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ONC-84-51747
23 August 1984

-C 0415

Chron. Ex. 3

MEMORANDUM FOR: General Counsel
FROM: [REDACTED]
Office of General Counsel
SUBJECT: H.R. 5399 -- Section 107, Prohibition on Covert Assistance for Military Operations in Nicaragua

1. The Director has asked for a legal interpretation of the restriction contained in Section 107 of H.R. 5399, which was recently passed by the House of Representatives. More specifically, OGC has been asked to analyze the effect of this provision on expenditures for staff salaries.

[REDACTED] In my view, while we plainly can pay all of these fixed costs on the basis of other appropriations, we just as clearly cannot utilize these resources in any activities which would have the effect of supporting paramilitary operations in Nicaragua by anyone.

2. In addition, we have been asked to consent upon the use of third countries to continue the Nicaragua project. I believe the Agency can request third countries to carry on the program at their own expense so long as it is made clear that no U.S. funds would be used either now or in the future to repay such a commitment. The extent to which Agency personnel can be involved in soliciting third country support would have to be determined on a case-by-case basis.

3. Although the language of Section 107 differs only slightly from that of Section 108 of the Intelligence Authorization Act for FY 84 (hereinafter Section 108), the legal effect of those differences is substantial. Section 107 reads as follows:

PROHIBITION ON COVERT ASSISTANCE FOR
MILITARY OPERATIONS IN NICARAGUA

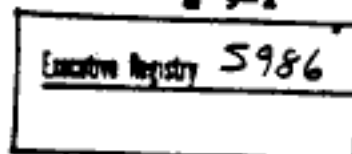
Sec. 107. During fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose of



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By R. Pagan, National Security Council