

**TOP SECRET**

48

1 larger in terms of finances, also. Then you have both of the  
2 problems we addressed in the paper, which was the risk of  
3 unfair competition with private enterprise, and the risk of  
4 blowing cover, of compromising security.

5 So I think that --

6 Senator Huddleston. I was wondering if it could be  
7 designed in such a way as care should be taken that it not be  
8 any larger than necessary to achieve the objective for which  
9 it was established.

10 Mr. Kirbow. Excuse me, Senator. It would not get the  
11 Air America thing because at the time they needed one twice  
12 that size.

13 Senator Huddleston. They needed it that big, that's  
14 right.

15 Mr. diGenova. The reason this language is in here is that  
16 the Agency officials themselves who testified, all of them,  
17 including the DDO, said they would like to have small ones, in  
18 other words, a small number of employees, small operation.

19 Senator Huddleston. What about their insurance business?

20 Mr. diGenova. That's kind of an exception, although  
21 actually that is an example of a lot of money with only a few  
22 employees. There are only a couple of people that run that  
23 whole thing, Isenstead and a couple of -- one investor,  
24 Istenstead, and an auditor. There are three men that run that  
25 **\$32 million** complex. So that is a different animal, really.

**TOP SECRET**