

SECRET

OGC 76-57;
10-20-76RETURN TO CIA
Background Use Only
Do Not ReproduceCS-3640
#18333

7 October 1976

MEMORANDUM FOR: Chief, Contract Personnel Division

ATTENTION : Mr. Rod Brooks

FROM : Joel E. Keys, Chief
Corporate Cover Branch
Central Cover Staff

SUBJECT : Request for Letter of Agreement

1. Please prepare a Letter of Agreement between the Agency and ⁰²LPBLUE, which, through the President of the firm, Mr. ⁰²(Emmett M. Steele), has agreed to place on retainer a Contract Agent of Europe Division, ⁰²TOPHONE/1. John J. Murray, Jr. represented the Agency in these negotiations. Identities will be forwarded under separate cover.

2. Effective 1 October 1976, ⁰²LPBLUE will place on retainer ⁰²TOPHONE/1 at an annual retainer of \$9,000, which will be paid to him in monthly increments of \$750 by ⁰²LPBLUE. The Company will overtly negotiate a retainer contract with ⁰²TOPHONE, which will make eminently clear that both are negotiating and concluding the contract as independent parties; that the Company, ⁰²LPBLUE, will have no obligation to withhold Federal, or state income taxes, or Social Security taxes.

3. In consideration of the support rendered, the Agency will pay ⁰²LPBLUE \$10,000 annually. Provision is made in this amount to offset any nominal expenses the firm incurs in its overt associations or support of ⁰²TOPHONE/1. It also serves, in part, to minimize the chances that auditing personnel will identify a wash transfer between the notional facility and payments to ⁰²TOPHONE/1.

4. The Agency will reimburse ⁰²LPBLUE in quarterly increments via a contrived contractual arrangement between ⁰²LPBLUE and a notional facility of the Agency. Cancelled checks will serve as adequate accountings for monies paid ⁰²LPBLUE.

5. Please include the usual paragraphs of appreciation, secrecy, and prohibition of bona fide employment.

6. All information relating to this agreement is classified secret. Both the Agency and the Company agree that the most stringent safeguards will be taken to protect this information, including the

E-2 IMPDET
CL BY 055087WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES

SECRET