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DD/A Registry HR70-14

File *Air America*

DD/A 75

Executive Registry

75-

9 October 1975

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Air America, Incorporated

Sir:

1. Mr. Blake asked me to advise you of the following information. Air America, Incorporated has received an offer of \$3,850,000 from an aircraft broker, OMNI Aircraft, for all of its aircraft and parts. There are 24 aircraft involved--three Caribous, one Twin Otter, two C-46's, eight Volpars, nine Bell Helicopter 204's, and one Bell Helicopter 205--with a company book value of \$763,000. The aircraft parts have a book value of \$2,268,000 for a total book value of aircraft and parts of \$3,031,000. Air America, Inc. estimates the value of aircraft and parts to be between 3.7 and 4.1 million dollars. OMNI Aircraft is a reputable firm with a good credit rating and Air America, Inc. has done business with it before.

2. According to Mr. John Warner, such a sale is legally permissible. We think it is in the best interest of the U.S. Government and Air America, Inc. to complete the sale for the following reasons:

a. It is a quick disposal of the remainder of the company flying assets.

b. Funds from such a sale are required to meet pending claims against Air America, Inc.

c. The sale is an extension of our prior action in selling aircraft and parts and will complete that phase of the dissolution process.

APPROVED FOR RELEASE

DATE: 04-May-2009



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d. We believe the price is acceptable.

3. Unless you disagree, we plan to take the following action:

a. Obtain an independent evaluation from a recognized expert in the aircraft field.

b. Arrange to ^{pre-}brief the Oversight Committees in the Senate and House on the transaction.

c. Arrange to brief the Office of Management and Budget and the General Services Administration on our intention in this matter.

d. Be prepared to discuss the matter with the General Accounting Office, if so requested by the Oversight Committees.

e. Mr. Paul Velte will discuss the offer with OMNI Aircraft so as to keep the offer open and to refine the terms of the sale.

Air Advisor, DD/A

Distribution:

Original - DCI
1 - DDCI
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1 - General Counsel
1 - Legislative Counsel

OK

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10/9/75

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