

MATERIAL REVIEWED AT CIA HEADQUARTERS BY  
HOUSE SELECT COMMITTEE ON ASSASSINATIONS STAFF MEMBERS

SECRET

CRABANAC, Terence S.

FILE TITLE/NUMBER/VOLUME: HUNT, E. HOWARD (CONTRACT)

INCLUSIVE DATES: 6 January 1965 - 3 Dec 1970

CUSTODIAL UNIT/LOCATION: DP

ROOM: 5E13

DELETIONS, IF ANY:

DATE RECEIVED	DATE RETURNED	REVIEWED BY (PRINT NAME)	SIGNATURE OF REVIEWING OFFICIAL
2/28/78	2/28/78	DAN HARDWAY	<i>Dan Hardway</i>
3/15/78	3/15/78	DAN HARDWAY	<i>Dan Hardway</i>

THIS MAY BE COPIED OR REMOVED FROM THIS FILE

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Vertical text on the right margin, possibly a date stamp or reference number, including "19 APR 1978".

Contract Source - Terence S. Crabtree (P) GS

<u>Date</u>	<u>Action</u>	<u>Comp</u>	<u>Grade</u>
4 July 65	<del>Former Staff Employee</del> Hired as a Contract Employee with Civil Service Retirement, LPIs and PSIs.	\$ 19,850	GS-15/7
10 Oct 65	LPI	20,595	GS-15/7
3 July 66	LPI	21,192	GS-15/7
17 Sept 66	Contract Terminated	21,192	GS-15/7

Converted to Staff Employee Status

SECRET

8 23 1970

MEMORANDUM FOR: Office of Finance

THROUGH : Chief, Contract Personnel Division

SUBJECT : Engagement of E. Howard Hunt as Independent Contractor Under Memorandum of Oral Contract

1. Effective 2 November 1970, subject was retained under oral contract to write citation concerning an employee of CIA for a fee of \$250.00. The completed citation was delivered to and accepted 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 paid his fee of \$250.00 under Fin Account Number 1176-0041. At Mr. Hunt's request, payment is to be made in the form of two sterile checks, one in the amount of \$200.00 payable to the Public Service Aid Society, and the second in the amount of \$50.00 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.

*E. J. ...*  
\_\_\_\_\_  
Approving Officer  
Office of Personnel

APPROVED:

*/s/ Ben H. DeFelice*

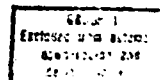
8 23 1970

\_\_\_\_\_  
Chief, Contract Personnel Division

\_\_\_\_\_  
Date

The

SECRET



1 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT: ~~REDACTED~~ Terence S. CRABANAC

~~REDACTED~~ on instructions of the Deputy Director for Plans, 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

~~████████████████████~~ C. R. HILSON, JR.

*License S.*

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

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

SECRET

26 SEP 1966

MEMORANDUM FOR: Chief, Contract Personnel Division

ATTENTION : Paul R. Wilson

SUBJECT : Verification of Contract Service

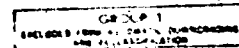
~~██████████~~ CRABANAC, Linn S.

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 ~~██████████~~, DOB 9 October 1918, who claims employment with this Agency in a contract status from 4 July 1965 to 17 September 1966.

*Lowell P. Moore*  
Lowell P. Moore

Deputy Chief, Transactions & Records Branch

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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:

/s/  
European Contract Approving Officer

          
Date

APPROVED:

/s/ Dow H. Luetscher  
Special Contracting Officer

REVIEWED:

/s/ Dow H. Luetscher

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

SECRET

14 July 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Terence S. CRABANAC (P)

The ADDP requested the writer to personally 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.

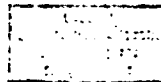
When the DDP decides CRABANAC's next assignment, ADDP will inform us of such and action desired. CRABANAC's travel accounting was given to C/E/B&F for preparation and processing of the voucher for Subject's return travel.



Charles J. Francis  
AC/E/SS

CFrancis/clis: 14 Jul 66

SECRET





8 NOV 1965

**MEMORANDUM 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 S. 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, step 7 (\$19,880.00 per annum) and he is being paid at the same rate in his present contract status. 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 \$2,900 per annum. 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 100 percent maximum allowed under the provisions of FR 45-10b. On a 75/25 percent sharing basis of the 80 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 relief on his housing costs was handled by Mr. Thomas Karamessines, ADDP. On 15 September 1965, Mr. Karamessines, ADDP, approved his being reimbursed on a 75/25 percent basis for the excess allowable costs up to, but not to exceed, 80 percent above his quarters allowance. This authorization was included in a letter to CRABANAC from Mr. Karamessines. It is requested that the Deputy Director

SECRET

for Support authorize the 75/25 percent sharing of the excess allowable costs up to 60 percent above his quarters allowance.

/ S/

Edward Ryan  
Acting Chief  
Western Europe Division

Recommendation in paragraph 4  
is authorized:

Charles H. Davis

9 NOV 1965

Deputy Director for Support

Date

DDP/WE/SS: Davis B. Powell/aj/6189 (8Nov65)

Distribution:

Orig. - C/WE  
2 - SSA-DD/S  
1 - C/WE/SS  
1 - WE/LO  
1 - WE/PT  
1 - WE/BP  
1 - WE/S

SECRET

Chief, Western Europe Division

18 October 1965

ATT : Support Staff  
Compensation and Tax Division  
Office of Finance

Duty Status Reports-Terence S. CRABARAC, Employee  
Number 179080

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

1. To date there is no record of receipt of Forms 764, Duty Status Reports, for Terence S. CRABARAC since his EOD 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.

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

LUCILE F. TWOGOOD

Chief,

Contract Employees Accounts Section  
Agent Payroll Branch

TO: Compensation and Tax Division  
Office of Finance

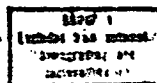
ATTENTION: Lucile F. Twogood

FROM: Chief of Support, WE Division

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

Davis B. Powell  
Chief of Support  
WE Division

SECRET



5100 1000

October 18, 1965

Dear Howard,

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:

<u>Amount of Deposit</u>	<u>Approx Date of Deposit</u>	<u>Reason for Payment</u>
\$ 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..... 112.88 Kevan..... 24.50 Howard..... 31.00 \$ 215.06 (Four settlement sheets are enclosed.)
\$505.75	Oct 7	Settlement of following claims: Lisa.....\$ 112.49 Kevan..... 63.75 Kevan..... 189.74 Lisa..... 139.77 \$ 505.75 (Four settlement sheets are enclosed.)
\$ 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,

John

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4 October 1965

MEMORANDUM FOR: Chief, Contract Personnel Division,  
Office of Personnel

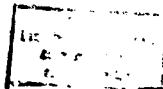
SUBJECT : Terence S. CRABANAC (P), Contract Employee  
Request for Contract Amendment

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 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.

*Davis B. Powell*  
Davis B. Powell  
Chief, WE Support Staff

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15 September 1965

MEMORANDUM FOR: Mr. Thomas H. Karamessines

SUBJECT : Madrid Housing

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

<u>Grade &amp; No. of Dependents</u>	<u>Allowance</u>	<u>Cost</u>	<u>Cost to Individual</u>
(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	0
GS-14 (5)	2,900	2,796	0
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:

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

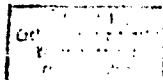
On a 50/50 percent sharing basis of the 60 percent, he would be out-of-pocket \$870 if his costs were \$4,640.

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, 50 percent above his quarters allowance.

*Davis B. Powell*  
Davis B. Powell  
Chief  
WE Support

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3 September 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT : 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 amendment 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 CRABANAC's Supplement.

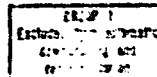
4. Further, in future cases when a cover is so light that Subject will not be receiving funds from cover it is recommended that no "Offset" paragraph be included in Supplements or Contracts.

*William R. Caulfield*  
WILLIAM R. CAULFIELD  
Chief, Covert Claims Branch

Attachment  
Ref. A and B

*no action taken on  
this memo.*

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OGC 65-2476a

12 AUG 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

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

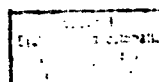
1. You have requested the opinion of this Office in regard to the retention of future royalties which might be earned by Terence S. CRABANAC as a result of his literary efforts. We believe that he is entitled to retain such royalties without an offset against his Agency salary.

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*  
NORMAN D. BLOCK  
Office of General Counsel

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

SECRET





3 AUG 1965

**MEMORANDUM FOR** : Office of General Counsel  
**ATTENTION** : Norman Block  
**SUBJECT** : Terence S. Crabanac --  
Retention of Royalties by  
a Contract 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.

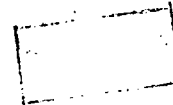
Joseph B. Ragan  
Chief, Contract Personnel Division

Attachments.

OP/CPD: RCBrooks/cw: 2 August 1965

Distribution:

Orig & 1 -- Addressee  
2 -- CPD



SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
<b>CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	C/WE / Support	15 July	<i>[initials]</i>
2			
3	WCE/AT - Stinson		
4	Re Saigon, Mr. Tolson		
5	concerning P.O. Box		
6		15 July	<i>[initials]</i>
ACTION		DIRECT REPLY	PREPARE REPLY <i>927</i>
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
<b>Remarks:</b>			
<p><i>Assume you wish to add this to your file as previously stated. There is no reason for him to have a transportation allowance. If you are in touch with insurance, pls have him see me. I want him to get a postoffice box over</i></p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
C/WE 15			14 July
UNCLASSIFIED		CONFIDENTIAL	SECRET

from Security to which he  
can mail his financial  
accounts. This will reduce  
contact with station.

14-00000  
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**SECRET**

8 July 1965

**FLY HOME BRIEFING REPORT**

**DATE** : 7 July 1965 **STATUS**: Contract Employee

**SUBJECT** : Terence CRABANAC **COVER** : Non-Official - Writer

**DESTINATION**: Madrid Spain

**DEPENDENTS** : Wife and four children  
14, 12, 11 and 21 mos.

Subject was advised that this briefing was being held to review with him the official financial business and personal aspects created as a result of his assignment. He was told that a report of the briefing would be prepared and that a copy would be forwarded to the KUSRX office responsible for his administration.

Subject is proceeding abroad as a retired OD CID officer who is now pursuing a career as a writer.

Subject had read his Contract. The persons present at the briefing were Subject and wife, Division Budget and Fiscal Officer, payroll representative, and the undersigned Certifying Officer.

The payroll representative briefed Subject regarding his compensation, Headquarters payrolled allowances, tax withholding and deductions. Proposed Foreign Duty Data Sheet was used and an official copy will be sent to the office administering Subject upon receipt of a notification Subject has arrived in place. The Tax Committee representative had briefed Subject as to the procedure by which he will fulfill his Federal tax reporting requirements - see below Section III entitled "Taxes." All questions raised by Subject during the briefing were answered to his apparent satisfaction. There were two points which were to be reviewed further by ME, they were:

*vacated due to need T.A.*

- a. Review of Supplement relative to quarters allowance being payrolled and non-accountable.
- b. Determination of authorization and amount of a Transportation Allowance.

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

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

**SECRET**

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I. Funding and Accounting

A. Headquarters

- (1) Will payroll Subject's compensation (and allowances) authorized deductions. (Specify allowances as applicable)
- (2) Will advance PCB travel funds and audit accounting which is to be submitted by Subject when accounting complete.
- (3) Will advance funds and receive accountings for operational fund. His first accounting will be upon moving into permanent quarters, and initially quarterly thereafter, unless activity warrants more frequent accounting period.

B. Station

Will provide only emergency support as needed.

C. Cover

- (1) Subject has no legitimate cover from which through agreement with KUBARK he would receive payments.
- (2) Paragraph 7 entitled OFFER is in question with contracting office as to what is intended as Subject's only income from cover activities appear to be income from his writings. Subject is under impression income from writings not to be refundable.

*no problem. Subject will have no cover income from writing. In event he should fail at some future time to receive cover income from other source, it would be offset.*

Terms of Contract and Additional Items

- (11) Allowances - Subject was informed that allowances were subject to fluctuation as a result of Standardized or KUBARK regulations changes.
- (11a.) Subject was advised to notify Headquarters of changes in his family status as such changes would effect allowances being payrolled 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 submitted for all reimbursable expenses in the amount of \$15.00 or more.
- (20) Travel Subject was briefed in general regarding reimbursable incidental expenses and travel entitlements in regard to his proposed itinerary. Among the points covered were the following:

- A. Per Diem rates applicable to Subject's proposed itinerary
- B. Excess baggage provisions when economy/tourist flights are used

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

SECRET

C. Use of less than first class air travel accommodations

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 is limited to 13,500 pounds net 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 net.

(31) Unaccompanied Baggage

300 pounds net 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 shipment.

(33) FOREIGN CUSTOM DUTIES

As Subject is under non-official cover he may be required to pay foreign import duty so this regulatory authorization was discussed.

(43) Transportation Allowance

Subject will be taking his personal car and reported he will be authorized a Transportation Allowance not yet determined by Division. The Allowance is to be paid monthly by Headquarters.

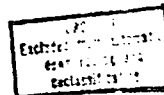
(51) Temporary Lodging Allowance

Subject was advised he would be entitled to this allowance and he was briefed as to its provisions as outlined in the standardized regulations.

(53) Permanent Personal Quarters

Subject was advised that his quarters would be administered in accordance with FM 49-100, and then the provisions of this regulation were explained to him. However, Division BAR Officer intends to review this point for possible contract amendment in providing a quarters allowance at maximum Standardized rate and to be non-accountable.

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(60) Leave

(61a) Subject was informed of his leave balances as of 3 July 1965: A/L 374 hours and S/L 633 hours.

(63) Leave Benefits

Subject was informed of accruals, use, and carry-over for annual (360 hours) and sick leave while overseas. Also, he was informed Headquarters forwards leave balances to the field annually.

(71) Insurance

Subject was informed that costs incurred for insurance protection of baggage, effects, and their shipment are considered personal and are not reimbursable by KUBARK.

(74) Education and Educational Travel Allowances

These regulatory provisions were discussed as the ages of Subject's children indicate his eligibility. All official employees are required to send 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

Subject was briefed in general terms regarding advances, control, safekeeping, accounting, receipts, and other supporting authoritative documentation.

(82) Operational Entertainment

A thorough briefing was given Subject regarding this topic in accordance with current regulations.

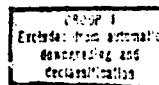
(84) Other Operational Considerations

An operational bank account is being opened through the Monetary Division to house an operational advance - amount 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 he 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 to U. S.

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IV. Banking Arrangements

A. Subject has provided Headquarters with his bank account for use as his stateside allottee.

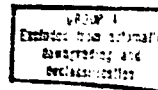
B. An operational bank account is to be established.

WILLIAM R. CAULFIELD  
Chief, Covert Claims Branch

Distribution:

- Orig. and 1 - CCB
- 1 - C&L
- 1 - Registry
- 1 - Payroll
- 1 - WE/Division

SECRET





SECRET

8 July 1965

MEMORANDUM FOR: Contract Personnel Division, O/P

SUBJECT : 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:

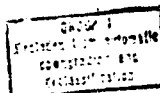
7. OFFSET

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.

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

SECRET



JUL 11 1965

Mr. Terence S. Crabanac

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 hereunder 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 disability benefits equal to those authorized under the Federal Employees' Compensation Act, as amended. Claims by you, your 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 Persons 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 organization 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 (6-1/2%)) 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) (1) 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 claims 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.

5. 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 recognize 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 1943, 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.

UNITED STATES GOVERNMENT

BY DHL  
Contracting Officer

ACCEPTED:

151

WITNESS:

151

APPROVED:

151

<b>CONTRACT INFORMATION AND CHECK LIST</b> (CONTINUED)  NOTE: SEE INSTRUCTIONS ON FIRST SHEET.	AGENCY OFFICER Gene Stevens	POSITION SE/PT
	TELEPHONE EXTENSION 7157	DATE 24 June 1965

SECTION VIII OTHER BENEFITS  
 48. BENEFITS (See HR 20-44; HR 20-41; HR 20-7; HR 20-53; and HR 20-620-1; HR 20-1000-1 and or successor regulations for benefits applicable to various categories of contract personnel.)

All Benefits Normally Applicable To Staff Personnel Except FEGLI.

SECTION IX COVER ACTIVITY

47. STATUS (Check)	<input checked="" type="checkbox"/> PROPOSED	48. TYPE (Check)	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> CULTURAL	<input type="checkbox"/> COMMERCIAL	<input type="checkbox"/> TOURIST
	<input type="checkbox"/> ESTABLISHED		<input type="checkbox"/> SUBSIDIZED	<input type="checkbox"/> EDUCATIONAL	<input type="checkbox"/> MILITARY	<input checked="" type="checkbox"/> OTHER

49. IF COVER PAYMENTS ARE CONTEMPLATED, THEY WILL BE EFFECTED ON REIMBURSABLE BASIS  
 YES  NO  COMPLETE  PARTIAL

SECTION X OFFSET OF INCOME

50. OFFSET OF INCOME AND OTHER EMOLUMENTS DERIVED FROM COVER ACTIVITIES (If less than total, justify in separate memo attached hereto.)  
 TOTAL  PARTIAL  NONE

SECTION XI TERM

51. DURATION			52. EFFECTIVE DATE	53. RENEWABLE
DATE	MONTHS	YEARS	4 July 1965	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

54. TERMINATION NOTICE (Number of days)  
60 d

55. FORFEITURE OF RETURN TRAVEL FOR RESIGNATION PRIOR TO CONTRACT TERMINATION  
 YES  NO

SECTION XII FUNCTION

56. PRIMARY FUNCTION (CI, PE, PP, other)

SECTION XIII DUTIES

57. GENERAL DESCRIPTION OF DUTIES TO BE PERFORMED

Intel Officer

SECTION XIV QUALIFICATIONS

58. EXPERIENCE

59. EDUCATION (Check Highest Level Attained)

GRADE SCHOOL	HIGH SCHOOL GRADUATE	TRADE SCHOOL GRADUATE
BUSINESS SCHOOL GRADUATE	COMMERCIAL SCHOOL GRADUATE	
COLLEGE (No degree)	COLLEGE DEGREE	POST GRADUATE
		MA PHD

60. LANGUAGE COMPETENCY (Check Appropriate Degree Competency)

LANGUAGE	SPEAK			WRITE			READ		
	FLUENT	AVERAGE	POOR	FLUENT	AVERAGE	POOR	FLUENT	AVERAGE	POOR

61. INDIVIDUAL'S COUNTRY OF ORIGIN

SECTION XV EMPLOYMENT PRIOR TO CIA

62. GIVE INCLUSIVE DATES, POSITION TITLE OR TYPE CODE, SALARY AND REASON FOR LEAVING

SECTION XVI ADDITIONAL INFORMATION

63. ADDITIONAL OR UNUSUAL REQUIREMENTS, JUSTIFICATIONS OR EXPLANATIONS (On other side if necessary)

APPROVAL

DATE	TYPED NAME & SIGNATURE OF REQUESTING OPERATING OFFICIAL	DATE	TYPED NAME & SIGNATURE OF CONTRACT APPROVING OFFICER
24 June 65	Gene Stevens		Ernest White

## SECRET

CONTRACT INFORMATION AND CHECK LIST		CASE OFFICER Gene Stevens	DIVISION W-11
<small>INSTRUCTIONS: Use HR 20-33 and HR 20-1000-1 for guidance. Complete all items, inserting "X" when items are not applicable. Forward original and TWO copies for preparation of contract.</small>		TELEPHONE EXTENSION 7357	DATE 2 June 1965
SECTION I GENERAL			
1. NAME <input checked="" type="checkbox"/> PREVIOUS <input type="checkbox"/> TOUR  Terence S. CRABANAC		2A. PROJECT	3. ALLOTMENT NO. 6136-1347
		2B. PERMANENT STATION Madrid, Spain	4. SLOT NO.
5. PREVIOUS CIA PSEUDONYM OR ALIASES		6. INDIVIDUAL HAS BEEN ENGAGED BY CIA OR ITS ALLIED ACTIVITIES IN SOME CAPACITY PRIOR TO THIS CONTRACT. <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (If yes, describe and include dates and salary.) Staff Employee November 1949 - July 1965 Terminal Salary GS-15 step 7, \$19,880 per annum	
7. SECURITY CLEARANCE (Type and date) Type A Granted 23 June 65		7A. MEDICAL CLEARANCE: OBTAINED <input checked="" type="checkbox"/> INITIATED <input type="checkbox"/> NOT REQ'D.	8. CONTRACT IS TO BE WRITTEN IN STERILE FORM I.E., "U.S. GOVERNMENT" <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
9. INDIVIDUAL WILL WORK UNDER "CONTROLLED CONDITIONS" I.E., REGULAR OFFICE HOURS AWAY FROM SUBJECT'S HOME AND PERFORMED UNDER THE SUPERVISION OF A STAFF EMPLOYEE OR STAFF AGENT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		10. PROPOSED CATEGORY (Contract agent, contract employee, etc.) Contract Employee	
SECTION II PERSONAL DATA			
11. CITIZENSHIP U.S.	12. IF NOT U.S. CITIZEN, INDIVIDUAL IS A PERMANENT RESIDENT ALIEN <input type="checkbox"/> YES <input type="checkbox"/> NO	13. AGE 46	14. DATE OF BIRTH (Month, day, year) Oct. 9, 1918
15. LEGAL RESIDENCE (City and state or country) Largo, Florida		16. CURRENT RESIDENCE (City and state or country) Bethesda, Maryland	
17. MARITAL STATUS (Check as appropriate) <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MARRIED <input type="checkbox"/> WIDOWED <input type="checkbox"/> ANNULLED <input type="checkbox"/> SEPARATED <input type="checkbox"/> DIVORCED			
18. NUMBER OF DEPENDENTS (Not including individual) RELATIONSHIP AND AGE:  Wife - 45 Dau - 14 Dau - 12 Son - 11 Son - 21 Mos.		19. INDIVIDUAL IS RELATED TO A STAFF EMPLOYEE, STAFF AGENT OR AN INDIVIDUAL CURRENTLY WORKING FOR THE AGENCY IN SOME CAPACITY <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO RELATIONSHIP?	
SECTION III U.S. MILITARY STATUS			
20. RESERVE No	21. VETERAN Yes	22. IF RETIRED, INDICATE CATEGORY (Longevity, combat disability, service disability non-combat)	
23. BRANCH OF SERVICE -----	24. RANK OR GRADE -----	25. DRAFT ELIGIBLE <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	26. DRAFT DEFERMENT OBTAINED BY CIA <input type="checkbox"/> YES <input type="checkbox"/> NO
SECTION IV COMPENSATION			
27. BASIC SALARY  \$19,880 per annum	28. POST DIFFERENTIAL  none	29. COVER (Breakdown, if any)  none	30. FEDERAL TAX WITHHOLDING COVER CIA YES X YES NO NO
SECTION V ALLOWANCES (NORMALLY GRANTED ONLY TO RESIDENTS OF THE UNITED STATES)			
31. QUARTERS yes	32. POST yes	33. OTHER Cost-of-living, Education, TLA	
34. COVER (Breakdown, if any)  none			
SECTION VI TRAVEL			
35. TYPES <input checked="" type="checkbox"/> PCS <input type="checkbox"/> DOMESTIC OPERATIONAL <input type="checkbox"/> FOREIGN OPERATIONAL			36. WITH DEPENDENTS <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
37. HME TO BE SHIPPED <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	37A. HME TO BE STORED <input type="checkbox"/> YES <input type="checkbox"/> NO	38. PERSONAL VEHICLE TO BE SHIPPED <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	39. TRANSPORTA VEHICLE TO BE USED FOR OPERATIONAL TRAVEL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
40. IF WITH DEPENDENTS STATE RELATIONSHIP, CITIZENSHIP, AGE AND DATE OF BIRTH  Wife - U. S. - 45 - April 1, 1920 Dau - U. S. - 14 - March 9, 1951 Dau - U. S. - 12 - November 27, 1952 Son - U.S. - 11 - March 22, 1954 Scn - U.S. - 21 mos. - September 1, 1963			
41. PAYMENT AND ACCOUNTABILITY WILL BE IN CONFORMANCE WITH <input checked="" type="checkbox"/> CIA REGULATIONS <input type="checkbox"/> COVER POLICIES AND PROCEDURES			
SECTION VII OPERATIONAL EXPENSES			
42. PURCHASE OF INFORMATION  yes, when authorized	43. ENTERTAINMENT  yes, when authorized	44. OTHER	

6 January 1965

**SECRET**

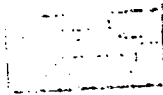
**MEMORANDUM TO: Benefits & Services Division**

**SUBJECT : Cause of Illness - E. Howard Hunt**

1. Having been requested to give an opinion regarding the origins of the duodenal 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 JMWAVE, and (b) the passive, non-challenging nature of the domestic work I was given.
2. I should point out that before joining Project JMWAVE 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 JMWAVE. Despite continuing verbal assurances in the ensuing three years I was not sent abroad. Instead, I was retained in domestic duties which I felt were inconsistent with the heavier 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 1953-54 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 many fewer responsibilities.
4. To me this represented a professional dead-end, without hope of promotion or foreign assignment, a situation which preoccupied my mind and in due course found physical reflection in duodenal hemorrhage.
5. For the record, the foregoing information is not volunteered, but provided in response to an official request.

HOWARD HUNT

**SECRET**



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, what you think the contributing cause may be.

Virginia C. Lynch  
DC/Personnel

Attachments - A/S



SECRET

NOTIFICATION OF ESTABLISHMENT OF MILITARY COVER BACKSTOP		DATE
TO: (Check)	CHIEF, PERSONNEL OPERATIONS DIVISION	ESTABLISHED FOR
	CHIEF, OPERATING COMPONENT (For action)	
ATTN:		FILE NO.
REF:		ID CARD NO.
MILITARY COVER BACKSTOP ESTABLISHED		EMPLOYEE NO.

**KEEP ON TOP OF FILE WHILE COVER IN EFFECT**

Block Records:  
(OPMEMO 20-800-11)

a. Temporarily for \_\_\_\_\_ days, effective \_\_\_\_\_.

b. Continuing, effective \_\_\_\_\_.

Submit Form 642 to change limitation category.  
(HNB 20-7)

Ascertain that Army W-2 being issued.  
(HB 20-661-1)

Submit Form 1322 for any change affecting this cover.  
(R 240-250)

Submit Form 1323 for transferring cover responsibility.  
(R 240-250)

Remarks:

Cover History

*James H. Franklin*  
\_\_\_\_\_  
CHIEF, MILITARY COVER DIV

DISTRIBUTION: Copy 1-POD, Copy 2-Operating Component, Copy 3-OS D/OS, Copy 4-OL TELSVC, Copy 5-PSD/AS, Copy 6-File.

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

My first knowledge of Mr. Hunt's illness was on the morning of 12 October when his office informed me that he became 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

U. W. WILSON, M.D.  
DIRECTOR

CLINIC BUILDING - 1100  
DEPARTMENT OF RADIOLOGY  
DR. CROOKER, CHESTNUT AND MARKET

EX. 500  
27th St.

PATIENT NAME: [illegible]  
ADDRESS: [illegible]  
EXAMINATION: [illegible]

AGE: [illegible] SEX: [illegible]  
DATE: 1/20/10

Upper abdominal radiograph study of the stomach and duodenum. The stomach is moderately distended with gas. The duodenum is moderately distended. The pylorus is moderately distended. The duodenum is moderately distended.

*[Handwritten Signature]*  
W. S. [illegible], M.D.

151/01

FOUR 10 10 10 10 10

SMART COPY