

Op-009M/kac
Ser 1555P009
29 DEC 1972

MEMORANDUM FOR DIRECTOR, NAVY PROGRAM PLANNING (Op-090) *Hand delivered - Dawn C.*

Subj: Naval Investigative Service Funding

Ref: (a) Op-90 memo Ser 2147P90 of 3 November 1972
(b) Op-009 memo Ser 0518P009 of 13 October 1972

Encl: (1) PBD Reclama 230-RC

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1. Reference (a) requested alternative solutions which I would take to operate within present budgeted resources, considering the serious deficit in this year's funding for the Naval Investigative Service (NIS). Enclosure (1) appears to provide a remedy to that portion of the problem which is associated with transfers to the Defense Investigative Service, since it adds \$700 thousand to the approved O&M levels established for this program. I anticipate that my next operating budget will be augmented by \$700 thousand, which will cover my expenses for the transfer (including costs for those civilians who must be separated involuntarily incident to the loss of their positions and associated funding to the NIS, but who are not being employed by the DIS.)

2. The total freeze on federal hiring recently imposed by the President has overtaken my plans for an enlargement of the agent afloat program, and for inaugurating the fraud survey program, as described in reference (b). Further, under this freeze, I will be unable to supplement the NIS agent force to compensate for the 16 agents now serving afloat (and who must continue to serve in this high priority area) on detail from shore installations which also have a high incidence of criminal and discipline problems. I will continue to distribute the remaining NIS agents within the shore establishment in accordance with highest priority needs, and believe that I can provide the \$100 thousand required for this purpose and for certain extra costs for the agents afloat (premium pay and per diem) through internal reprogramming. I can not undertake the fraud survey program without additional civilian agents. If the freeze is relaxed before the beginning of FY 74, I will request funding for fraud surveys and for the replacement of the carrier agents as part of next year's apportionment submission.

3. I would like to take this opportunity to thank you and your staff, especially Mr. David Tiedgen of Op-92, for the assistance which you have provided in this matter, particularly in negotiations at the OSD level which produced enclosure (1).

FILED

Orig: Mrs. Swift - NIC-21
typed: D. Brown, 26 Dec 72
325-9510

E.F. RECTANUS
Rear Admiral, U.S. Navy
Director of Naval Intelligence

DEC 29 1972

NIC-133D

RETYPE: K.A. CLENDENIN - Op-009C-26 DEC 72 - 325-0198