

Summary of Available Information

Section 1057 of Public Law 111-84 requires the Director of National Intelligence (DNI) to submit a report to Congress by April 28, 2010 which covers several subjects, including the ones underlined below. The following information is from records maintained by the undersigned.

the casualties suffered by employees of Air America and the associated companies in the course of their employment

I have detailed records by name, date and circumstances of some 250 employees of Air America and its associated companies who died in the course of their employment during the 1950-1975 period that the companies were owned and operated by the CIA. This included at least 86 U.S. citizen flight crew members who were killed while operating Air America aircraft on U.S. Government missions. Even more employees were injured in scope of employment. The Federal workmen's compensation laws applied to the company and its owner, the CIA, all at times during the 1950-1975 period the CIA operated Air America. These laws were not complied with until 1962 and cases of injury or death were not reported, as required, to the Department of Labor until 1962. These laws are the Longshoremen's and Harbor Workers' Compensation Act (18 U.S.C. 901-950) as extended by the Defense Base Act (42 U.S.C. 1651-1654) and the War Hazards Compensation Act (42 U.S.C. 1701-1717).

When I joined the AAM legal office in June 1962 I advised the company it was required to comply with these laws and as a result of my 1962 written conclusions Air America began complying with these laws. Copies of these memos were sent to the CIA General Counsel by letter of November 12, 2009 and to the DNI by letter of 29 January 2010.

From 1963 onward all deaths and injuries were properly reported to the Department of Labor as required by these laws, and applicable compensation benefits as determined by the Department of Labor were paid. I filed reports of injury and death with the Department of Labor and a copy of a typical report, that of deceased employee William Gibbs is attached. This provides such information as date and circumstances of death, names and address of family survivors, and amounts of compensation paid. I can provide this for most if not all casualties from 1962 onwards. No reports were filed prior to 1962.

the retirement benefits contracted for or promised to employees of Air America; the contributions made by employees, and the retirement benefits actually paid

Air America had a voluntary **savings** plan, called the Air America Retirement Plan, but it did not provide for an annuity or other form of retirement benefit. The plan went into

effect in 1962 and did not cover employment that occurred during the 1950-1962 years of the company's 25 year ownership by the CIA.

A participating employee contributed 6% of salary which was invested with the Manufacturers Hanover Trust Company. Matching contributions of 25% to 100%, depending on a person's length of service, were added by the employer. When the employee terminated his participation in the Plan, which he could do at any time, even while still employed, the results of this investment were paid in one lump sum. There was no provision for an annuity. On voluntarily withdrawing from the Plan, or terminating employment, the participant received his own contributions plus all of a portion of company contributions 25% for 5 years service, 50% for 10 years service, and 100% for 20 or more years service.

The retirement plan went into effect March 30, 1962, with a Retirement Board consisting of Hugh L. Grundy, company President, Clyde Carter, Legal Counsel, and Amos Hiatt, controller. The Secretary of the Board was the undersigned who administered the Plan, advised employees when they were eligible to join, and prepared and signed all documents arranging for payments to employees. These documents were also signed by the Board members and forwarded to the trustee bank for actual payment.

I have original documentation written in my handwriting, or that of my secretary Florence Wang, dating back to 1962 which contains the information sought by Congress on the retirement plan and employee benefits. This documentation is clearly genuine and will match the individual retirement documents signed by the Board members. These payment documents are in the possession of the CIA and I saw them most recently in a CIA document storage area being rented at the time by the CIA from the Security Storage company located on Florida Avenue, N.W. in Washington.

My records list all "retirement" payments from 1963 to closing of the company in 1975, beginning in the first two months with the following informative examples:

| | | |
|---------------|---------|----------|
| R.C. Leighty | 26/2/63 | \$185.46 |
| Ward Reimer | 26/2/63 | \$ 61.20 |
| W.M. Vega | 26/2/63 | \$402.75 |
| Ray Shourds | 26/2/63 | \$ 98,14 |
| David Aquilar | 26/2/63 | \$409.08 |

| | | |
|-------------|---------|----------|
| DianeClavin | 20/3/63 | \$43.80 |
| Fred Riley | 20/3/63 | \$863,50 |

As shown above five payments were made in February 1963 and two in March 1963. I have the names, dates, and amounts paid in subsequent years and this material can be checked with the documents the CIA has in its files. My records also list every

employee by name alphabetically as well as a listing based on seniority or company position.

During the period of 1962-1975 (the Plan did not exist in 1950-1962) the company had 1,826 employees who were eligible to participate in the Plan but many elected not to join. Approximately 508 of these 1,826 employees had 5 or more years employment with Air America. If civil service retirement credit is granted to AAM employees those persons with less than 5 years will not receive a benefit because of the general civil service law which requires at least 5 years service to be eligible for a retirement annuity. However those employees who have other Federal civil service employment can combine these periods to obtain eligibility.

Payments under the Plan were very small due to the fact that it was short lived and was instituted only in the latter half of the company's existence. Many persons could not participate because of age restrictions or the fact they terminated employment before the Plan was created in 1962. I am setting forth below list of 67 crewmembers who were killed in aircraft missions, mainly by enemy action, and the amounts they received under the Air America Retirement (savings) Plan. As can be seen 47 of the surviving widows received exactly zero from the company and the CIA. The amounts paid in the other 20 deaths were negligible and in most cases 80% of the amounts paid were actually the return of the employee's own contributions. As an example the widow of Charles Herrick, killed by enemy action, was paid a total of \$13.70 and only \$2.74 came from the company.

| | |
|----------------------|-------------|
| Ackley, James | -0- |
| Bannerman, John | -0- |
| Beale, William | -0- |
| Beardsley, William | -0- |
| Bijl, Roelf | \$2,082.96 |
| Booth, Gerald | -0- |
| Boyles, Howard | \$8,141.06 |
| Bruce, Earl | -0- |
| Campbell, J.C. | \$10,582.59 |
| Clark, Herbert | -0- |
| Clark, Terry | -0- |
| Cheney, Joseph | \$41.12 |
| Cochran, Kevin | -0- |
| Crone, Robert | \$3,674.12 |
| Davis, Ralph | \$6,086.54 |
| Debruin, Eugene | -0- |
| DeLong, Gerald | \$4,805.70 |
| Dieffenbach, Charles | -0- |
| Driver, Clarence | -0- |
| Ensminger, Wayne | -0- |
| Franklin, Benjamin | \$10,782.64 |
| Farthing, Frank | \$2,356.90 |
| Forte, Norwood | -0- |
| Gibbs, William | -0- |
| Grammer, Norman | -0- |
| Heinrich, Howard | -0- |
| Heritage, Donald | -0- |
| Herrick, Charles | \$13.70 |

| | |
|----------------------|-------------|
| Hester, William | \$4,831.34 |
| Houp, Kenneth | \$9,914.40 |
| Jones, Charles | -0- |
| Kelly Howard | \$7,561.54 |
| Lieberth, Richard | -0- |
| Liu, Herbert | \$3,750.00 |
| Mahony, Justin | -0- |
| Massey, Bruce | \$846.78 |
| Mateer, Charles | -0- |
| Matheson, Milton | -0- |
| McGovern, James | -0- |
| McKean, Roger | -0- |
| Merkel, John | -0- |
| Murray, Jon | -0- |
| Muscal, Frank | -0- |
| Newton, Gideon | -0- |
| Osterman, Clarence | -0- |
| Oyer, John | -0- |
| Potter, Harvey | \$7,274.34 |
| Pirkle, Lowell | \$307.82 |
| Porter, Lester | -0- |
| Prudhomme, Gerald | \$242.24 |
| Pruner, William | -0- |
| Randall, Lloyd | \$6,595.56 |
| Rasmusson, James | -0- |
| Rausch, James | -0- |
| Riley, Fred | -0- |
| Rogers, Hugh | \$4,532.10 |
| Smith, Franklin | -0- |
| Sandoval, Albert | \$1,524.32 |
| Sarno, Robert | -0- |
| Scandalis, Alexander | -0- |
| Smart, Milton | -0- |
| Snoddy, Robert | -0- |
| Schwartz, Norman | -0- |
| Strouss, Herbert | -0- |
| Varney, George | -0- |
| Wiehrdt, Leonard | \$10,659.44 |
| Wizbowski, Walter | -0- |
| Woods, Glen | -0- |
| Wooten, Aubrey | -0- |

In most case 80% of the payments would be the return of employee contributions. For example, of the \$13.70 total "retirement" paid to the widow of Charles Herrick, only \$2.74 came from the company and the remainder was contributed by Mr. Herrick prior to his death. Similarly, of the \$41.12 paid to the widow of Joseph Cheney only \$8.03 came from the company.

the entitlement of these employees to the payment of future retirement benefits and the likelihood they will receive any future retirement benefits.

They are not entitled to any future retirement benefits from Air America or the CIA or any other government source on the basis of their Air America employment, and there is no likelihood they will receive any future retirement benefits.

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