

SECRET

7 OCT 1966

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT : Edward G. TICHBORN, Contract Amendment

1. It is requested that the contract, as amended, for Edward G. TICHBORN, Independent Contractor, be further amended effective 1 October 1966 as follows:

a. Increase basic compensation to \$17,000. per annum.

b. Delete para. 1.b. The provision is not applicable due to reassignment to a domestic location.

c. Provide offset provision of basic contract compensation as TICHBORN will be paid through a DODS proprietary (WUSALINE).

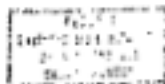
d. CPD may determine whether it is necessary to modify the amendment relating to Social Security and Income Taxes as deductions will be handled by the cover organization.

e. Extend contract through 30 September 1967.

f. Provide for TICHBORN's acceptance and signature on the amendment.

2. The increase in basic compensation is based on TICHBORN's overall performance and full time services.

  
William V. Broe  
Chief  
Western Hemisphere Division



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Mr. ~~James C. McLaughlin~~

Dear Mr. ~~McLaughlin~~:

Reference is made to your current contract with the United States Government, as represented by the Contracting Officer.

Arrangements have been recently completed allowing certain independent contractors of this organization to obtain social security credits by covering such individuals under the social security tax provisions applicable to employees. These arrangements also include a provision for retroactive applicability to the beginning of the 1965 tax year. This can be done only for reasons of security since the procedure results in reducing the social security tax from the self-employed rate to the employee rate. For example, in January of 1965 the tax rates were 5.4% and 3-5/8% respectively.

As a consequence thereof, said contract is amended by deleting all reference to social security and by adding the following paragraph:

"Effective 1 December 1964, social security taxes will be **covertly** deducted by this organization from your compensation in the same manner and to the same extent as would be done if you were a Government employee. Security reasons make this procedure necessary. Its implementation does not imply in any manner the actual creation of an employee-employer relationship. Your legal status under this agreement continues to be that of an independent contractor."

If you receive or expect to receive full or partial social security credits from overt sources you will so notify this organization and an adjustment will be made or **covert deductions** discontinued, depending upon the circumstances. Further, if you should subsequently receive overt social security credits, evidence thereof will be submitted to this organization. In such event your **covert** credits will be erased and your **covert** deductions returned.

All other terms and conditions of said contract remain in full force and effect.

UNITED STATES GOVERNMENT-

BY \_\_\_\_\_  
Contracting Officer

SECRET

Group 1 - Excluded from automatic downgrading and declassification.

PW/2d/9 Sept. 65  
wh / J.E.

13 July 1961

MEMORANDUM FOR: Chief, Finance Division  
Attention: Contract Agent Section

VIA: Central Cover Division  
Attention: Mr. Mullen

SUBJECT: Edward G. TIGBORN (p): Method of Payment

1. It is requested that Finance Division pay Contract Agent Edward G. TIGBORN (p) through Central Cover Division's Mechanism Ashwood, Hanniford Associates. TIGBORN's new contract became effective 19 May 1961.

2. It is requested that salary due TIGBORN since the effective date of his contract be paid as soon as possible.

3. Attached hereto are forms 281 and 313a (top section). The bottom section of 313a is distributed separately.

J. C. King  
Chief  
Western Hemisphere Division

<b>DISPATCH</b>		<b>SECRET</b>	DISPATCH SYMBOL AND NO. <b>HM-2092</b>
TO <b>Chief, WFO</b>			HEADQUARTERS FILE NO.
FROM <b>Chief of Station, Mexico City</b>			DATE <b>7 July 1961</b>
SUBJECT <b>Signed Contract for Edward G. TICHBORN</b>			REASON FOR DISPATCH <b>NO DISPATCH REQUIRED</b>
ALTERNATE REQUIRED <b>None; for information.</b>			DISPATCH CAN BE JUDGED BY QUALIFIED HQ DESK ONLY
<p>REFERENCE <b>HQS-1971, 6 June 1961</b></p> <p>1. Returned herewith is one copy of Edward G. TICHBORN's contract.</p> <p>2. Regarding paragraph 1 of the contract, TICHBORN states that he has already arranged with Headquarters to mail his salary check from a foundation in Philadelphia to his bank.</p> <p>3. TICHBORN further states that under his previous contract he did not file a covert tax return and taxes were not withheld. According to TICHBORN he was told in Headquarters that KUBARK would depend on him to report his KUBARK income as coming from <u>the Philadelphia client</u> and it would be incorporated in his overt return. TICHBORN does not wish to give a copy of his overt return to KUBARK.</p> <p style="text-align: right;">Willard G. Curtis</p> <p>Attachment: TICHBORN Contract (1 copy), N/A</p> <p>5 July 1961</p> <p>Distribution: 3 - HQ, w/att 2 - Files</p>			
FORM 53		<b>SECRET</b>	REMARKS

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ORIG C.C. PENNEY

UNIT 151/PO/D

EXT 3503

DATE 22 MAY 1961 1667

CLASSIFIED MESSAGE

SECRET

ROUTING			
1		4	
2		5	
3		6	

TO MEXICO CITY

FROM DIRECTOR

CONF. WH 5

INFO. CA 2, CA/PRG, CI/OA, OP 2, S/C 2

22 MAY 61 23 04z

910 CEN

DEFERRED

ROUTINE

OUT 58552

TO MEXI

INFO

CITE DIR

41303

1. EDWARD O. TICHBORN LEAVE A DEPARTED WASH 20 MAY FOR MEXI WHERE HE WILL BE EMPLOYED AS **LEGAL COUNSEL TO IDEN R.**
2. TICHBORN HAS BEEN USED BY KUBARK AS POLITICAL ADVISOR ON ELECTION OPS. PRIOR DEPARTURE HQS DISCUSSED CONTRACT POSSIBILITIES WITH HIM AND AGREED PREPARE CONTRACT WHICH WILL BE SENT MEXI NEAR FUTURE FOR SIGNATURE.
3. HQS ANTICIPATES USING TICHBORN AS **ROVING POLITICAL ADVISOR** PROVIDING VARIOUS FIELD STATIONS WITH **GUIDANCE ON ELECTION OPS.** WILL ALSO USE HIM TO DEVELOP KREMKER CANDIDATES VARIOUS COUNTRIES AND MAY APPOINT HIM FIELD REP FOR DEMBARGO.
4. TICHBORN WILL HAVE NO OPS RESPONSIBILITIES MEXI UNLESS STATION SO DESIRES. HOWEVER HE WOULD REQUIRE SOME CONGO AND AFRICAN SUPPORT WHEN OVERT CHANNELS UNSUITABLE.
5. POUCHING PROPOSED CONTRACT AND MORE DETAILS RE POSSIBLE USE IN NEAR FUTURE. REQUEST STATION OFFICER USING NAME "FRANK NELSON" CALL TICHBORN AT HOTEL MONTESJO, REFORMA ON 29 MAY TO ESTABLISH INITIAL CONTACT. ATTEMPTING HAVE CONTRACT MEXI BY THAT TIME.

END OF MESSAGE

R. W. Herbert

J. U. KOS

C/WH

RELEASING OFFICER

C/WH/PO/D

COORDINATING OFFICER

SECRET

R. P. HUMAN

C/WH/PO/D

AUTHENTICATING OFFICER

1A

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Copy No.

SECRET

3 March 1961

MEMORANDUM FOR: Contract Personnel Division

SUBJECT: Contract Amendment #2 for Edward G. TICHBORN (P)

1. Contract amendment #2 is requested for Edward G. TICHBORN using the same general format as used in the first amendment excepting that Subject will receive the entire fee upon completion of the task. It is requested that the amount of the fee be left blank. Your office will be notified as to the correct figure as soon as it is determined.

2. The amendment is to be effective as of 23 February 1961.

*H. W. Davis*  
Horace W. Davis  
Chief

Political Action Group  
Covert Action Staff

*The figure \$1000 is per Bill  
Michael 8 Mar 61*

*etd*

SECRET