promptly, as a consequence of which it is becoming increasingly difficult to properly audit the Bureau's records in connection therewith. As set out in SAC Letter No. 23, dated April 4, 1950, all Confidential Fund reports should be received at the Bureau no later than the 20th of the following month.

For your guidance in the preparation of future monthly reports concerning Confidential Fund expenditures, there is enclosed a sample form which outlines briefly the proper method of preparing the report. In addition, there is enclosed a sample form which outlines the method which should be used to summarize the payments to informants and confidential sources. In this regard your attention is directed to Section (A), SAC Letter No. 23, dated April 4, 1950, which is revised in that the Atomic Energy informants should be deleted from the report. The summary should now reflect payments to Criminal and National Defense Confidential Sources.

No Number - 1951

It has been noted that in a great number of instances Special Agents have not been submitting receipts to justify the expenditures for which reimbursements are being claimed through blue slips. The Bureau is aware of the fact that receipts cannot be secured in each and every instance, due to exigencies peculiar to certain types of activities, nevertheless, receipts should be obtained wherever possible.

In connection with the preparation of the blue slips it has been noted that some are being prepared too much in detail. In those instances where the payment is made to an authorized regular paid informant, the following information is sufficient to support the claim:

1. Amount of payment
2. Name and symbol number of informant
3. Case
4. Date of authorization letter or teletype
5. Period of payment

A sample form reflecting the proper method for preparing a blue slip is attached.

The Bureau has also noted in many instances that Agents, when reclaiming suspended blue slips, are reflecting in the voucher that the item was suspended from a previous voucher. It is pointed out that no reference should be made to the previous voucher nor should the Agent state that the item was suspended unless he forwards the original Statement of Difference with the voucher.

Your attention is directed to the fact that the Bureau has only a limited amount of funds available to operate the Confidential Funds of the field divisions, therefore, you should make every effort to operate on your present fund. It is pointed out that a more frequent submission of Confidential Fund vouchers will help to maintain a higher balance in the fund.

In the future when an office desires to establish a Confidential Fund, it will be necessary that the office furnish the Bureau full and complete justification.

It is desired that you give the matters outlined herein your immediate personal attention and supervision.

Very truly yours,

John Edgar Hoover

Director

Attachments

3-27-51
NO. NUMBER
SAC LETTER

APRIL 30, 1950

Total amount to be accounted for

\$2,500.00

Balance on hand April 1, 1950

\$1,200.00

DETAILS

<u>Check No.</u>	<u>Dated</u>	<u>Description</u>	
1	4-1-50	Salary to confidential informant____ from March 25 to March 31, 1943, incl.	45.00
2	4-12-50	Expenses for confidential informant____ for month of March	38.20
3	4-13-50	Payment of rent, 1596 Broadway, April 1st to 30th, incl., File #100-3535	60.00
	4-23-50	Expense check received from Bureau deposited	1,300.00
4	4-24-50	Payment New York Telephone Company bill dated 3-21-43, address 1776 Lexington Avenue	16.55
5	4-26-50	Advance to confidential informant N-29. This amount to be returned to Bureau <i>or</i> <i>not there is required to be returned to funds.</i>	250.00
	4-27-50	Refund by the New York Telephone Company, 1776 Lexington Avenue	5.83
6	4-28-50	Payment to the Hub Furniture Company for furniture for use in confidential plant at 1776 Lexington Avenue. Detailed receipt attached	155.00
7	4-30-50	Payment of rental of furniture for one month, 2845 Lexington Avenue, File #65-99	50.00
			<u>\$2,505.83</u>
		Balance on hand April 30, 1950	<u>\$ 614.75</u> <u>1,891.08</u> <u>\$2,505.83</u>

In other words, the check number of each disbursement should be listed together with the date and a brief explanation of what the expenditure was for and the amount and the reconciliation of the balance at the beginning of the month and at the end of the month. All expenditures, advances, refunds or purchases of any kind should be listed in detail briefly, as shown above.

SUMMARY OF PAYMENTS TO INFORMANTS
AND CONFIDENTIAL SOURCES

Confidential Informants:

Criminal \$ 100.00

National Defense..... 75.00

Total Payments to Informants \$ 175.00

Confidential Sources:

Criminal \$ 500.00

National Defense ... 10.00

Total Payments to Sources \$ 510.00

Grand Total \$ 685.00

EXPLANATION OF CHARGE FOR INFORMATION

(Name of Office) (Date)

Place and date of this certificate

ITEM NO. 1

I hereby certify that the sum of \$ (Amount of Payment) was actually
 and necessarily paid by me on (Date of Payment), 195 , to
 (Name of Informant) (Symbol Number) for the pur-
 pose of securing information needed for official use in connection with the case of
 (Name of Case)

and that the payment was made under the circumstances and for the purposes ex-
 plained below.

BUREAU AUTHORITY: (SHOW DATE OF AUTHORIZATION)

PERIOD OF PAYMENT:

RECEIPT ATTACHED:

Approved:

Signed

Title

Director

Approved

Special Agent in Charge
Assistant Director

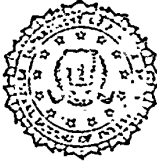
(A) CONFIDENTIAL FUND -- It has been noted in one instance that a clerical employee has been delegated authority to sign checks for withdrawals from the Confidential Fund.

You are advised that under no circumstances should this authority be vested in anyone other than the Special Agent in Charge or Assistant Special Agent in Charge.

10/17/51

SAC Letter No. 104

Series 1951



PERSONAL AND CONFIDENTIAL

NO. 100-100000 SAC LETTER 53-C
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

February 25, 1953 WASHINGTON 25, D. C.

MEMO FOR MR. HOOVER	CALLAHAN	JONES, M. A.	SCATTERDAY
TOLSON	CALLAN	KEAY	SIZOO
LADD	CLAYTON	LAUGHLIN	STANLEY
NICHOLS	CLEVELAND	LEONARD	STEIN
BELMONT	CONRAD	MALLEY	STRONG
CLEGG	CROSBY	MASON, E. D.	TAMM, Q.
CONNELLEY	DeLOACH	McGUIRE	TROTTER
GLAVIN	DONELAN, C. A.	MOHR	VAN PELT
HARBO	DOWNING	NEWBY, R. A.	VECHERY
ROSEN	EAMES	PARSONS	WALKART
TRACY	EDWARDS, H. L.	PENNINGTON	WHERRY
BAUMGARDNER.	GEARTY, G.	PRICE	WICK
BOWLES	HENNRICH	RENNEBERGER	WILLIAMS
BRANIGAN	HOOD	ROGERS	WINTERCROWD
BROWN, B. C.	HOLLOMAN	RUMANS, L. H.	<u>AND SUPERVISORS</u>

RE: CONFIDENTIAL EXPENDITURES

In reviewing the confidential blue slip vouchers that are being forwarded to the Bureau for reimbursement, it is noted that considerable increases in such expenditures are being made in the divisional service at the present time. It is entirely understandable why such increases are reflected in the vouchers in question since every possible effort is being made by the field to increase its informant coverage.

The Bureau wishes to point out to you, however, that it is your personal responsibility to see that such expenditures are totally justified in every instance where made. You should insure yourself that the Bureau is receiving full value for the funds expended by it. It is felt that, if this matter is given your continuous careful and personal attention, no expenditures will be made which can in any way be criticized by any persons at any future date.

Very truly yours,

John Edgar Hoover

Director

(C) CONFIDENTIAL FUND VOUCHERS -- It has been noted in a number of instances that the receipts which support the Blue Slips submitted by the Special Agent in Charge reflect the name of a Special Agent as the person making the payment.

Effective immediately, you are instructed that in any instance where the receipt reflects payment made by a Special Agent, the Special Agent should also execute a receipt reflecting that he received the money from the Special Agent in Charge for the purpose of payment to the informant and both receipts should be attached to the Blue Slip.

This in no way alters previous instructions to the effect that payments made by the Special Agent from his personal funds must be vouchered by him as a confidential item on his regular expense voucher.

8/4/53

SAC LETTER NO. 53-53

(E) CONFIDENTIAL FUND VOUCHERS - FBI FORM BOOK -- Reference is made to SAC Letter 53-53(C), dated August 4, 1953. The attached form, FD-221, has been approved for use by Special Agents at the time money is received by them from an SAC for payment to an informant.

*From
Book t.a.*

9/1/53
SAC LETTER NO. 53-61

- 11 -

7. Confidential Vouchers

(a) It has been noted that a number of vouchers containing blue slips have been received at the Bureau intermingled with other mail. You are instructed that under no circumstances should confidential vouchers be intermingled with other mail. They should be addressed to "W. R. Glavin, Assistant Director, Federal Bureau of Investigation, Washington 25, D. C., Attention: Voucher Unit," and transmitted via registered mail with a return receipt requested.

Very truly yours,

John Edgar Hoover

Director

10/12/53

BUREAU BULLETIN NO. 53-25

- 5 -

DATE _____

Received from Special Agent in Charge, FBI, _____

_____ dollars, and _____ cents,

(\$ _____), which money was actually paid by me on _____

to _____

for information concerning the case entitled _____

Signed: _____
Special Agent

(E) CONFIDENTIAL FUND VOUCHERS - FBI FORM BOOK -- Reference is made to SAC Letter 53-53(C), dated August 4, 1953. The attached form, FD-221, has been approved for use by Special Agents at the time money is received by them from an SAC for payment to an informant.

Each field office should order an appropriate supply of FD-221. A copy of the form should be added to the FBI Form Book.

*Sample of form
attached for field use*

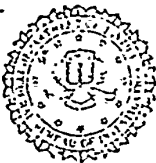
(D) ACCOUNTING PROCEDURES - CONFIDENTIAL FUND -- You are advised ^{later} that the Bureau is contemplating establishing a uniform accounting procedure to be followed by all offices maintaining a Confidential Fund. In order that a thorough study may be made in this connection, it is requested that you furnish to the Bureau, no later than February 23, 1954, a detailed outline of the present accounting procedure followed by your office in connection with the maintenance of the Confidential Fund. This outline should cover all phases of the operation of the fund, including the following:

- As
me*
1. Accounting procedure used in connection with the checking account and any records maintained in connection therewith.
 2. Procedure followed in requesting the money from the fund for a payment to an informant.
 3. Any documents retained in your office as receipts of payment and records of payment.
 4. Procedure followed in preparing monthly report and Confidential Fund vouchers.

In addition to the above, you are requested to furnish any suggestions for improvement of the present procedure followed by your office in connection with the Confidential Fund.

2/9/54
SAC LETTER NO. 54-8

- 5 -



In Reply, Please Refer to
File No.

PERSONAL AND CONFIDENTIAL
NO NUMBER
SAC LETTER NO. 54-G
UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

June 9, 1954

WASHINGTON 25, D.C.

RE: CONFIDENTIAL FUND
ACCOUNTING PROCEDURES -
FBI FORM BOOK

After reviewing the reports of the accounting procedures presently being followed by the various field divisions which were forwarded to the Bureau in response to SAC Letter 54-8, Paragraph D, and from a review of the suggestions submitted along with these reports, it has been determined that a uniform procedure for handling the operations of the Confidential Funds maintained by the various field divisions should be established.

Effective July 1, 1954, the following accounting procedures shall be placed into effect for each office maintaining a Confidential Fund:

1. A ledger page similar to Exhibit Number One shall be used to reflect any transactions that would affect the amount of the fund authorized for the field division. Transactions that would affect this fund are:

- a. Temporary or permanent increases in the fund.
- b. Refunds of all or part of payments made to an informant for which the office has been reimbursed by the Bureau.
- c. Refunds to the Bureau of temporary increases and refunds received from the informants in cases similar to "b" above.

This ledger page should also reflect a running balance of the total amount to be accounted for by the field division. This is the amount that should be reflected on the monthly report of expenditures from the Confidential Fund as the total amount to be accounted for.

2. A cash receipts and disbursements page shall be utilized to reflect all cash transactions which affect the total fund. This ledger shall be in accordance with the attached sample (Exhibit Number Two), which reflects examples of various transactions which will affect the Fund. This ledger should be retained indefinitely and should be used as the basis for the preparation of the

monthly report. All columns should be ruled off at the end of the calendar month and the cash balance brought forward. Column Number One should reflect all cash receipts and disbursements. The debit side of Column Number Two (2a) should reflect all expenditures from the Fund except any refunds made to the Bureau. All payments made to criminal informants and sources should be reflected in the column captioned "Criminal;" all payments to security informants or sources should be reflected in the column captioned "Security;" and all payments of the miscellaneous nature not covered by either of the afore-mentioned categories, such as payments to telephone companies, taverns, restaurants, post office box rental, etc., should be reflected in the column captioned "Miscellaneous." The credit side of Column Number Two (2b) should reflect all refunds from payments previously made regardless of whether the previous payment was of a criminal, security or miscellaneous nature. Column Number Three should reflect all transactions with the Bureau; checks in payment of vouchers and temporary or permanent increases should be reflected in the "Receipts" column; whereas any refund from an informant, source or of a miscellaneous nature which must be returned to the Bureau because the payment has already been vouchered, should be reflected in the "Refunds" column. Likewise, any temporary increase returned to the Bureau should be recorded here. (Note entries, Exhibit Number Two.)

In view of the foregoing, you will note that for every entry in the Cash Disbursements column, there should be a corresponding entry in one of the debit columns, i.e., in either the Criminal, Security or Miscellaneous columns, or in the Refunds to Bureau column. Likewise, for every entry in the Cash Receipts column, there should be a corresponding entry in one of the credit columns, i.e., in either the Refunds of Payments column or in the Receipts from Bureau column.

— It is to be further noted that the totals of Column Number 2a will be of assistance in the preparation of the "Summary of Payments to Informants" in connection with the monthly report. The amount of cash on hand can always be determined by subtracting the total of the credit side of Column One from the total of the debit side of this column.

3. An individual ledger page should be set up for each paid informant and for each paid confidential sources. This section of the ledger should be divided into three parts; namely, Criminal, Security and Miscellaneous.

The Criminal section of the ledger should contain a separate page for each paid criminal informant and each paid criminal confidential source. The Security section should reflect

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NO NUMBER
SAC LETTER 54-G

- 2 -

a separate page for each paid security informant and each paid confidential source. Under the Miscellaneous section, pages should be set up for rental of space for plants or surveillances, regular monthly telephone bills that are paid from the Confidential Fund and any other such payments that would be made on a regular basis. Occasional payments, such as payments to taverns, restaurants, rental of safe deposit boxes, etc., may be included on a single page as the expenditures come up. A sample of an informant page is attached (Exhibit Number Three). It is to be noted that this page reflects the following information:

- a. the date of authorization
- b. the authorization
- c. period covered by payment
- d. date of payment.
- e. amount of payment

In connection with the date of authorization, you are instructed that this date should be the date of the Bureau's letter to the field division in cases where authorization is made by Bureau letter and the date of the incoming letter when authorization is made by stamping "approved" on a tickler copy of a letter received from the field division requesting authority.

Before making any disbursements from the Confidential Fund to an informant, the authorization should be checked to be sure that there is not a duplicate payment being made and that the period covered by the payment is in agreement with the existing authorization. These authorizations should be posted in the ledger at the time they are received from the Bureau. In connection with SAC authorized payments, a notation to the effect that payment is being made under authority of the SAC will be sufficient.

After July 1, 1954, the present serial in the informant's file (FD-228) reflecting payments made to the informant up to that date should be maintained in the exhibit envelope. On July 1, 1954, form FD-228 should be removed from your form book and your supply destroyed.

4. After a careful review of the many suggestions received in response to SAC Letter Number 54-8, a form (FD-235) for requesting funds from the Confidential Fund has been designed, a copy of which is attached. You may print a supply of this form for use in your office. FD-235 is to replace any similar form that may have been approved for your office. A copy of FD-235 is to be placed in the FBI Form Book. This form should be prepared in duplicate by the Agent requesting the funds, and after approval by the Agent Supervisor, the form should be forwarded to the SAC for his approval.

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SAC LETTER NO. 54-G

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before any disbursement is made from the Confidential Fund. After approval of the form by the SAC and after the employee handling the disbursements from the fund has carefully verified that the payment is in accordance with existing authority, one copy of the form should be forwarded to the informant's file and the second copy retained in an accounts receivable file which should be divided into two sections; namely, an unvouchered file and a vouchered file. These forms can be used by the employee responsible for disbursements from the fund as the basis for preparing blue slips for submission to the Bureau. Of course, these blue slips should not be prepared until such time as the receipt from the informant is obtained from the Agent making the payment, and in those cases where necessary, that FD-221 has been executed by the Agent making the payment. At the time the voucher is prepared, those forms pertaining to the voucher that is being submitted should be attached to the tickler copy of that voucher after it has been prepared and retained in the accounts receivable file until reimbursement is made by the Bureau. At the time reimbursement is received, the voucher should be removed together with the attachments and a notation made on the voucher of the date reimbursement was received from the Bureau. The Request for Funds forms attached to the voucher may then be destroyed. In the event an item has been suspended from the voucher and returned to the field office, it would be necessary to remove the Request for Funds form from the voucher on which the blue slip was requested and returned to the unvouchered file until such time as it is resubmitted or it is determined it will not be resubmitted.

5. Monthly Report. As you are aware, the monthly report of expenditures from the Confidential Fund is presently prepared and submitted to the Bureau by the twentieth of the month following the period during which the expenditures were made. These reports should continue to be submitted at this time; however, changes in the present form for this report have been suggested and after a review of the various suggestions received, it is felt that the reports should be prepared in accordance with the attached example (Exhibit Number Five). The monthly report submitted to the Bureau should be prepared under the direct supervision of the Special Agent in Charge, Assistant Special Agent in Charge or a regularly designated Field Supervisor. The fund should be audited once each six months, on June 30 and December 31. This audit shall be personally performed by a Special Agent Accountant. The report of this audit shall be forwarded to the Bureau by the twentieth day of July and the twentieth day of January. In those instances where the Confidential Fund is audited by an Inspector from the Training and Inspection Division during a regular inspection, the next regular six months' audit shall be omitted by the Special Agent Accountant of the Field Division.

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With regard to the summary of expenditures section of the Confidential Report, it is desired to illustrate the following points:

a. All transactions during the calendar month should be shown.

b. All items should be listed in order by date and by check number.

c. The explanation should reflect the name and symbol number of the informant as well as the period covered by the payment and in case of miscellaneous expenditures, a brief statement to describe the expenditure.

d. Any transaction that affects the total amount of the fund to be accounted for must be fully explained in a cover memorandum. An example of such a transaction would be a refund received from an informant for payment which had already been reimbursed by the Bureau. Any such refund, if not already forwarded to the Bureau, should be transmitted with the report.

In connection with the summary of payments to informants, you are advised that all miscellaneous payments must be listed separately from payments made to informants or sources of information. This breakdown should include such payments as post office box rental, telephone service, rental of space for plants, bank charges, restaurants or taverns on surveillances, meals for prisoners, etc. In other words, all payments not made to informants or to sources for information furnished for services rendered or expenses incurred by them should be included under miscellaneous expenditures.

6. Preparation of Blue Slips. As was pointed out heretofore, the blue slip should be prepared from the Request for Funds form with the exception that the date of actual payment to the informant should be shown on the blue slip. This date should be obtained either from the Agent making the payment or the receipt obtained from the informant. A blue slip should be prepared at such time as all receipts necessary to support the item have been received from the Agent making the payment.

All blue slips should be as brief as possible, but should contain sufficient information to allow the Bureau to make a proper review of the expenditures. Samples are attached reflecting payments made to informants under Bureau authority

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SAC LETTER NO. 54-G

- 5 -

(Exhibit Number Six), SAC authority (Exhibit Number Seven), and miscellaneous expenditures (Exhibit Number Eight). These samples are general but should be used as a guide for preparing all blue slips. In addition to the attached samples, it is desired that the following be kept in mind in connection with the preparation of blue slips:

a. One blue slip should be used for each payment. It is not desired to have numerous payments listed on a single blue slip in view of the possibility of error which would result in the necessity of suspending the entire blue slip; whereas if only one payment were listed on the blue slip, it would be possible to return only the one item and the remaining items could be processed for payment.

b. The authority must be clearly reflected on the blue slip. When authority is based on the letter from the Bureau, actual date of the Bureau letter shall be used as the date of the authorization. Then the field office, by letter, requests authorization and receives notice that authorization has been granted in the form of a copy of the field office letter returned by the Bureau with the Bureau approval stamped thereon, the date of the authorization in this instance shall be the actual date of the field office letter to the Bureau requesting the authorization.

c. The actual period of time covered by the payment to the informant must be reflected in the body of the blue slip. For example, see "Period" reflected in body of Exhibit Number Six. It is also essential that the period covered be carefully compared with the Bureau authorization to prevent exceeding the Bureau authorization, both by time and amount. Receipts should be obtained whenever possible. In instances where they are not obtained either because of the refusal of the informant to execute one or when it is not advisable to obtain one, the appropriate notation should be reflected on the blue slip.

d. FD-221 which is a receipt signed by the Agent reflecting receipt of money from the SAC is only to be used when the receipt signed by the informant reflects that payment was made by the Agent.

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NO NUMBER

SAC LETTER NO. 54-G

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e. In all instances where the receipt signed by the informant reflects payment was made to him by the Special Agent in Charge, reimbursement must be claimed on a voucher of the Special Agent in Charge. If the receipt reflects payment was made to the informant by the Assistant Special Agent in Charge, then reimbursement must be claimed on a voucher of the Assistant Special Agent in Charge. In instances where the receipt reflects that payment was made to the informant by someone other than the Special Agent in Charge or Assistant Special Agent in Charge or where there is no payor designated, the blue slip may be submitted for payment on the voucher of either the Special Agent in Charge or the Assistant Special Agent in Charge. When the receipt reflects that payment was made by a person other than the one claiming reimbursement, Form FD-221 must be executed and attached to the blue slip. It is advisable to have the informant's receipts executed in the name of the employee actually making payment or in blank in order that the Special Agent in Charge or the Assistant Special Agent in Charge may claim reimbursement.

f. The Blue slip should not reflect the number of the check issued and no reference should be made on the blue slip to the informant's field file number.

g. All blue slips submitted on the monthly expense vouchers of Special Agents must bear the approval of the Special Agent in Charge; however, the Special Agent in Charge may delegate authority to the Assistant Special Agent in Charge or an approved field office supervisor to sign his name as approving official followed by the initials of the Assistant Special Agent in Charge or the supervisor.

h. Receipts obtained by personnel which reflect payments to informants and sources should reflect the ACTUAL DATE payment is made to the informant or source. The receipt should in no instance reflect any other date. The Receipt should also show the EXACT AMOUNT paid to the informant or source, and every Special Agent submitting receipts should thoroughly understand this procedure.

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SAC LETTER NO. 54-G

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1. All vouchers containing blue slips must be forwarded to the Bureau addressed to Assistant Director, Administrative Division, Attention: Voucher Unit. They must be sent via registered mail, return receipt requested and cannot be intermingled with other mail. Confidential Fund monthly reports should also be submitted in this manner to the Bureau.

7. Miscellaneous. It is desired to bring the following miscellaneous items to your attention:

a. When submitting blue slips covering payments to informants from another field division, the informant should be identified on the blue slip by indicating his name, symbol number and field division.

b. The words Confidential Fund should never be mentioned on a blue slip. When claiming for bank charges, the blue slip should reflect payment to an official of the bank by name for services rendered.

c. Payments under the authorization of the SAC are limited to \$200.00 to criminal informants and sources; and to \$100.00 to security informants and sources. This maximum is considered as all payments made to an individual regardless of the length of time between payments. Once an informant has been paid under Bureau authority, payments cannot be made under the authority of the SAC even in instances where the informant has been discontinued as a regularly paid informant.

d. The ledger page that is used in Exhibits One, Two and Three is size 9 1/4 X 11 7/8 inches; and for Exhibits Number One and Three, four-column paper is used, and eight-column paper for Exhibit Number Two. The type of binder that should be used for this paper is described as follows: Trussell Sectional Post Binder; Stock #E4007; sheet size, 9 1/4 X 11 7/8 inches; post diameter, 5/16 inches; center to center, 7 1/8 inches. This ledger paper and binder should be purchased locally from the Imprest Fund, and in those instances where the offices do not have an Imprest Fund, by emergency purchase.

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SAC LETTER NO. 54-G

- 8 -

e. The retention period for the attached exhibits shall be as follows: Exhibit Number One to be retained as long as the office maintains a Confidential Fund and five years thereafter; Exhibit Number Two to be retained for a period of five years; Exhibit Number Three to be retained as long as the informant is active and to be destroyed five years after the date informant is discontinued; Exhibit Number Four to be maintained in the informant's file and the copy to be destroyed upon receipt of reimbursement from the Bureau; the original of Exhibit Number Five is to be maintained at the Bureau indefinitely and the copy to be retained in the Field Office for a period of three years; no copies of Exhibits Number Six, Seven and Eight are to be retained in the Field Office, the original to be retained at the Bureau for a period of five years and microfilmed, after which originals will be destroyed and the microfilm retained indefinitely.

In the event an informant is transferred from one Field Office to another, the ledger page should be transmitted to the new Field Office.

The foregoing instructions have been set forth for the handling of the Confidential Fund in your office. These instructions have been prepared for all field divisions and no deviations will be permitted without prior Bureau authority. This letter should be carefully reviewed by those responsible for handling the operations of the fund in your office.

Very truly yours,

John Edgar Hoover

Director

Attachments

6/9/54
NO NUMBER
SAC LETTER NO. 54-G

- 9 -

DATE		DEBITS	CREDITS	AMOUNT TO BE ACCOUNTED FOR	
1954					
Jan	1 Current authorized amount	1,000 -			1
Mar	15 Temporary increase received from Bureau	500 -		1,500 -	2
June	29 Refund of payment to J. Jones, P.C.I., for which reimbursement has been received from Bureau	20 -		1,520 -	3
	29 Return to Bureau refund from J. Jones, P.C.I. ch. 17		20 -	1,500 -	4
					5
					6
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	DATE	EXPLANATION	# CK	CASH DISBURSEMENTS		PAYMENTS		REFUNDS OF		BUREAU	
				RECEIPTS	MENTS	CRIMINAL SECURITY	MISC	PAYMENTS	REFUNDS	RECEIPTS	
1	1954										1
2	June 1	Balance Forward		20 -							2
3	1	S & E, John Jones, WF 121-5, 5/1-31/54	11		95 -	95 -					3
4	5	Bell Tel. Co., Lab., Ky., May	12		6 75		6 75				4
5	9	Bank service charge for May			1 25		1 25				5
6	10	Deposit checks from Bureau		20 -						20 -	6
7	15	Sal. J. Smith, PCI, 4/1-15/54	13		100 -	100 -					7
8	15	Deposit exp. ch from Bureau		150 -						150 -	8
9	20	S & E, John Doe, PSI, 4/1-15/54	14		72 -	72 -					9
10	20	Deposit exp. ch from Bureau		240 -						240 -	10
11	25	May rent, office furn, Plant. (65-99) 15			45 -		45 -				11
12	25	Refund of payable to J. Smith (ch 13)						75 -			12
13		rel' not vouchered -- fund not affected		75 -							13
14	29	Sal. J. Drake, WF-12-3, 4/1-15/54	16		155 -	155 -					14
15	29	Refund from John Jones, payable made 5/18/54 (ch 12) - Done									15
16		vouchered -- fund increased		20 -				20 -			16
17	29	Return to Bureau of Jones refund			20 -				20 -		17
18				525 -	495 -	195 -	527 -	53 -	95 -	20 -	18
19											19
20	July 1	Balance Forward		30 -							20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28

DATE OF		AUTHORIZATIONS	PERIOD COVERED		PAYMENT		
AUTH			FROM	TO	DATE	AMOUNT	
1	1954						
2	Mar 31	Auth to pay \$90.00 per month plus expenses	S 4/1	30/54	5-2-54	90 -	1
3		to \$5.00 per month for 6 months effective 4-1-54	S 90.00				
4			E 5.00	5/1 - 51/54	6-1-54	95 -	2
5							
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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : SAC

DATE:

FROM : SA

SUBJECT: Request for Funds for
Payment to Informant.

The sum of \$ _____ is requested to be paid by
me on _____, 195 , to _____
(Informant's name and symbol)
_____ for the purpose of securing information needed for official
use in connection with the case of _____

The reason for the payment is as follows: _____

Authority (Date) _____

Period Covered by Payment _____

Authorization Checked _____

Check Number _____

Receipts Received _____

Voucher Prepared _____ Item _____

Approved:

SAC

NW 89804 DocId:32989707 Page 138

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: July 10, 1954

FROM : SAC,

SUBJECT: Monthly Report of Expenditures
Confidential Fund
Period Covered - June, 1954

Bank Balance per Check Book 5/31/54 \$ 20.00

Deposits:

6/10/54 Expense Check	\$ 20.00	
6/15/54 " "	150.00	
6/20/54 " "	240.00	
6/25/54 Refund from PCI, James Smith	75.00	
6/29/54 Refund from WF-121-C	20.00	505.00

Total Funds Available \$ 525.00

Withdrawals: Per attached itemization 495.00

Bank Balance per Check Book 6/30/54 \$ 30.00

Outstanding Payments and Vouchers:

Unpaid Voucher (Period June 20-25, 1954)	\$200.00	
" " (Period June 29-30, 1954)	720.00	
Payment not vouchered	50.00	970.00

Total Fund to be Accounted for \$1000.00

Attachment

(EXHIBIT NUMBER FIVE)

SUMMARY OF EXPENDITURES:

<u>Date</u>	<u>Check No.</u>	<u>Description</u>	<u>Deposit</u>	<u>Withdrawals</u>
6/1/54	11	Salary & Expense for John Jones, WF-121-C, 5/1/54		\$ 95.00
6/5/54	12	Bell Tel. Co., Lexington, Bill dated 5/31/54		6.75
6/9/54	--	Bank Service Charge for May		1.25
6/10/54	--	Deposit Expense Check from Bureau	\$ 20.00	
6/15/54	13	Salary for James Smith, PCI, 6/1-15/54		100.00
6/15/54	--	Deposit check rec'd from Bureau	150.00	
6/20/54	14	Services & Expense, John Doe, PSI, 6/1-15/54		72.00
6/20/54	--	Deposit check rec'd from Bureau	240.00	
6/25-54	15	Rent office furniture for plant, File 65-99, May rent		45.00
6/25/54	--	Refund from James Smith, PCI. Payment made 6/15/54 by Ck. #13; not yet vouchered; fund not affected	75.00	
6/29/54	16	Salary, J. Doaks, WF-12-S, for 6/1-15/54		155.00
6/29/54	--	Refund from John Jones, WF-121-C, of payment made 5/20/54, Ck. #8. Item vouchered 5/28/54; fund will be increased.	20.00	
6/29/54	17	Return to Bureau of above refund from John Jones		<u>20.00</u>
		Totals	\$505.00	\$495.00

Summary of payments to informants on attached page.

SUMMARY OF PAYMENTS
TO INFORMANTS AND SOURCES

Criminal:

Informants	\$ 95.00	
Sources	<u>100.00</u>	
Total		\$195.00

Security:

Informants	\$155.00	
Sources	<u>72.00</u>	
Total		<u>227.00</u>

Total Payments to Informants		\$422.00
------------------------------	--	----------

Miscellaneous:

Payments other than informants or sources	\$ 53.00	<u>53.00</u>
Grand Total		\$475.00

EXPLANATION OF CHARGE FOR INFORMATION

Detroit, Mich., 5/20/54

Place and date of this certificate

ITEM NO. 1

I hereby certify that the sum of \$ 00.00 was actually
and necessarily paid by me on May 15, 1954, 195 , to

Date

Dick Richards (DE-00-C)

for the purpose of securing information needed for official use in connection with the case of

Charles Samuel Zoff - Fugitive, UFAP 88-1342

and that the payment was made under the circumstances and for the purposes explained below.

AUTHORITY: DElet 3/21/54 (approved by Bureau 3/29/54)

PERIOD: 4/1-30/54

RECEIPT ATTACHED: YES

Services \$00.00

Expenses 0.00

Total \$00.00

Approved:

Signed _____

Title _____

Director

Approved _____

Special Agent in Charge
Assistant Director

(EXHIBIT NUMBER SIX)

EXPLANATION OF CHARGE FOR INFORMATION

Washington, D.C., 5/20/54

Place and date of this certificate

ITEM NO. 2

I hereby certify that the sum of \$ 000.00 was actually
and necessarily paid by me on May 15, 1954, 195, to
Date

John Doe (WF-000-C)

for the purpose of securing information needed for official use in connection with the case of

RICHARD ROE, JR. - Southwest Bank of Eastburg, MarylandBank Robbery, 4/21/54

and that the payment was made under the circumstances and for the purposes explained below.

Doe provided information of value as to the subject'spresent whereabouts and activities.Payment was authorized by the SACReceipt not obtained as it was deemed inadvisable to obtainone in view of the circumstances under which payment wasmade.

Approved:

Signed _____

Title _____

Director_____
Approved_____
Special Agent in Charge

(EXHIBIT NUMBER SEVEN) Assistant Director

EXPLANATION OF CHARGE FOR INFORMATION

Kansas City, Mo., 5/19/54

Place and date of this certificate

ITEM NO. 3

I hereby certify that the sum of \$ 000.00 was actually
and necessarily paid by me on 5/13/54, 195 , to

Date

Fred's Place

for the purpose of securing information needed for official use in connection with the case of

GEORGE GREEN, was. Fug. IO 22222; Unsubs: Security Bank ofGreensburg, Greensburg, Mo., 4/17/54-RR-B

and that the payment was made under the circumstances and for the purposes explained below.

Necessary expenses incurred in the maintaining surveillancein this tavern in an attempt to obtain information regardingthe subject who reportedly frequented the place. None of theamount claimed was expended for the personal benefit of theparticipating Agent.Authorized by the SACDue to the nature of the surveillance, receipt was notobtained.

Approved:

Signed _____

Title _____

Approved _____

Director_____
Special Agent in Charge
Assistant Director

(EXHIBIT NUMBER EIGHT)



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

*In Reply, Please Refer to
File No.*

June 30, 1954

WASHINGTON 25, D.C.

MEMORANDUM FOR ALL BUREAU OFFICIALS AND SUPERVISORS

(A) CONFIDENTIAL EXPENDITURES -- I want to draw to your attention the absolute importance of making certain that any confidential expenditure authorized by the Bureau complies with existing Manual provisions and that the Bureau receives appropriate value for every dollar expended. Although it is the personal responsibility of each Special Agent in Charge to make certain that full value is received in the field, it is equally the responsibility of Seat of Government employees to be judicious in authorizing expenditures to be made and to practice proper economy.

For your information, Inspectors will, in each field office inspection, review in the neighborhood of one hundred blue slips to determine the propriety of each expenditure and will trace through the files information received and results obtained, following the expenditure and, if necessary, follow it through with appropriate employee interviews with the understanding that in the event an expenditure is encountered which is not proper the employees involved will reimburse the Government.

Very truly yours,

John Edgar Hoover

Director



In Reply, Please Refer to
File No.

PERSONAL AND CONFIDENTIAL
NO NUMBER SAC LETTER 54-I
UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

July 8, 1954

WASHINGTON 25, D.C.

RE: CONFIDENTIAL FUND -
ACCOUNTING PROCEDURES

Reference is made to No Number SAC Letter 54-G which set out accounting procedures to be followed in the operation of the Confidential Fund.

The Bureau is now in receipt of a suggestion which it is felt will eliminate some duplication of work in connection with the establishment of these accounting procedures. The suggestion was based upon the necessity of an employee's determining whether payments to informants on SAC authority are in excess of the \$200.00 amount for criminal informants and the \$100.00 amount for security informants. It was suggested that the informants' files be checked and the amount paid prior to July 1, 1954, be entered on the informants' individual ledger pages. This would apply only to payments made under SAC authority.

It is felt that this suggestion will save considerable time and work in the field, and you are accordingly instructed to put it in effect with the establishment of the new accounting procedure.

Very truly yours,

John Edgar Hoover

Director

SAC Let - 54-I

(I) FBI FORM BOOK - CONFIDENTIAL EXPENDITURES -- FD-235 forms should be deleted from your Form Book and FD-221 should be replaced with the revised FD-221 form. Also, FD-221a should be included.

FD-221 has been revised to be used together with FD-221a which was prepared to replace Form FD-235. These forms may be inserted together in a typewriter, eliminating the necessity of preparing two separate forms. There has been no change made with regard to the use of FD-221. The lower half of FD-221a is similar to FD-235 and may be completed with ink. The date of actual payment to informants on both FD-221 and 221a may be inserted in ink. FD-221 will accompany the blue slip. FD-221a will be retained until the information on the lower half of the form is completed. The form will

SAC LETTER NO. 54-67
11/30/54

- 5 -

then be placed in the appropriate file; in case of payments to informants, the informant file, and in case of miscellaneous payments, the case file.

In addition to the above, it is desired to bring the following items to your attention:

1. There has been a noticeable lack of receipts to support blue slips. Receipts should be obtained in every possible instance.
2. Failure to properly explain lack of receipts has been noticed in numerous instances. If the informant refuses to execute the receipt, a statement to that effect should be included on the blue slip. Where it is not deemed advisable to obtain receipts for security reasons, this should be fully explained on the blue slip. This does not apply to blue slips reclaiming bank charges.
3. All blue slips must show to whom the payment was actually made and the city where the payment was actually made.
4. The receipt signed by the informant should reflect the name of the person actually making payment. Any departure from this should be fully explained on the blue slip.
5. In the future where a symbol number has been assigned to the informant, only the symbol number should be reflected on the FD-221 and FD-221a forms; however, the name of the informant shall be reflected on the blue slip.

The new forms will be printed and placed in stock at the Bureau. As soon as they are available, a supply will be sent to each Field Division.

(B) INSPECTIONS - DELINQUENCIES FOUND DURING -- In line with the Bureau's desire to assist you in improving operations of your office, there are being listed below for your guidance certain delinquencies noted frequently during recent inspections. Should you find similar delinquencies in your office, you should take prompt action to correct them.

15. Checks against Confidential Fund being drawn to "Cash" rather than to individual agents.
16. Agents obtaining and submitting receipts in blank for payments made from Confidential Fund.
17. Inclusion in blue slips date check is issued to agent instead of date payment is made to informant.
18. Incomplete explanation in blue slips of expenditures from the Confidential Fund.

12/14/54

SAC LETTER NO. 54-70



In Reply, Please Refer to
File No.

PERSONAL AND CONFIDENTIAL
SAC LETTER NO. 55-28
UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

April 8, 1955

WASHINGTON 25, D.C.

RE: CONFIDENTIAL EXPENDITURES
GIFTS TO OFFICE CONTACTS, SOURCES
AND INFORMANTS

Gifts to office contacts and sources shall not be re-claimed as blue slip items. Gifts should not be given to informants since such actions might be misconstrued and the relationship between agents and informants shall be maintained on a business-like basis. Expenditures for gifts to informants will not be approved as blue slip items.

Very truly yours,

John Edgar Hoover

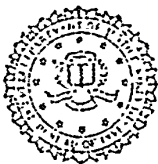
Director

Policy

8/30/55

SAC LETTER NO. 55-56

(3) CONFIDENTIAL FUND --- Paragraph 5 of No Number SAC Letter 54-G, dated June 9, 1954, requires a semiannual audit of the confidential fund maintained in each office. Effective immediately this audit report need not be prepared. In lieu of this report, you are instructed to have an agent, other than the SAC or ASAC and preferably an accountant, certify each monthly report prepared by your office beginning with the report covering activities of the confidential fund for August, 1955.



In Reply, Please Refer to
File No.

PERSONAL AND CONFIDENTIAL
NO NUMB SAC LETTER 55-P
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

September 16, 1955

WASHINGTON 25, D.C.

RE: CONFIDENTIAL VOUCHERS -
TRANSMISSION OF TO BUREAU

No Number SAC Letter 54-G dated 6/9/54 instructed that all vouchers containing blue slips must be sent to the Bureau addressed to "Assistant Director, Administrative Division, Attention Voucher Unit," and must be registered with return receipt requested. Such vouchers were not to be mingled with other mail being transmitted to the Bureau. It is desired that "Federal Bureau of Investigation" be added to the address on the inner envelope containing the blue slips, in order that the address may be complete in the event this envelope should become separated from the outer envelope in which it is being transmitted to the Bureau. You are again reminded that confidential blue slips are not to be transmitted to the Bureau in an envelope containing any other mail. There must be no exceptions.

Very truly yours,

John Edgar Hoover

Director



In Reply, Please Refer to
File No.

PERSON
NO NUMBER SAC LETTER 58-B
UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

January 9, 1958

WASHINGTON 25, D. C.

RE: FIELD CONFIDENTIAL FUND RECORDS

Effective January 1, 1958, cancelled checks, bank statements, check stubs, and bank passbooks pertaining to field division confidential funds shall be retained for a period of one year and destroyed on a monthly basis after they have become one year old.

Very truly yours,

John Edgar Hoover

Director

BLUE SLIPS

In the preparation of future blue slips, the following instructions should be adhered to:

The blue slips should show the correct name of the individual being paid. Any difference between this and the name used by the informant in signing a receipt for payment must be explained on the blue slip. When a name other than the individual's full correct name is used in initial development as an informant, his full correct name should be used on the blue slip as soon as it is known, together with references to the previous names used in contacts and payments by your office.

The above procedure is necessary to enable the Bureau to properly control payments and to make sure that all payments to one individual are consolidated. It has been noted in some instances that blue slips are submitted showing the full name and on subsequent payments they are submitted showing the individual's middle name as a last name. This is especially true in connection with Spanish names. This practice leads to the possibility of carrying a separate account of payments under each name.

Make sure that the necessary employees of your office are aware of this and the need for consistency.

In addition, where an informant or individual known to have been formerly contacted by another division is paid by your division, the blue slip claiming reimbursement should refer to the fact that he is formerly from the other division. This is necessary to insure that the Bureau's accounts of payments are properly credited for payments made.

The Bureau has noted that in many instances the field is not following instructions concerning the forwarding of vouchers containing confidential items (blue slips) to the Bureau. The Manual of Rules and Regulations, Part II,

8/12/58

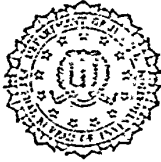
SAC LETTER NO. 58-47

- 5 -

Section 7, Subsection A, Item 2d, (2), provides that all vouchers containing confidential blue slips must be sent by Registered Mail, Return Receipt Requested, the inner envelope addressed to the Assistant Director, Administrative Division, Federal Bureau of Investigation, Attention Voucher Unit. Monthly reports of confidential expenditures must be handled in the same manner. The envelope should not be marked Personal and Confidential. You should bring this matter to the attention of all employees responsible for handling the mailing of these items.

MONTHLY REPORTS OF CONFIDENTIAL EXPENDITURES

In examining the above-captioned reports, the Bureau has noted that the field is not being consistent in the way the expenditures are summarized on the last page. Some reports include payments made to PCIs or PSIs with those to "Sources." Payments to PCIs or PSIs should be included with "Informants" and not with "Sources." Only those payments made to Confidential Sources, Panel Sources, and Sources of Information should be included under "Sources" in the summary. Make sure that the persons responsible for the preparation and review of the report are aware of the above.



PERSONAL ATTENTION
SAC LETTER NO. 59-69

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

November 17, 1959

WASHINGTON 25. D. C.

In Reply, Please Refer to
File No.

(A) VOUCHERS - FORMS - REVISED FORM FD-37 - FBI FORM BOOK -- Form FD-37, which is used to claim reimbursement for expenses of a confidential nature, has been revised to conform to the Bureau's present needs. Three copies of the revised form are enclosed, and one copy should be placed in your FBI Form Book. The revised form should be ordered immediately from the Bureau, and your old stock destroyed upon receipt of the new supply.

The revised Form FD-37 is basically the same. However, with respect to the reference to FD-221, you are advised that in those instances when you personally make payments, or when an employee uses his personal funds to make payments, the reference to Form FD-221 should be marked out. Other items on the revised form are self-explanatory, and complete information for each must be furnished in accordance with current regulations.

Routing Slip
0-7 (Rev. 9-5-69)

(Copies to Offices Checked)

TO: SAC,

☐ Albany
☐ Albuquerque
☐ Alexandria
☐ Anchorage
☐ Atlanta
☐ Baltimore
☐ Birmingham
☐ Boston
☐ Buffalo
☐ Butte
☐ Charlotte
☐ Chicago
☐ Cincinnati
☐ Cleveland
☐ Columbia
☐ Dallas
☐ Denver
☐ Detroit
☐ El Paso
☐ Honolulu

☐ Houston
☐ Indianapolis
☐ Jackson
☐ Jacksonville
☐ Kansas City
☐ Knoxville
☐ Las Vegas
☐ Little Rock
☐ Los Angeles
☐ Louisville
☐ Memphis
☐ Miami
☐ Milwaukee
☐ Minneapolis
☐ Mobile
☐ Newark
☐ New Haven
☐ New Orleans
☐ New York City

☐ Norfolk
☐ Oklahoma City
☐ Omaha
☐ Philadelphia
☐ Phoenix
☐ Pittsburgh
☐ Portland
☐ Richmond
☐ Sacramento
☐ St. Louis
☐ Salt Lake City
☐ San Antonio
☐ San Diego
☐ San Francisco
☐ San Juan
☐ Savannah
☐ Seattle
☐ Springfield

☐ Tampa
☐ Washington Field
☐ Quantico

TO LEGAT:

☐ Bern
☐ Bonn
☐ Buenos Aires
☐ Hong Kong
☐ London
☐ Madrid
☐ Mexico, D.F.
☐ Ottawa
☐ Paris
☐ Rome
☐ Tokyo

Date 6/16/70

RE: FORM FD-37
EXPLANATION OF CHARGE FOR INFORMATION,
"BLUE SLIP"
FBI FORM BOOK

☒ For information ☐ Retention optional ☒ For appropriate action ☐ Surep, by _____
☐ The enclosed is for your information. If used in a future report,
☐ conceal all sources, ☐ paraphrase contents.
☐ Enclosed are corrected pages from report of SA _____
dated _____

Remarks: Enclosed is a supply of Form FD-37,
"Explanation of Charge for Information,
(Blue Slip)," which has been revised. Place a
copy in the FBI Form Book. Destroy unused
copies not bearing the revision date appearing
on enclosed supply. Copies for LEGAT Offices,
except for Office of Legal Attache, Ottawa, are
for information and the FBI Form Book.

[Signature]
Forms Management Desk
Training Division

Enc.
Bufile
Urfile

BLUE SLIP

Date: _____

Place: _____

ITEM NO. _____

I certify that \$ _____
amount was paid (per attached Form FD-221)

to _____

on _____
date in connection with an official investigation

entitled _____

and that payment was made as explained below.

Authority: _____

Period Covered: _____

Receipt Attached: ☐
Yes☐
NoHave payments been made by other Offices? ☐ Yes ☐ No
If Yes, list Offices under details.

Services: \$ _____ Federal Income Tax Withheld \$ _____

Expenses: \$ _____

Total: \$ _____

Details: _____

Approved: ☐

Signed _____

Disapproved: ☐

Title _____

Assistant Director
Administrative Division

Approved _____

Special Agent in Charge

Routing Slip
0-7 (Rev. 9-5-69)

(Copies to Offices Checked)

TO: SAC,

☐ Albany
☐ Albuquerque
☐ Alexandria
☐ Anchorage
☐ Atlanta
☐ Baltimore
☐ Birmingham
☐ Boston
☐ Buffalo
☐ Butte
☐ Charlotte
☐ Chicago
☐ Cincinnati
☐ Cleveland
☐ Columbia
☐ Dallas
☐ Denver
☐ Detroit
☐ El Paso
☐ Honolulu

☐ Houston
☐ Indianapolis
☐ Jackson
☐ Jacksonville
☐ Kansas City
☐ Knoxville
☐ Las Vegas
☐ Little Rock
☐ Los Angeles
☐ Louisville
☐ Memphis
☐ Miami
☐ Milwaukee
☐ Minneapolis
☐ Mobile
☐ Newark
☐ New Haven
☐ New Orleans
☐ New York City

☐ Norfolk
☐ Oklahoma City
☐ Omaha
☐ Philadelphia
☐ Phoenix
☐ Pittsburgh
☐ Portland
☐ Richmond
☐ Sacramento
☐ St. Louis
☐ Salt Lake City
☐ San Antonio
☐ San Diego
☐ San Francisco
☐ San Juan
☐ Savannah
☐ Seattle
☐ Springfield

☐ Tampa
☐ Washington Field
☐ Quantico

TO LEGAT:

☐ Bern
☐ Bonn
☐ Buenos Aires
☐ Hong Kong
☐ London
☐ Madrid
☐ Mexico, D.F.
☐ Ottawa
☐ Paris
☐ Rome
☐ Tokyo

Date: 8/19/70

RE: FORM FD-221a

"REQUEST FOR FUNDS FOR PAYMENT TO INFORMANT"
FBI FORM BOOK

☒ For information ☐ Retention optional ☒ For appropriate action ☐ Supp. by _____
☐ The enclosed is for your information. If used in a future report:
☐ conceal all sources, ☐ paraphrase contents.
☐ Enclosed are corrected pages from report of SA _____ dated _____

Remarks: Enclosed are three copies of Form FD-221a, "Request for Funds for Payment to Informant," which has been revised. Place one of the three copies in the FBI Form Book.

Request a supply of the revised form for your office bearing in mind it should not exceed your anticipated needs for a 3-month period. Upon receipt of the copies, destroy all other unused copies of FD-221a not bearing the revision date of 7-15-70.

Enc.
Bufile
Urfile

James R. Kelly
Forms Management Desk
Training Division

BSTV

CITY _____

DATE _____

Request of Special Agent in Charge, FBI, _____

_____ dollars, and _____ cents,

(\$ _____), which money is to be paid by me on _____

to _____

for information concerning the case entitled _____

Services: \$ _____ Federal Income Tax Withheld \$ _____

Expenses \$ _____

Signed: _____
Special AgentHave payments been made by other Offices? ☐ No ☐ Yes (List Offices below.)

Authority (date) _____

Period Covered by Payment _____

Authorization Checked _____

Check Number _____

Receipts Received _____

Voucher Prepared _____ Item _____

Date of Actual Payment _____

By whom _____

Informant's File No. _____

Approved _____

SAC

(D) UTILIZATION OF FORM FD-221a - INFORMANT MATTERS --
Analysis has been made of forms used in connection with informants
(racial, criminal, security) and it has been decided that in order to
give tighter security to these forms, form FD-221a be changed as
follows.

In the future in filling out the above form you will utilize
the informant's symbol designation rather than his true name. No
change is being made in present procedures for handling Forms FD-37,
FD-221 and informant receipts. The matter concerning security for
all informant forms is being given continuing analysis for the purpose
of instituting methods which will afford these matters top security.

Very truly yours,

John Edgar Hoover

Director

(Handwritten initials and signatures)
EJH
gmc
JH
Straw
12/21

6-15-71
SAC LETTER 71-25

- 4 -

8/3/71

CODE

SECURE TELETYPE

NITEL

TO ALL SPECIAL AGENTS IN CHARGE
FROM DIRECTOR FBI

MONTHLY REPORT OF EXPENDITURES - CONFIDENTIAL FUND
REBUTEL JULY TWO NINE IN CAPTIONED MATTER.

INSTRUCTIONS CONTAINED IN SAC LETTER SEVEN ONE TWO NINE
DATED JUNE TWO NINE LAST IN CAPTIONED MATTER ARE HEREBY
CANCELED. BEGINNING WITH JULY REPORTS TRANSMIT BY REGISTERED
MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO ASSISTANT
DIRECTOR, ADMINISTRATIVE DIVISION, FEDERAL BUREAU OF
INVESTIGATION, WASHINGTON, D. C. TWO ZERO FIVE THREE FIVE,
ATTENTION VOUCHER UNIT. DO NOT INTERMINGLE WITH OTHER MAIL.
PREPARE REPORT IN ACCORDANCE WITH INSTRUCTIONS IN EXISTENCE
PRIOR TO REFERENCED SAC LETTER WITH FOLLOWING EXCEPTIONS:

TITLE OF REPORT SHOULD CONSIST ONLY OF CODE WORD "BLUE,"
FOLLOWED BY OFFICE ABBREVIATION AND DATE COVERED. WORDS SUCH
AS "SURVEILLANCE," "INVESTIGATION," "CONFIDENTIAL," "INFORMANT,"
"SOURCE," "CRIMINAL," "SECURITY," "RACIAL," ETC., ARE NOT TO BE

MFR:mls
(6)

1 - Mr. Ponder
(1) - Mr. Row

BASED ON MEMO ROW TO CALLAHAN, 7/30/71,
MFR:mls.

SECURE TELETYPE TO ALL SPECIAL AGENTS IN CHARGE
RE: MONTHLY REPORT OF EXPENDITURES - CONFIDENTIAL FUND

USED ANYWHERE IN REPORT. CERTIFICATION AT END OF COVER MEMORANDUM IS TO READ "THIS IS TO CERTIFY THAT ALL ITEMS IN THIS REPORT HAVE BEEN COMPLETELY AUDITED AND ARE CORRECT." UNDER "DESCRIPTION" IN DETAILED LISTING, ONLY SYMBOL NUMBER OF INFORMANT, DATE COVERED, AND BREAKDOWN FOR SERVICES AND EXPENSES ARE TO BE SHOWN. NEVER SHOW NAME OF INFORMANT, ADDRESSES, FILE NUMBERS, TITLES OF CASES, ETC. WORDS "SERVICES" AND "EXPENSES" SHOULD BE ABBREVIATED "S" AND "E." WHERE PAYMENTS ARE MADE TO PERSONS OR PLACES NOT HAVING SYMBOL NUMBER USE LAST NAME OF PERSON OR LEGIBLE ABBREVIATION OF COMPANY. WHERE DISCLOSURE OF NAME OR ABBREVIATION MIGHT BREACH SECURITY, USE CODE WORD TO IDENTIFY PAYEE AND ADVISE BUREAU BY SECURE TELETYPE CODE WORD TRANSLATION. LAST PAGE ENTITLED "SUMMARY OF PAYMENTS TO INFORMANTS AND SOURCES" SHOULD BE MERELY LABELED "SUMMARY." FOLLOWING DESIGNATIONS SHOULD BE USED FOR WORDS APPEARING THEREON: "1" FOR CRIMINAL; "2" FOR SECURITY; "3" FOR RACIAL; "A" FOR INFORMANTS; AND "B" FOR SOURCES. WHEN SHOWING MISCELLANEOUS PAYMENTS ON LAST PAGE USE DESCRIPTIVE WORD "MISCELLANEOUS" ONLY. SAMPLE OF SUMMARY PAGE AS IT SHOULD APPEAR FOLLOWS:

SECURE TELETYPE TO ALL SPECIAL AGENTS IN CHARGE
RE: MONTHLY REPORT OF EXPENDITURES - CONFIDENTIAL FUND

SUMMARY

1			
	A	\$100.00	
	B	-- --	
	TOTAL		\$100.00
2			
	A	\$100.00	
	B	10.00	
	TOTAL		\$110.00
3			
	A	\$300.00	
	B	-- --	
	TOTAL		\$300.00
TOTAL OF 1, 2, AND 3			\$510.00
MISCELLANEOUS			\$390.00
GRAND TOTAL			\$900.00

3/14/72

airtel

To: SAC, Albany

From: Acting Director, FBI

**AUTHORITY TO APPROVE LIMITED EXPENDITURES
FOR INVESTIGATIVE OPERATIONS**

In those instances where it is essential to the successful conduct of an important investigation, SACs are authorized to expend up to \$500 from the confidential fund without prior Bureau Headquarters approval. These expenditures must be highly selective and essential to the investigative operation. Instances in which such expenditures may be appropriate include but are not necessarily limited to the following situations:

- (a) Rental of surveillance plants and support equipment on a temporary basis.
- (b) Necessary expenditures by Agents working in an undercover or covert capacity.
- (c) Rental of special automotive equipment for surveillance purposes. (Only when available Bureau equipment is not satisfactory and the case is of major importance.)
- (d) Other items necessary to the conduct of an investigation not available through normal supply or acquisition channels.

A full accounting must be maintained for such expenditures and at the time that reimbursement is requested from Bureau Headquarters for confidential funds expended, appropriate FD-37 (blue slip) must be executed for each such expenditure.

2 - All offices

SNB NOTE PAGE 2

JCH:rar

Airtel to Albany
for Authority to Approve Jointed Expenditures
for Investigative Operations

The purpose of the above-cited changes is not to lessen accountability for appropriate action in each of these areas, but to shift the decision process to the SAC who should be in the most advantageous position to make an adequate judgment based upon the facts at hand. The Headquarters and Inspection staff will retain the responsibility for reviewing and auditing the practices in these areas.

Manual changes follow.

NOTE: The above suggestion was contained in a memorandum of Assistant Director Cleveland to Mr. Felt captioned "Organized Crime Program" dated 6/16/72, and was approved by Mr. Gray in his memorandum dated 8/8/72. Manual changes being prepared.

Date 12/24/78

[illegible]

THE UNIVERSITY OF CHICAGO

In view of this, a uniform reporting procedure for 8/14/77 and thereafter is to be initiated in all field divisions and at FBIHQ effective 1/1/78.

If during the conduct of an important investigation, initiated on or after 1/1/74, it is deemed necessary to make an essential expenditure without prior Bureau authority and if the type authority of 1/14/72, it will be necessary that a separate ledger page be prepared for each \$100 expenditure with no less than 10 columns as indicated in the following schedule. The ledger pages are to be prepared and filed under assigned to the investigation, and the ledger page must include columns captioned as shown on the attached. (U.S. DEPT. OF JUSTICE)

2 - AMI Field Office - Enclosures (2)

1. The following information is being furnished to you for your information and use:

2. The following information is being furnished to you for your information and use:

3. The following information is being furnished to you for your information and use:

4. The following information is being furnished to you for your information and use:

5. The following information is being furnished to you for your information and use:

DATE OF		VO	PERIOD		DATE		AMOUNT		TOTAL	
AUTH	PAYER	#	COVERED		PAID		PAID		PAYMENTS	
1 Buairtel										
2 8/14/72										
3										
4										
5										
6										
7										
8										
9										
10										
11										
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NW-89804 DocId:32989707 Page 168

BLUE SLIP

Date: 1-2-74Place: ()ITEM NO. 1

I certify that \$ 75.00 amount was paid (per attached Form FD-221)
to Bob Roe Rent-A-Car
on 1-2-74 date in connection with an official investigation
entitled JOHN DOE; BR-B (AL 00-0000)

and that payment was made as explained below.

Authority: SAC (Buairtel 8/14/72)Period Covered: 1-2-74Receipt Attached: ☒ Yes ☐ NoHave payments been made by other Offices? ☐ Yes ☒ No
If Yes, list Offices under details.

Services: \$ _____ Federal Income Tax Withheld \$ _____

Expenses: \$ 75.00Total: \$ 75.00

Details: Rental of truck necessary for a special surveillance in
captioned matter. Regular field automotive equipment would not
suffice in this operation.

Approved: ☐Signed /s/Disapproved: ☐Title SAC or ASACAssistant Director
Administrative DivisionApproved /

Special Agent in Charge