

# BEST AVAILABLE COPY

*Tom*

AIR

EGQA-13481

*24 Aug '53*

: Chief of Mission, Frankfurt  
 Attn:  INFO: COM Finance Officer  
 : Chief EE

: Operational/CART/CABARIC  
 : CABALEFTA 2 Contract

REF : EGQA-13481

1. Reference submitted a contract signed by Subject in October 1951. Special Contracting has prepared a new contract to supersede that submitted under reference, which we are sending under separate cover enclosure to this dispatch. This new contract has been prepared to accomplish two primary objectives. One, you will note that the contract expressly states that Subject is not an employee of the U. S. Government. While the field contract was written with the same intent, your contract uses the expression "employed by you" in the first paragraph. We are informed that the presence of that statement provides sufficient grounds for Subject or his heirs to press a claim against the government for employee benefits. Since Subject is not an employee, the possibility for such action must be clearly removed. Two, the new contract has been written to be effective for a period of one year, with a possibility of renewal. Special Contracting will no longer approve contracts which are written for indefinite periods and prefers that no contract be written for more than a two year period.

2. The enclosed contract also differs from the original contract in various other ways. It expressly states that the contract is with the U. S. Government, while your's did not. You will probably not object to this, since Subject is clearly aware, we gather, that he is working for some official agency. However the contract does not bind subject in the same respects that your's did. For example, it does not expressly state that he will be held financially liable for damage done to official vehicles through his own negligence. This contract will entitle Subject

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DECLASSIFICATION

DECLASSIFIED AND RELEASED BY  
 CENTRAL INTELLIGENCE AGENCY  
 SOURCE METHODSEXEMPTION 3B2B  
 NAZI WAR CRIMES DISCLOSURE ACT  
 DATE 2005

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EGG-9827

to per diem when on official travel for us, whereas your's did not. (You may have given him "travel expenses" anyway.) Only in a negative manner does it exclude benefits such as hospitalization, death and disability, and sick and annual leave. It does not expressly stipulate that Subject must make a final accounting for all assets received, before terminating his contract.

3. The differences between the two contracts may not be significant to you. However, we called them to your attention in the event that you had special reason for writing the original contract as you did, or that your present relationship with Subject is such that the express statement of certain restrictions would be beneficial to your control and handling of him. If this is the case, the contract can be returned and rewritten to conform to your desires.

S/C attachment

DISTRIBUTION:

3 - Fran  
1 - REG  
2 - SE/FIG  
TER:mjs

12 August 1953

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**SECRET**  
SECURITY INFORMATION

Date:

Mr. Sven Treuhoff

Dear Mr. Treuhoff:

Reference is made to your contract, effective 11 October 1951 with the United States Government, as represented by the Contracting Officer, for the purchase of information and services of a confidential nature.

Effective 31 August 1953, said contract is hereby terminated by mutual consent of the parties thereto and in lieu thereof the following contract is substituted:

The United States Government, as represented by the Contracting Officer, hereby contracts with you for the purchase of certain information and related services of a confidential nature under the following terms and conditions:

1. Compensation. In full consideration for the purchase of such information and services, you will be paid an amount calculated at the rate of 400 DM per month. Payments will be made as directed by you in writing in a manner acceptable to the Government.

2. Travel. You will be advanced or reimbursed funds for necessary expenses incurred in connection with such operational travel as may be directed or authorized by the Government. This will include per diem in lieu of subsistence in the course of such travel while away from your permanent post of duty overseas. You will be required to account for such expenses in substantial compliance with applicable Government regulations.

3. 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 accounting in substantial compliance with Government regulations.

4. Status. You are not an employee of the United States Government under this agreement and are not entitled to any benefits normally incident to an employee status.

5. 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.

6. Instructions. Instructions received by you from the Government in briefing or training are a part of this contract and are incorporated herein, provided that such instructions are not inconsistent with the terms hereof.

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7. 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.

8. Term. This contract is effective as of 1 September 1953, and shall continue thereafter for a period of one (1) year unless sooner terminated by the Government either:

- (a) By thirty (30) days' actual notice to you from the Government, or
- (b) Without prior notice, 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 renewed for successive periods of one year each upon notice from the Government accepted by you. Termination of this agreement will not release you from the obligations of any security oath you may be required to take.

UNITED STATES OF AMERICA

BY \_\_\_\_\_  
Contracting Officer

ACCEPTED:

\_\_\_\_\_  
Evan Treuhoff

APPROVED:

SECRET  
SECURITY INFORMATION