

SECRET

27 September 1957

N-6 [] ()

MEMORANDUM FOR: Chief, NEA Division

ATTENTION : ()
NEA/7

SUBJECT : Nonofficial Cover Arrangements for
Kenneth W. Desnew (p)

1. This memorandum is to confirm the nonofficial cover arrangements made for Kenneth W. Desnew in connection with his TDY trip to the Near East.

2. Desnew ostensibly was referred by a friend to [] New York 17, N.Y. in his quest for financial support to help defray the cost of his trip to Jordan to see his brother. He visited the firm in New York, informed [] of his proposed trip, and requested a commercial assignment which would enable him to pay part of his expenses from the revenue cleared therefrom. Desnew then received a letter from [] which indicated that [] was successful in his search for clients with commercial interest in the area of Desnew's trip. Upon later interview with [] Desnew accepted, on a retainer basis, an assignment with the [] firm to make a survey of products of Lebanon and Jordan suitable for profitable export to the United States. In theory then, Desnew will contact manufacturers, tradesmen, artisans, exporters and the like in the countries visited, obtain from them descriptive data and the prices of their products, and forward the information thus obtained to [] Mr. [], in turn, will ostensibly furnish the information to his clients who may or may not be interested in further action. Business cards, as well as a "To Whom It May Concern" letter have been furnished Desnew certifying to his employment by [] and Associates.

3. In actuality, [] New York 17, New York, is a live backstopped notional organization established by Central Cover Branch, Nonofficial Cover. It was established several years ago through the cooperation and support of a cleared and witting individual who is ostensibly the

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manager of the firm. [] the supposed President of this company is a fictitious individual. The mail and telephone calls are received at the address of a legitimate and unwitting telephone answering service, where the [] account is handled in the same manner as other business accounts. This includes the answering of telephone inquiries in accordance with previously given instructions; recopying, forwarding, and holding mail, etc. Responses to credit inquiries, and other activities to backstop the actuality of the cover firm and its personnel are performed by the cleared individual under contract to OCB/ However, all correspondence, salary payments, etc. are handled by OCB.

4. Funding. Semi-monthly, OCB/NC through the cover firm will forward to Deanev personally a [] check in the amount of \$150.00. It will be incumbent upon Deanev to notify his cover firm of the address to which he desires these checks mailed. The remainder of Deanev's base salary, after tax withholding, will be deposited monthly by OCB/NC by means of a cover firm check, to Deanev's regular stateside bank account.

5. Taxes. Since the cover firm will merely channel salary payments, and federal income tax will be withheld by Headquarters, it will be necessary for Deanev to file a covert tax return with the Agency in accordance with FN 20-660-4 for the taxable portion of the income he receives from the Government.

[]
Chief, OCB/NC []

Approved []
[]
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