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Mr. Peter J. Digervens

Dear Mr. Digervens:

Reference is made to your contract with the United States Government, as represented by the Contracting Officer, effective 15 July 1951. Said contract is herein terminated by mutual consent of the parties thereto, and in lieu thereof the following agreement is substituted.

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 \$9500 per annum. In addition, you are herein authorized Premium Pay in lieu of overtime in conformance with and subject to the policies of this organization. Presently said Premium Pay is an amount equal to fifteen per cent (15%) of the base pay for a GS-7 government employee. Payments will be made as requested by you in writing in an approved manner. Monies paid you directly or guaranteed by the Government under this paragraph constitute income for Federal tax purposes. You will be advised as to the method to be followed in reporting and paying such taxes. The method as well as the procedures used by this organization to implement its tax reporting responsibilities will be based primarily upon cover and security requirements. Unless precluded by such requirements, taxes will be withheld therefrom and submitted by this organization.

2. Travel. You will be advanced or reimbursed funds for travel and transportation expenses for you, your dependents and your household effects to and from your domestic permanent post of assignment hereunder, and for you alone for authorized operational travel. 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 or according to the established policies of your cover facility, whichever is directed by the Government.

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 payment and accounting

in compliance with applicable Government regulations or according to the established policies of your cover facility, whichever is directed by the Government.

4. Repayment. It is recognized that your failure to account for or refund any advances advanced you hereunder shall entitle the Government or your cover facility to withhold the total amount of such indebtedness or any portion thereof from any moneys due you under the terms of this contract in such manner as it deems appropriate.

5. 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. 1661-1675).

(c) The United States Government will withhold from the compensation due you under this contract, social security deductions in conformance with the Social Security Act of 1935, as amended, and the procedures of this organization (presently 3-9/53 on the (1st \$4602). For reasons of security, all inquiries concerning your relationship to the Social Security system shall be made directly to this organization, and in no event may any such problem be presented by you or on your behalf to any representative of the Bureau of Old Age and Survivors Insurance unless authorized by this organization.

(d) You will be entitled to sick and annual leave 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.

(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) You are herein authorized housing assistance in conformance with and subject to the policies of this organization.

6. 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.

7. 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.

8. 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 13 June 1942, as amended, and other applicable laws and regulations.

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

10. Unauthorized Commitments. No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendments thereto shall be binding on the Government.

11. Term. This contract is effective as of 1 September 1942, and shall continue thereafter for a period of two (2) years unless sooner terminated:

(a) Upon thirty (30) 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 your permanent place of residence. 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 _____
Contracting Officer

ACCEPTED:

Peter J. McGovern

WITNESS: _____

APPROVED:
