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THE SECRETARY OF DEFENSE

WASHINGTON

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MAY 19 1954

Declassified and approved for release by NSA on 06-14-2012 pursuant to E.O. 13526

MEMORANDUM FOR THE SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE
DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: Arrangements to Provide Administrative Services for the National Security Agency

Secretary of Defense memorandum dated December 5, 1952 reestablished the Armed Forces Security Agency as the National Security Agency and provided that the administrative arrangements then in effect be continued for the National Security Agency until further changed or modified. Since that time the Director of the National Security Agency has recommended and I have approved a realignment of these administrative arrangements which will help to simplify the operations of the Agency and clarify its responsibilities under the direction of the Secretary of Defense. In order to accomplish this realignment I have delegated to the Director of the National Security Agency the several administrative authorities which are required for the operation and administration of the Agency. This delegation (copy attached) supersedes current delegations of authorities from the Secretary of the Army to the Director of the National Security Agency for such matters.

It is contemplated that the Director of the National Security Agency in exercising these authorities will continue to utilize to the maximum extent practicable existing facilities of the military departments for procurement, accounting, disbursing, investigative and related administrative operations in lieu of duplicating such facilities within the National Security Agency. It is desired that the military departments continue to perform specific functions as set forth below with respect to the operation of the National Security Agency for both economy and security reasons.

1. The Department of the Army will continue to account for civilian personnel of the National Security Agency as Army personnel under such limitations as may be established for the Agency by the Secretary of Defense over and above any limitations established for the Department of the Army. Statistics and other information pertaining to personnel employed by or assigned to the Agency which are required in reports to the Civil Service Commission and other governmental agencies will be incorporated into appropriate Department of the Army reporting media in a manner which will not identify such personnel with the National Security Agency. In the performance of this function, the Department of the Army will
employment, administration and terminati
National Security Agency.

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9/22/59

Superseded by DOD Directive No. 5100.23 dtd 25 Aug 1959

Wm B. Kircher, CTl, USN

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2. The Department of the Army will continue to act as fiscal agent for the Agency and in that capacity will:

a. Incorporate into its annual budget estimate, over and above any monetary limitations established for the Department of the Army, the amounts which are determined by the Secretary of Defense to be necessary for operational, maintenance and research activities of the National Security Agency, including the amounts required for confidential and official representation expenses.

b. Allocate appropriations to accounts established for the Director, National Security Agency, as approved by the Secretary of Defense.

c. Provide the necessary disbursing and financial accounting services required in connection with expenditure of funds by the Agency.

The Director of the National Security Agency, to the extent practicable, will conform to such budgetary and fiscal accounting procedures as may be required by the Department of the Army for similar activities. This arrangement, however, will not be construed or so utilized as to effect any administrative controls by the Department of the Army over the expenditures of the National Security Agency other than those which may be imposed by the Secretary of Defense or required by law. When provided by law, approval or authority of the Secretary of the Army will be required on all confidential and official representation expenses.

3. The Agency will continue to utilize existing facilities and services of the three military departments as appropriate for effecting the procurement of equipment, supplies and services and the disposition of excess equipment and supplies including the disposal of surplus printing, binding and related equipment.

a. It will, to the extent practicable and consistent with the purposes and objectives of the Agency, comply with the procurement regulations and practices of the military department furnishing this service. The need for and the propriety of the items procured is a matter for determination by the Director, National Security Agency, and the military departments will assume no responsibility for such procurement, except that required by law as a part of the procurement process.

b. The costs of items purchased for the Agency will be charged to appropriations made available to the Agency, but no charge shall be made for indirect or overhead expenses of the procuring services unless such facility is operating under Working Capital, Management or Revolving Stock Fund and it is the normal practice to include a charge for overhead.

c. Requests by the National Security Agency for procurement action will bear an appropriate certificate indicating the funds that are properly chargeable and that such are available.

d. Although the National Security Agency will operate its own printing plants, it will utilize the facilities of the military departments for the disposal of printing, binding and related equipment surplus to the needs of the Agency. Such equipment will be removed promptly from the Agency facilities by the military department concerned. When such equipment is being replaced, it will be removed concurrently with or prior to, as appropriate, the delivery of the replacement items. In other instances when it is necessary for the convenience of the Agency that surplus printing equipment be removed prior to its final disposition by a military department or the General Services Administration, the cost of removal will be borne by the National Security Agency. The General Services Administration will be kept currently informed of such surplus equipment which is moved from one place to another within the Department of Defense for purposes of disposal in accordance with existing disposal regulations.

e. Other surplus equipment and supplies of the Agency will be disposed of in accordance with arrangements worked out between the military departments and the National Security Agency.

Members of the staff of the National Security Agency, together with representatives of the Office of the Secretary of Defense, are available to work with representatives of the military departments in the development of any further detailed arrangements that are necessary.

Memoranda from the Assistant Secretary of Defense (Comptroller) dated 16 December 1949, 7 August 1950, and 15 January 1951, and the acting Chairman of the Munitions Board dated 25 February 1953, together with such other memoranda and directives or portions thereof which are inconsistent with the provisions of this memorandum are rescinded.

SIGNED
R. B. ANDERSON
ACTING

Attachment - 1
(Memo to Dir., NSA w/attachment, Delegation of authority)

SIGNATURE AUTHENTICATED BY:

Maurice W. Roche
MAURICE W. ROCHE
Administrative Secretary

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THE SECRETARY OF DEFENSE
WASHINGTON

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MEMORANDUM FOR THE DIRECTOR, NATIONAL SECURITY AGENCY

Pursuant to your recommendations, I have approved a realignment of the administrative arrangements for the National Security Agency to help simplify the operations and clarify the status of the Agency under the administrative policies and authorities of the Office of the Secretary of Defense. As a basis for accomplishing this realignment, there is attached a delegation to you of the several administrative authorities which are required for the administration and operation of the National Security Agency. These authorities supersede the delegations you now hold from the Secretary of the Army.

It is contemplated that in the exercise of these authorities maximum utilization will be made of existing facilities of the military departments for procurement, accounting, disbursing, investigative and related administrative operations in lieu of duplicating such facilities in the National Security Agency. The attached copy of a memorandum to the Secretaries of the three military departments informs them of these arrangements and designates generally the areas in which either for security or economy reasons it appears desirable to utilize the facilities of those departments.

The procedures established for the Office of the Secretary of Defense relative to fair employment practices will be applicable to the National Security Agency. The Agency shall designate its own fair employment practices officer. With respect to the suspension and termination of employment for civilian personnel of the Agency in the interests of national security, pursuant to the provisions of Public Law 733, 81st Congress, it will be noted that the authority delegated to you is limited to suspension action only. Those cases involving a hearing or a recommendation for termination will be referred to the Office of the Secretary of Defense for disposition.

The National Security Agency will establish and maintain appropriate property accountability records for all equipment and supplies acquired, used and/or disposed of by the Agency under the Departmental Property Account authorized by Secretary of Defense memorandum dated 5 December 1952, subject: Implementation of NSCID 9 Revised.

The Director, Office of Administrative Services in the Office of the Assistant Secretary of Defense (Manpower and Personnel), will assist you in the implementation of these authorities and other administrative matters relating to the operation of the National Security Agency.

R Robertson
ACTING

Attachment - 1
(Delegation of Authority)

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THE SECRETARY OF DEFENSE
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DELEGATION OF AUTHORITY

Pursuant to the authority vested in me, the following authorities, as required in the administration and operations of the National Security Agency, are hereby delegated, subject to my authority, direction and control, to the Director, National Security Agency, or in the event of the absence or incapacity of the Director, to the person acting for him:

1. Authority to exercise the powers vested in the Secretary of Defense by the National Security Act of 1947, as amended (5 USC 171a(f)), and Section 12 of the Administrative Expenses Act of 1946, as amended (5 USC 22a) pertaining to the employment, direction and general administration of civilian personnel of the National Security Agency.

2. Authority to administer oaths of office incident to entrance into the executive branch of the Federal Government or any other oath required by law in connection with employment therein in accordance with the provisions of the Act of June 26, 1943 (5 USC 16a), and to designate in writing, as may be necessary, officers and employees of the National Security Agency to perform this function.

3. a. Authority to establish within the National Security Agency an Agency Efficiency Awards Committee and to grant awards to civilian officers and employees of the Agency in accordance with the provisions of Title X, Section 1002 of the Classification Act of 1949, as amended (5 USC 1152) and Supplement No. 1 to Bureau of the Budget Circular No. 8, dated February 28, 1950. This authority cannot be redelegated.

b. Authority to pay cash awards to civilian officers or employees (or their estates) who make meritorious suggestions which will result in improvement or economy in the operations of the National Security Agency and which have been adopted for use and to incur necessary expenses for the honorary recognition of exceptional or meritorious service, in accordance with the provisions of Section 14 of the Administrative Expenses Act of 1946, as amended (5 USC 116a), and Executive Order 9817, January 2, 1947.

4. Authority to (1) authorize, in case of an emergency, the appointment of a person to a sensitive position for a limited period for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed, and (2) authorize the suspension, but not to terminate the services of an employee in the interest of national security in positions within the National Security Agency in accordance with the provisions of the Act of August 26, 1950 (64 Stat. 476), Executive Order 10450, April 27, 1953, and Department of Defense directive 5210.7, 12 August 1953.

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5. Authority (in addition to that vested in the Agency by USCIB Directive No. 5 (CIBD #5) Revised pertaining to COMINT information and material) to clear personnel of the National Security Agency and such other individuals as may be appropriate for access to classified Defense material and information in accordance with the provisions of the directive of the Secretary of Defense dated 14 June 1950, as amended, "Policy on Investigation and Clearance of Department of Defense Personnel for Handling Top Secret, Secret and Confidential Material and Information", and as may be modified by Executive Order 10450, April 27, 1953.

6. Authority to act as agent for the collection and payment of taxes imposed by Chapter 9 of the Internal Revenue Code (26 USC 1400-1636) and, as such agent, to make all determinations and certifications required or provided for under Section 1420(e) of the Internal Revenue Code (26 USC 1420(e)) and Section 205(p)(1) and (2) of the Social Security Act, as amended, (42 USC 405(p)(1) and (2)) with respect to employees of the National Security Agency.

7. Authority to authorize and approve overtime work for civilian officers and employees of the National Security Agency in accordance with the provisions of Section 25.141 of the Federal Employment Pay Regulations.

8. Authority to authorize and approve travel for civilian officers and employees of the National Security Agency in accordance with the Standardized Government Travel Regulations, as amended August 1, 1952, and for temporary duty travel only of military personnel assigned or detailed to the National Security Agency in accordance with Joint Travel Regulations for the Uniformed Services, 1 April 1951, as amended.

9. Authority to approve the expenditure of funds available for travel by personnel of the National Security Agency for expenses incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances where the approval of the Secretary of Defense or his designee is required by law. This authority cannot be redelegated.

10. Authority to develop, establish and maintain an active and continuing Records Management Program, pursuant to the provisions of the Federal Records Act of 1950 (64 Stat. 583).

11. Authority to classify, declassify and down-grade or up-grade the classification of defense information or material for which the National Security Agency has responsibility pursuant to Executive Order 10501, dated November 5, 1953, and Department of Defense directive 5200.1, dated 19 November 1953, and to designate in writing, as may be necessary, officers and employees within the National Security Agency to perform these functions.

12. Authority to purchase or contract through a military department for supplies, equipment and services for the National Security Agency or for which the National Security Agency is responsible.

13. Authority to act for the Secretary of Defense before the Joint Committee on Printing, the Public Printer, and the Director of the Bureau of the Budget on all matters pertaining to printing, binding and publication requirements for the National Security Agency.

14. Authority to appoint Boards of Survey, approve reports of survey, relieve personal liability and drop accountability for property of the National Security Agency reflected in the authorized Departmental Property Account which has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable in accordance with applicable laws and regulations.

In making this delegation it is my intent that the Director of the National Security Agency utilize, to the maximum extent practicable and feasible, existing facilities of the military departments for procurement, accounting, disbursing, investigative and related administrative operations in lieu of duplicating such facilities in the National Security Agency.

The authority vested in the delegate named herein may be redelegated by him, as appropriate, in writing, except as otherwise specifically indicated above.

This delegation of authority is effective 15 May 1954 and all previous delegations of authority pertaining to matters delegated herein, either to the Director, Armed Forces Security Agency or his successor, the Director, National Security Agency, are hereby revoked.

R T Anderson

ACTING