

Prepared for
for clearing in
General Council

SECRET

AFN/60/219

MEMORANDUM FOR: Office of the General Counsel

ATTENTION : []
FROM : AF/N -
SUBJECT : DESEMONA
REFERENCE : A. OIRA 20826 (July 17, 1959)
B. OIRW 15, 851 (September 30, 1959)
C. OIRW 16, 442 (March 4, 1960)
D. OIRA 23507 (May 11, 1960)

1. DESEMONA was recruited by [] in 1944 to report on developments in the Italian government and in the Middle East. His long career as a newspaper correspondent prior to World War II had given him many highly-placed contacts in all countries of the Eastern Mediterranean. It was believed that through them he would be able to furnish us information of interest and value.

2. Initially, DESEMONA was paid a fee of 25,000 lire (\$40.30) per month. This was later increased to 55,000 lire (\$88.70). No formal contract was ever signed with DESEMONA, all agreements being oral.

3. The compensation which DESEMONA received was never considered by us as being anything more than a supplement of his income as a newspaper writer and no demands were ever made upon him which would have interfered with his professional career, though he subsequently claimed that his work for us had led to the severance of relations with all his newspaper contacts.

4. During the years of DESEMONA's association with us he undertook several trips which were of some interest to KUBARK:

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one to Turkey; one to the Bandung Conference; one to Palestine; and, finally, one to Libya. For all of these KUBARK paid the total expenses, including per diem. However, DESDEMONA was given no special emolument (except a small bonus after the Bandung trip) as it was considered by us that these trips would aid and promote his journalistic career. (In fact, on the basis of the trip to Palestine he wrote and published a book entitled "Fiamme Sull'oriente").

5. On the departure in 1957 of the Case Officer who was then handling him, contact with DESDEMONA was temporarily suspended and was not resumed until 1958 at the specific direction of Headquarters. Inasmuch as the evaluations on material subsequently received from him were consistently low, the new Case Officer recommended DESDEMONA's termination. However, it was agreed that he would be given further trial under an entirely new set of circumstances and under new direction. This decision coincided with a desire expressed by [] to establish contact with the Italian colony in Libya. Finally, it was decided by [] and [] to send DESDEMONA to Libya in March, 1959, travel and per diem to be paid by [] operational expenses by []

6. As circumstances developed, DESDEMONA did not return until July. The prolongation of his stay was due, in part at least, to an automobile accident in the Libyan desert near Ghatt in which DESDEMONA's right leg appears to have been severely wrenched. He was laid up for approximately two weeks after this in a hotel in Tripoli.

7. Upon returning to Rome he complained to the Case Officer not only of his injury but of what he characterized as being shabby treatment on the part of his KUBARK contact in Tripoli. At that time it did not appear that DESDEMONA's injury would have any serious consequences although it was obviously causing him some pain.

8. On the basis of the quite negative evaluation received from Tripoli on DESDEMONA's performance there, which coincided with []'s previous evaluation, it was decided to request his termination on the basis of a settlement outlined in Ref. A. :

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One month pay per year of employment	
13 x 55,000 lire	715,000 lire
Three months advance notice	
3 x 55,000 lire	165,000 lire
Reimbursement for previous trip to Middle East	
\$1,000 at 620	620,000 lire
Total	1,500,000 lire

This was approved by Headquarters in Ref. B. DESDEMONA was finally terminated on 12 December in accordance with this plan and signed a quit claim and secrecy agreement which are on file in the Rome station.

9. In the meantime, however, DESDEMONA had taken a mud bath cure at Acqui in Northern Italy which his doctor had recommended to cure his leg condition. The treatment was apparently more severe than a man of his age could stand and during it he suffered a heart attack. He spent the next three months in bed in very serious condition. During this period of convalescence DESDEMONA continued to receive his monthly pay of 55,000 lire and no action was taken on his termination though the Case Officer had been urged to do so by the Chief, FI, [] [] Termination was finally carried out at his direct order.

10. Shortly after his termination, DESDEMONA wrote to [] [] to protest at the treatment he had received and a friend of his, an American woman, Virginia REEVES, called on [] [] to plead his case. As a result, it was decided in Headquarters that the settlement with DESDEMONA should be re-examined and it was suggested to him through REEVES that he outline to his Case Officer in Rome a settlement which would be more satisfactory to him.

11. [] [] was informed accordingly and asked that the financial settlement be altered in a way more satisfactory to DESDEMONA, (Ref. C.).

12. I replied that on the basis of available information he could see no justification for taking further action. (Ref. D.)

13. When the Case Officer who had been in contact with DESIDEMONA left Rome in August of this year, he was given a statement of what DESIDEMONA considered to be an adequate settlement. He claimed, first of all, that he had been grossly underpaid during his years of association with us and suggested that he be given the difference between what he had actually received and \$200,000 per month. According to his figures this came to a total of \$16,000.00 or close to 10,000,000 lire.

14. It seems apparent that there is no real basis for a claim of such dimensions. It had been repeatedly made clear to DESIDEMONA that he was paid what we considered his material worth and he was at liberty at any time to terminate the arrangement. On the other hand, it would seem that we have an obligation to DESIDEMONA for expenses and incapacitation for work resulting from injuries sustained during Libyan trip.

15. Although BESIDEMONA has signed a quit claim and secrecy agreement and has never given reason to doubt his basic loyalty to us, the possibility remains that either he or his friend, Miss REEVES, might endeavor to bring claim against us either in the Italian or American court.

16. Your opinion is requested on the following points:
- a. Does DESIDEMONA have any legitimate basis for making a claim against us?
 - b. If so, what would be suitable compensation for his injuries?
 - c. If not, what legal steps, if any, should be taken to protect our position and avoid any further complications?

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