

RETURN TO CIA  
Background Use Only  
Do Not Reproduce

|  |  |                                 |  |                 |
|--|--|---------------------------------|--|-----------------|
| <b>DISPATCH</b>  |  | CLASSIFICATION<br><b>SECRET</b> | PROCESSING   |                 |
| TO   | Chief of Station, Ottawa                                     |                                 | SEARCHED   | INDEXED         |
| INFO   |  |                                 | SERIALIZED   | FILED           |
| FROM   | Deputy Chief, WH/SA  |                                 | MARKET R. INDEXING                                 |                 |
| SUBJECT  | Operational/TYPIC/ARRUG<br>AMMUG/1 - Money Held by (SMABOVE) |                                 | INDEXING REQUIRED                                  |                 |
| ACTION REQUIRED  | REFERENCES   |                                 | ONLY QUALIFIED HEADQUARTERS DESK CAN FILE INDEXING |                 |
| ACTION: As Stated  |  |                                 |  |                 |
| REF: OCOA 7762, Dated 1 May 1964   |  |                                 |  |                 |
| <p>1. As you will recall, at the time of AMMUG/1's defection, <sup>01</sup> he had with him \$2,500 (U.S.) which was retained by the (SMABOVE's) because their (foreign) office believed that this might have to be turned back to the PERUMEN government upon request. Although the foregoing position hardly appeared consistent with (SMABOVE's) <sup>01</sup> surrender of documents and files which even more clearly were the property of PERUMEN, you and LANCOSCH agreed that KUBARK's interests would be served best by taking the documents and the person and by not quibbling about the holding of the money.</p> <p>2. In the absence of any news to the contrary, it appears that PERUMEN has not claimed the money and has no intention of doing so. Accordingly, it would appear that (SMABOVE) may be willing to turn over the \$2,500 now. <sup>01</sup></p> <p>3. As matters stand, KUBARK has turned over \$2,500 to AMMUG/1 but our tax unit considers that this must be treated as taxable income. Hence, in order that AMMUG/1 may net \$2,500, the payment here must be charged to \$3,010. This will include the tax payment (and the tax on tax) but the total tax of \$510 will be held by the Finance Section until time for filing. If you could recover the \$2,500 held by (SMABOVE), <sup>01</sup> no tax problem will be encountered and administrative headaches will be avoided at the Ides of March. <sup>01</sup></p> <p>4. Your efforts to recover the \$2,500 from (SMABOVE) will be appreciated. Please notify headquarters of (SMABOVE's) decision. It is left to you to decide the opportune time to raise the matter which, of course, could coincide with furnishing (SMABOVE) with results of debriefing AMMUG/1. <sup>01</sup></p> |  |                                 |  |                 |
| KENNETH H. PHILBROOK   |  |                                 |  |                 |
| STEWART F. POLNICK   |  |                                 |  |                 |
| Distribution:  |  | DATE TYPED                      |  | DATE DISPATCHED |
| 3 - COS, OTTA  |  |                                 |  |                 |
| CROSS REFERENCE TO   |  | DISPATCH SYMBOL AND NUMBER      |  |                 |
|  |  | 100Y 4792                       |  |                 |
| CLASSIFICATION   |  | HEADQUARTERS FILE NUMBER        |  |                 |
| <b>SECRET</b>  |  | 10 - 6 - 102/3                  |  |                 |
| OFFICE   | OFFICER  | TYPIST                          | EXT  |                 |
| WH/SA/CI   | Harold F. Swenson  | SWK                             | 6471   |                 |
| OFFICE SYMBOL  | DATE   | OFFICER'S NAME                  |  |                 |
| WH/SA/CI   |  |                                 |  |                 |
| WH/SA/EOR  |  |                                 |  |                 |

- 1 - WH/SA/ESEC
- 1 - WH/SA/CI
- 1 - RID Files
- 1 - WE/BC/C

9/12