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	Former Stort Employee a it is Hered as a Central Employee a it is Civel Service Retirent, WAs coul PSIs.	Crahange	$(r)_{60}$
Date	Action	Comp	- Granget
4503/65	Hered as a Central Employee a it is	8.	·
,	Civil Service Retirement, UPAs coul PSIs.	19,880	65-15/7
10 vd (5	LTI	20,595	GS-15/7
3502,66	LPI	21,192	65-15/7
17 Sepi 66	Contract Terminaled	21,192	GS-15/7

Converted to Staff Employer Status

SELINE

J __ J .J/0

MEMORANDUM FOR: Office of Finance

THROUGH

: Chief, Contract Personnel Division

SUBJECT

: Engagement of F. Howard Hunt has Independent Contractor Under Menorandum of Ord Contract

- 1. Effective 2 November 1970, subject was retained under oral contract to write a citation concerning an employee of CIA for a fee of \$250.00. The completed citation was delivered to and acce ted by CIA on 23 November 1970.
- 2. Subject is a former CIA Staff Employee who retired effective 30 April 1970.
- 3. Subject is to be poid his fee of \$250.00 under Fin Account Number 1176-0041. At Mr. Hant's request, payment is to be mide in the form of two sterile checks, one in the amount of \$200.00 pay ble to the Public Service Aid Society, and the second in the amount of \$500.00 payable to the Educational Aid Fund. Please forward both checks to Mr. Ben DeFelice, 5E-67 Headquarters.
 - 4. No other commitments have been made to subject.

Approving Officer
Office of Personnel

APPROVED:

1s/ Ich II. Dublether

3 220 1970

Chief, Contract Personnel Division

Date

This

SECRET

Estimate una science Estimate una science Espansicion dos Se of local 1 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT:

Turince S. CRABANAC

and with approvals from the DCI and the DDCI, was converted to contract employment and assigned to Spain for a special undertaking in behalf of the DD/P. He left for Spain in July 1965 and returned to the U.S. in June 1966 having completed his assignment successfully. If an evaluative comment is needed to cover his work during this period of time he should be rated as "strong".

Thomas H. Karamessines
Assistant Deputy Director for Plans

Orig & 1 - Director of Personnel
via C/EUR
1 - ADD/P

SECRET

3 October 1966

MEMORANDUM FOR : Chief, TRB

SUBJECT

: Verification of Contract Service for

Theise of

1. The following is a record of subject's contract service with the Agency:

Date	Action	Compensation
4 July 1965 10 October 1965 3 July 1966 17 September 1966	Contract Employee Salary Increase Salary Increase Contract Terminated	\$19, 880 per annum \$20, 595 per annum \$21, 192 per annum \$21, 192 per annum

2. All of above service is creditable for both leave and Civil Service Retirement purposes.

Dow H. Luetscher. Chief, Contract Personnel Division

Distribution:

Orig & 1 - Addressee

2 - CPD

SECRET

8 6 SEP 635

Chief, Contract Personnel Division

Paul R. Wilson

Verification of Contract Service

(RHEANAC, Lines)

In order to establish the salary, LCD and to compute the SCD for both leave and retirement purposes, it is necessary to verify the contract service and salary of who claims employ-, DOB 9 October 1918, ment with this Agency in a contract status from 4 July 1965 to 17 September 1966.

Deputy Chief, Transactions & Records Branch

This is to advise that effective 17 September 1966 I will resign from employment with the United States Government as provided in the contractual agreement effective 4 July 1965. It is understood that my status as a Staff Employee will be effective 18 September 1966, the day following my resignation as a Contract Employee.

Terence S. CRABANAC

APPROVED:

14 00000

European Contract Approving Officer

Date

APPROVED:

/s/ Dow H. Luetscher Spacial Contracting Officer REVIEWED: H. Lucissinor.



SEURET

14 July 1966

MEMORANDUM FOR THE RECORD

14 00000

SUBJECT: Terence S. CRABANAC (P)

The ADDP requested the writer to personnally bring

CRABANAC's file to him for review this date. I was informed

by Mr. Karamessines that Subject has now returned to

headquarters for reassignment and will not be returning to

Madrid, as his duties have been fulfilled there.

When the DDP decides CRABANAC's next assignment, ADDP will inform us of such and action desired. CRABANAC's travel accounting was given to C/E/B&F for preparation and processing of the voucher for Subject's return travel.

Charles J. Francis
AC/E/SS

CFrancis/cls: 14 Jul 66

MENORANDUM FOR: Deputy Director for Support

SUBJECT:

Request for Exception to Provision of FR 45-10b — Terence S. CRABANAC (P)

- 1. This memorandum contains a recommendation in paragraph 4 for the approval of the Deputy Director for Support.
- 2. Terence 8. CRABANAC (P) is a Contract Employee assigned to the Madrid area in Spain in a sensitive assignment since his conversion from a Staff Employee on 4 July 1965. CRABANAC was a GS-15, stop 7 (\$19.880.00 per annum) and he is being paid at the same rate in his present contract atatus. His contract provides that he will be entitled to a living quarters allowance in conformance with regulations of this organization applicable to its appointed personnel.
- 3. The basic living quarters allowance for Class II officers in Madrid is \$2,000 per annua. The house which CRABANAC has located, with a one year lease from 15 November 1965 to 14 November 1966, has an annual rent of \$6,600.00 excluding utilities. Therefore, for rent alone, he will be \$1,960.00 per year over the 160 percent maximum allowed under the provisions of FE 45-10b. On a 75/25 percent sharing basis of the 60 percent over the quarters allowance, he would be out of pocket \$2,395.00.
- 4. Due to the operational sensitivity of CRABANAC's assignment, his request for miles on his housing costs was handled by Mr. Thomas Karamessies, ADDP. On 15 September 1965, Mr. Karamessines, ADDP, approved his being reimbursed on a 75/23 percent basis for the excess allowable costs up to, but not to exceed, 60 percent above his quarters allowance. This authorization was included in a letter to CRABANAC from Mr. Karamessines. It is requested that the Deputy Director

for Support authorize the 75/35 percent sharing of the excess allowable costs up to 60 percent above his quarters allowance.

1.51

Edward Ryan 'Acting Chief Western Europe Division

Recommendation in paragraph 4 is authorized:

Charles N. Davis

9 NOV 1965

Deputy Director for Support

Date

DDP/WE/88:DavisB.Powell/aj/6189 (8Now85)

Distribution:

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1 - WE/PT 1 - WE/BP 1 - WE/B

SECRET

Chief, Wostern Europe Division

18 October 1965

ATT : Support Staff

Compensation and Tax Pivision Office of Finance

Puty Status Reports-ference S. CRABANAC, Employee Sumber 179080

Reference: FRB 20-1000-1, paragraph 5.

1. To date there is no record of receipt of Forms 764, Duty Status Reports, for Terence 5. CRABENAC since his ROD 4 July 1965. These reports are required in order to maintain his leave account in accordance with the terms of paragraph 6(e) of his contract and to preclude action to withhold pay in accordance with requirements of the referenced handbook.

 It is requested that this office be advised as to the reason for the delay in the submission of these Duty Status Reports.

LUCILE P. TWOKED

(hief,
Contract Employees accounts Section
Agent Payroll Grench

TO:

Compensation and Tax Division Office of Finance

ATTENTION: Lucile F. Twogood

PROM:

Chief of Support, WE Division

Per conversation with Mr. Thomas Karamassines, ADDP, there will be no Duty Status Reports (Form 764) submitted on Terence S. CRARARAC. This should be used as the authority to continue his pay without these reports.

Davis B. Powell Chief of Support WE Division

SECRET Lumber sie minest.

\$1.3. Co

Dear Howard, .

14 00000

Your insurance representative has passed along some information concerning reimbursement to you by means of deposits to your bank account. So that you will understand the reason and the source of deposits which show up on your bank statement, here is the run-down for the present:

Amount of Derocit	Approx Date of Deposit	Reason for Payment
\$ 5.00	Sep 9	Settlement of claim for son Howard (settlement sheet enclosed)
\$216.06	Oct 7	Settlement of following claims: You\$ 47.68 Lisa
\$505.75	Oct 7	Settlement of following claims: Lisa\$ 112.49 Kevan63.75 Kevan189.74 Lisa
\$ 60.00	To be made Nov 4	Refund of advance premium payments made on your life insurance policy which you cancelled.

I am also forwarding herewith some bills and receipts which your insurance representative has returned with appropriate notations on each. I believe you will want to retain these for possible future use.

Sincerely.

14 00000

4 October 1965

MEMORANDUM FOR: Chief, Contract Personnel Division,

Office of Personnel

: Terence S. CRABANAC (P), Contract Employee Request for Contract Amendment **SUBJECT**

1. It is requested that Subject's contract, which was effective 4 July 1965, be amended with respect to living quarters allowances so as to authorize reimbursement for 75% of the excess allowable costs up to, but not in excess of 60% of the standardized quarters but not in excess of, 60% of the standardized quarters allowance.

2. The proposal for this 75%/25% sharing basis, in lieu of the standard 50%/50% basis, has been reviewed and approved by Mr. Thomas H. Karamessines.

> Paris B. Prencel Davis B. Powell Chief, WE Support Staff

MEMORANDUM FOR: Mr. Thomas H. Karamessines

SUBJECT : Madrid Housing

14 00000

1. The following is a listing of the GS-13 and above staff employees and their quarters costs as of April 1965:

Grade & No. of Dependents	Allowance	Cost to Cost Individual		
Dependents	ATTOWARCE	Cost	Individual	
(COS)GS-16 (3)	\$2,900	\$4,236	All cost paid	
GS-15 (1)	2,900	3.132	\$116	
GS-15 (0)	2,000	1.800	O ·	
GS-14 (5)	2,900	2,796	Ō	
GS-14 (5)	2,900	3,840	450	
GS-13 (3)	2,000	2,280	140	
GS-13 (3)	2,000	2,472	236	
GS-13 (5)	2,000	2,544	272	

2. Mr. Hunt's quarters allowance is \$2,900. Using the same formula as applied to the other staff employees at the Station, the following would be the figures:

\$2,900 + 60% (\$1,740) = \$4,640

On a 50/50 percent sharing basis of the 60 percent, he would be out-of-pocket \$870 if his costs were \$4,640.

On a 75/25 percent sharing basis of the 60 percent, he would be out-of-pocket \$435, if his costs were \$4,640.

3. I would recommend he be authorized the 75/25 percent sharing basis of the allowable excess costs up to, but not to exceed, 60 percent above his quarters allowance.

Davis B. Powell
Chief
WE Support

4640

SECRE

3 September 1965

MEMORANDUM FOR: Chief, Contract Personnel Divisica

SUBJECT

14 00000

: General - Terrence S. CRABANAC - Supplement

Specific - Paragraph Entitled "Offset"

REFERENCE

A. OGC Opinion 65-2476a, dated 12 August 1965

B. Our Memo, dated 8 July 1965, Same Subject

- 1. This office herein recommends an ammendment to CRABANAC's Supplement dated 4 July 1965, to delete paragraph 7. entitled "Offset."
- 2. This office acknowledges the OGC opinion, Reference A, which determined CRABANAC may retain without Agency salary offset any future royalties earned as a result of his literary efforts based on the fact cover does not include role of a writer.
- 3. As Subject's cover "activities" have been officially clarified as being only a light one of a retired Foreign Service Officer for which the Agency will be making all entitlement payments and actually he will receive no funds from any cover, this paragraph, which is misleading, has no meaning in Subject's contract and it is hereby recommended that it be deleted from CFABANAC's Supplement.
- 4. Further, in future cases when a cover is so light that Subject will not be receiving funds from cover it is recommended that no "Offset" paragraph be included in Supplements or Contracts.

WILLIAM R. CAULFIELD Chief, Covert Claims Branch

Attachment Ref. A and B pro action tiller on

SECTION STREET

OGC 65-2476a

12 AUG 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT:

14 00000

Terence S. CRABANAC - Retention of Royalties by a Contract Employee

- 1. You have requested the opinion of this Office in regard to the retention of future royalties which might be earned by Terence S. CRABANAC as a result of his literary efforts. We believe that he is entitled to retain such royalties without an offset against his Agency salary.
- 2. We have been advised by Mr. Gene Stevens, WE/Support, that CRABANAC's cover does not include the role of a writer; CRABANAC's cover for status will only be a light one of a retired Foreign Service Officer. Therefore, paragraph 7 of his contract dated 4 July 1965 may. remain as written. Royalties from the fictional works that he writes as a profitable hobby will not be emoluments received from or through his "cover activities."

NORMAN D. BLOCK Office of General Counsel

cc: Chief, Covert Claims Branch Mr. Gene Stevens, WE/Support

ς. (`...

MEMORANDUM FOR : Office of General Counsel

ATTENTION

Norman Block

SUBJECT

14 00000

Terence S. Crabanac --Retention of Royalties by a Centract Employee

- 1. Reference is made to the telephone conversation of 26 July 1965 between yourself and Rogers C. Brooks of this Office wherein background information relating to the assignment of Terence S. Crabanac was discussed.
- 2. Subject will apparently develop a cover as a writer, a field wherein he has an already demonstrated talent based upon several publications. The objective of the cover is to provide a basis of attribution for some of his income. At the time of the preparation of Mr. Crabanac's contract, the specific detail of his cover was unknown.
- 3. Request your opinion in regard to the retention of possible royalties earned by Crabanac as a result of his literary efforts or whether such income should be properly offset.

Joseph B. Ragan Chief, Contract Personnel Division

Attachments.

OP/CPD: RCBrooks/cw: 2 August 1965 ·

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from Security to Which he can mail his financial accounts. Fines will reduce contact with station

SIGNET

5 July 1365

PLY NUL & BAIRFING REPORT

0.92 1 7 July 1965

14 00000

STATUS: Contract Fapleyee

SUBJECT : Toronce CRABANAC

CHVER : Hon-Official - Writer

pestination: Madrid Spain

كامل كالضعون

DEFENDENT: Vive and four children

14 12, 11 and 21 max.

Outjust wis revised that this bliefling was being hold to relies with him the office i financial business and personal rejects crouted as a result of all 88 lightent. In was told the compart of the briefling would be propored and that a copy would be forwarded to the AUSTRA office responsible for his administration.

Subject-is proceeding abroad as a retired CD GID officer van is now a pursuing a career so a writer.

Subject and read his Contract. The persons present at the brighing were Subject and wire Division Budget and Pixed Officer, payroid representative, and the undersigned Certifying Officer.

The payroll representative briefed Subject regarding his empenention. Bendquarters payrelled allowances, the vitabolding and deductions, proposed Foreign Daty Data Sheet was used and an official copy will be tent to the office administering Subject upon receipt of a motification Subject has arrived in place. The Tax Committee representative had briefed Subject on to the procedure by which he will fulfill his Federal tax reporting to unrements - see below Section III entitled "Taxes." All questions in the dy Subject during the briefing were answered to his apparent matter extent. There were two points total were to reviewed further by WE, they were:

n. Review of Supplement relative to quarters allowance being payrulled and non-accountable.

b. Determination of authorisation and amount of a Transport tion allowance.

Plans call for Subject to establish through Monetary Division in operational bank account. This fund will serve his operation i needs while in Midrid as he is to have no (or limited) contact with the atotion. Algapoints of the briefing are discussed below:

GROW 5
Excluded from automatic
datespracing and
declassificating

I. Funding and Accounting

- A. Readque ters
 - (1) Will payroll Subject's compensation (and allowernes) authorized deductions. (Specify allowances as applicable)
 - (2) Will siven a PC; travel funds and smilt accounting which is to be subsitted by Subject when so counting complete.
 - (3) Will advance funds and receive as countings to operational fund.

 Ris first accounting will be upon coving into person at quarters,
 and initially quarterly thereafter, unless activity war antemore frequent as counting period.
- B. Station Will provide only emergency support as needed.
- C. Cover
 - (1) Subject has no ligitimate gover from which through agreement with KURARK be would come two payments.
 - (2) Paragraph 7 entitled OFFSET is in question with contracting office as to what is intended as Eubject's only income from lover.

 a tivities appear to be income from his writings. Subject is under impression income from writings not to be refundable.

hould II. Terms of Contract and Additional Items

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14 00000

- Subject was informed that allowed es were subject to fluctuation as a result of Stonderdized or NUBARK regulations changes.
- (iia.) Subject was advised to notify Readquarters of changes in his family status as such changes would effect allows as being payrolised where rates are determined by Subject's family status.
- (12) Receipts

 Subject was advised that a receipt is required where practicable or a certification in lieu of receipt should be subsitted for all reimburseable expenses in the amount of \$15.00 or more.
- (30) Travel
 Sudget was briefed to general regarding reimburscoble in:idental
 expenses and travel entitlements in regard to his proposed itinerary.
 Among the points overed were the following:
 - A. Per Diem rates applicable to Subject's proposed ittagrary
 - B. Extess baggage provisions when economy/tourist flights are used

SECRET

(2017) Excludes from extensité deungrading and declassitation

- C. Use of less than first loss at travel accomplations
- D. Use of American airlines
- (30) Effects Shipment
 Subject was briefed in general regarding his KUBARK authorizations
 as follows:
 - A. The combined shipping and storage of household effects to limited to 13,500 pounds not for Subject.
 - B. Full shipment is authorized.
 - C. Subject was advised the total of the amount of the effects stored and shipped shall not exceed the limitations for shipment and storage set forth as 13,500 pounds not.
- (31) Unarrosponted Baggage

 300 pounds not per traveller which may be used as follows:
 When entire journey is by surface transportation the 300 pound authorization is to be shipped by surface transportation, or can be included with household effects shipments.
- (33) FORMER CUSTON BUTIES

 As Subject to under non-official cover be may be required to pay foreign import duty as this regulatory authorization was discussed.
- (43) Transportation Allowance
 Subject will be taking his personal car and reported be will be authorized a Transportation Allowance but yet determined by Division. The Allowance is to be paid southly by Headquarte.s.
- (51) Temporary Longing Allowance
 Subject was not tend be would be estitled to this allowance and he
 was briefed as to its provisions as outlined in the standardized
 Acgulations.
- (53) Permanent Permanal Quarters
 Subject was adviced that his quarters would be administered in accordance with FR 35-105, and then the provisions of this degulation were explained to his. However, Division FRF Offi or intends to review this point for possible contract semandament in providing a quarters allows a se sexious Standardized rate and to be some accountable.

SECRET



- (ó0) Leave
- (61a) Subject was informed of his leave basences as of 3 July 1965; A/L 374 hours and 5/L 533 hours.
- (63) Leave Benefits
 Subject was informed of accruals, use, and carry-over for socuel
 (360 hours) and sick leave while overseas. Also, he was informed
 Bendquarters forwards leave belances to the field annually.
- (71) Insurance
 Subject was informed that costs incurred for insurance protection
 of baggage, effects, ar and their shipment are considered personal
 and are not relaburacable by KUBARK.
- (74) Edu ation and Edu ational Travel Allowances

 These regulatory provisions were discussed as the ages of Euclocit's children indicate his elligibility. All official employmes are required to sond children to U. S. Military school, Subject's allowances will be equal to that authorized for other WE non-official personnel in area.
- (81) Operational Expenses
 Eubject was briefed in general terms agarding advances, control,
 safekoeping, accounting, receipts, and other supporting authoritative documentation.
- (82) Operational Entertainment
 A thorough briefing was given Subject regarding this topte in accordance with current regulations.
- (84) Other Operational Considerations
 An operational bank ac out is being opened through the Monetary
 Division to house an operational advance enount yet undetermined.
 Subject was advised not to co-mingle personal funds with operational funds. Subject will submit his first accounting upon occupying permanent quarters and initially quarterly thereafter. From this account TLA and Educational allowance payments will be made and reported.
- III. Taxes
 Subject was advised be should file overtly only. Subject's W-2 is to be
 forwarded by pouch and his tax return is to be returned by pouch for mailing
 in U. S.

SECTIET

cecup i Cecinda: from automatic demogratikg and Ceciasal/Ination

- Banking Apparagements

 A. Subject has provided Headquarters with his bank absount for use as his stateside allottes.
 - An operational bank account is to be established.

WILLIAM R. CAULFIELD Chief, Covert Claims Bran.h

Distribution:

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RROUP 4 Estimates to be actionally Sunagrading and Perclassicitation

MONORANDUM FOR: Contract Personnel Division, 0/P

Bubject

general - Terence S. CRABANAC - Supplement
specific - Paragraph Entitled "OFFSET"

- 1. This office has a question as to the intent of including paragraph (7.) entitled "OFFSET" as appears in the Contract for Terence S. CRABANAC. The paragraph in question reads as follows:
 - 7. OFFEET

 Emoluments (including benefits in kind) received from or through your cover activities are the property of the U.S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tex purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.
- 2. Subject reportedly is proceeding abroad under the cover of a retired Foreign Service Officer and in pursuit of his ambitions as a writer, Subject will receive all his contractual benefits through the Agency, there is no cover company, so therefore the only apparent emoluments to be received from or through his cover activities would be earnings received from articles, stories, or books written by him. Please inform this office if its interpretation is correct. If not, we would appreciate your interpretation and reasoning relative to the statement "Emoluments received from or through your cover activities are the property of the U.S. Government."

WILLIAM R. CAULFIELD Chief, Covert Claims Branch

Jul 11 34, AM 35

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wert ber

Mr. Terence S. Crabanae

Dear Mr. Crabanac:

The United States Government, as represented by the Contracting Officer, hereby contracts with you as a Contract Employee for the use of your services and the performance of duties of a confidential nature under the following terms and conditions:

- 1. Compensation. In full consideration for the use of your services and the performance of specified confidential duties you will be compensated in an amount calculated at the rate of \$19,880 per annum. In addition, you are herein authorized legislative salary adjustments, within-grade promotions and, if applicable, a post differential in substantial conformance with rules and regulations applicable to Government appointed employees. Payments will be made as requested by you in writing in an approved manner. Taxes will be withheld therefrom and submitted by this organization.
- 2. Allowances. You will be entitled to: (a) Living quarters allowances in conformance with regulations of this organization applicable to
 its appointed personnel. In the event you are furnished quarters by the
 Government you will not be entitled to the living quarters allowances herein
 indicated.

(b) Cost-of-living allowances in conformance with applicable regulations of this organization including, but not limited to, a post allowance, a transfer allowance and a home service transfer allowance.

- 3. Travel. You will be advanced or reimbursed funds for travel and transportation expenses for you, your dependents, your household effects and your personal automobile to and from your permanent post of assignment, and for you alone for authorized operational travel. In addition, you will be entitled to storage of such household and personal effects as are not shipped, in conformance with applicable Government regulations. You may be entitled to per diem in lieu of subsistence in the course of all travel performed hereunder and, when authorized, for you alone while on temporary duty away from your permanent post of assignment. All travel, transportation and per diem provided for under this paragraph must be properly authorized, and expenses incurred here-under are subject to payment and accounting in compliance with applicable Government regulations.
- 4. Operational Expenses. You will be advanced or reimbursed funds for necessary operational expenses including, but not limited to, entertainment and the purchase of information, as specifically approved by the Government. Such funds will be subject to payment and accounting in compliance with applicable Government regulations.
- 5. Repayment. It is recognized that your failure to account for or refund any monies advanced you hereunder shall entitle the Government to withhold the total amount of such indebtedness or any portion thereof from any monies due you under the terms of this contract in such manner as it deems appropriate.

- 6. Benefits. (a) You will be entitled to death and disabilit, benefits equal to those authorized under the Federal Employees' Compensation Act, as amended. Claims by you, you heirs, or legal representatives under this paragraph will be processed by this organization in accordance with its procedures in such manner as not to impair security.
- (b) You will be entitled to the continuance of pay and allowances in a manner similar to that set forth in the Missing Versons Act (50 U.S. C.A., App. 1001-1015).
- (c) You will be entitled to sick, annual and home leave (including travel expenses incident thereto) equal to and subject to the same rules and regulations applicable to Government appointed employees. Annual leave may only be taken at times and places approved in advance by appropriate Government representatives. All accrued but unused leave credited to your former account as an appointed employee of this organisation will be transferred to the leave account established for you hereunder.
- (d) As a Government employee under contract converted from staff status without a break in service, it is required that you continue to make contributions to the Civil Service Retirement Fund. Such contributions (presently six and one/half per cent (e-1/2%)) will be deducted by the Government from the basic compensation due you hereunder, i.e., presently \$19,880 per annum.
- (e) You are herein authorized to apply for enrollment in a health insurance program for certain selected Contract Employees of this organization, subject to all the terms and conditions of that program. If accepted, this organization is presently authorized to bear a portion of the premium cost, you will bear the remainder. Your financial contribution will be effected either by payroll deduction or by direct remittance at periodic intervals to be established by this organization.
- (f) (i) This organization is authorized to pay the cost of necessary hospitalization and related travel expenses for illness or injury incurred by a United States citizen full-time Contract Employee in the line of duty while abroad.
- (2) This organization may pay certain necessary costs of hospitalization and related travel expenses for illness or injury incurred by the dependents of a United States citizen full-time Contract Employee permanently assigned abroad, while they are located abroad.

It is understood and agreed that the eligibility and extent of the participation by you and your dependents in the above medical programs will be in conformance with the rules, regulations and policies of this organization in effect at the time an illness or injury is incurred, that all claim a will be submitted only to this organization and that adjudication of such claims by this organization shall be final and conclusive.

7. Offset. Emoluments (including benefits in kind) received from or through your cover activities are the property of the U. S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tax purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.

- 3. Execution of Documents. If, in the performance of services under this contract, you assume the custody of Government funds or take title of record to property of any nature whatsoever and wherever situate, which property has in fact been purchased with monies of the U. S. Government, you hereby recognise and acknowledge the existence of a trust relationship, either express or constructive, and you agree to execute whatever documents may be required by the Government to evidence this relationship.
- 9. Secrecy. You will be required to keep forever secret this contract and all information which you may obtain by reason hereof (unless released in writing by the Government from such obligation), with full knowledge that violation of such secrecy may subject you to criminal prosecution under the Espionage Laws, dated 25 June 1948, as amended, and other applicable laws and regulations.
- 10. Instructions. Instructions received by you from the Government in briefing, training or otherwise are a part of this contract and are incorporated herein, provided that such instructions are not inconsistent with the terms hereof.
- 11. Unauthorized Commitments. No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendment thereto shall be binding on the Government.
- 12. Term. This contract is effective as of 4 July 1965, and shall continue thereafter for a period of two (2) years unless sooner terminated:
 - (a) Upon sixty (60) days' actual notice by either party hereto, or
 - (b) Upon actual notice to you in the event the results of an initially required medical examination are determined by this organization; to be unsatisfactory, or
 - (c) Without prior notice by the Government, in the event of a breach of this contract by your violation of the security provisions hereof or by your otherwise rendering yourself unavailable for acceptable service.

Subject to the availability of appropriations, this agreement may be extended upon notice from the Government. In the event of voluntary termination on your part or termination for cause by the Government prior to the expiration of this agreement or any renewal thereof, you will not be entitled to return travel expenses to the United States. Termination of this agreement will not release you from the obligations of any security oath you may be required to take.

to take.	
	UNITED STATES GOVERNMENT
	BY DHL
	Contracting Officer
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WITNESS:	APPROVED:
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J. U.E

MEMORANDUM TO: Benefits & Services Division

SUBJECT : Cause of Illness - E. Howard Bunt

- 1. Having been requested to give an opinion regarding the origins of the duodemal ulcer for which I was hospitalized october 12-15, 1964, I believe it to have resulted from three years of work frustration and professional dissatisfactions occasioned by (a) Agency failure to assign me to an appropriate post abroad following my participation in Project MATE, and (b) the passive, non-challenging mature of the demostic work I was given.
- 2. I should point out that before joining Project JAMTS in May, 1960, I requested in writing, and was granted by responsible senior officials, commitment to return me to an appropriate assignment abroad upon the termination of JAMTE. Despite continuing verbal assurances in the ensuing three years I was not cent abroad. Instead, I was not ensuined in domestic duties which I felt were inconsistent with the beavier responsibilities discharged by me during a long and active operational career abroad.
- 3. The T/O position I have been occupying Chief of Covert Action for DO Division is the equivalent of my 1953-50 assignment as Chief of Covert Action for SE Division. Organizationally I am where I was 11-12 years ago, but with a smaller staff and carry fewer responsibilities.
- b. To me this represented a professional dead-end, without hope of promotion or foreign assignment, a situation which precocupled my mind and in due course found physical reflection in ducional bemorrhage.
- 5. For the record, the foregoing information is not volunteered, but provided in response to an official request.

HOWARD BUST

7 December 1964

MEMORANDUM FOR: Mr. E. Howard Hunt

SUBJECT

: BEC Claim

- 1. Returned herewith is CA-1 (in duplicate) and CA-2 (in duplicate) which you completed in connection with your recent illness.
- 2. The Benefits and Services Division has requested the following information:
 - a. Statement of medical history Form 89 attached for this purpose.
 - b. Full statement from physician, or physician, including nature of illness, treatment, prognosis and statement as to what he thinks may be the cause.
 - c. Statement from you, describing in full, whit you think the contributing cause may be.

Virginia C. Lync': DU/dersonnal

Attachments - A/S

SECRET

.`	NOTIFICATION OF ESTABLISHMENT OF MILITARY COVER BACKSTOP	DATE	
 TO:	CHIEF, PERSONNEL OPERATIONS DIVISION	ESTABLISHED FOR	
(Crec <u>i</u>)	CHIEF, OPERATING COMPONENT (For action)		
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EF:		10 CARD NO.	
ILITAS	RY COVER BACKSTOP ESTABLISHED	EMPLOYEE NO.	
	KEEPONETOPROPRIMERS	EQUERAIN	-301
	Block Records: (OPMENO 20-800-12)		
	a. Temporarily fordays, effective	,	•
		•	
	b. Continuing, effective	·	٠.
	Submit Form 642 to change limitation category. (HHB 20-7)		
	<u> </u>	•	
	Ascertain that Army W-2 being Issued. (HB 20-861-1)		***
	Submit Form 1322 for any change affecting this cover. (R 240-250)		
_	Submit Form 1323 for transferring cover responsibility.		٧.,
L	(R 240-250)		••
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[13-20-43]

MEMORANDUM FOR ATTACHMENT TO CA-2 Filled by E. Howard Hunt

14 00000

My first knowledge of Mr. Hunt's illness was on the morning of 12 October when his office informed me that he bocame ill and was taken to the hospital with a "bleeding ulcer". He has been on sick leave since that date.

Thos. P. Schreyer Executive Officer

14 00000

CLOSM ANDMODERACITY DATE AS SERVARMING OF MOJOISON DAY CADOVER CAMBRIDGE AND AMERICA

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