

S E C R E T

CI Staff made a personal commitment to BERTOTALLY that he could indeed have his wife accompany him on any operational trips abroad, if he chose to have her do so, and that her travel expenses would be borne by the Agency. It was understood that her travel expenses would be limited to the cost of her travel and per diem.

Subsequent to this agreement BERTOTALLY took three separate trips abroad accompanied by his wife and one quick trip to Mexico accompanied by his case officer. No problems developed following the first two trips. Vouchers submitted after each trip, claiming their joint costs as operational expenses, were honored without question. However, following their last joint trip abroad her travel expenses of \$3,100 were interpreted as additional taxable income. BERTOTALLY considers this a violation of the commitment made to him and has demanded that the Agency pay him a sum equivalent to the additional Federal and state taxes he will have to pay as a result of our unilateral decision on this matter.

Presently we already have three separate trips abroad planned for BERTOTALLY during 1978. We are convinced that unless we reimburse him for the \$1,404 additional tax he must pay for 1977 and assure him that his wife can accompany him on future operational trips abroad at Agency expense and without having such expenses declared as additional income, he will refuse to go on any more trips abroad on our behalf.

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

*B. Hugh Tovar*  
B. Hugh Tovar

CONCUR:

*H. L. L. L.*  
C/CNS/MSB/C

*26 Jan 78*  
Date

2

S E C R E T

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