

CENTRAL INTELLIGENCE AGENCY
POSITION SCHEDULE BOND

IN CONSIDERATION OF AN AGREED PREMIUM:

a corporation organized under the laws of _____ (hereinafter called the Surety) hereby agrees to indemnify the United States of America (hereinafter called the Oblige) against any loss or losses which any individual now or hereafter filling a position named in the Schedule hereto attached, or in any endorsement hereof, may directly or by collusion with others, cause to the Oblige through the failure of such individual while filling such position to effect the faithful performance of the duties thereof during the term of this bond, not exceeding, however, for each individual the amount or amounts set opposite, in such Schedule or endorsement, the title of the position or positions filled by him.

SUBJECT, HOWEVER, TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

Section 1. **TERM OF BOND.**--The term of this bond shall begin with the _____ day of _____, 19____, and shall end at 12:00 o'clock midnight on the _____ day of _____, 19____, except that if a position is added the term of this bond with respect to such position shall begin with the date specified in the endorsement covering the addition of the new position.

Section 2. **FAITHFUL PERFORMANCE OF THE DUTIES.**--The term "faithful performance of the duties" shall include the proper accounting for all funds or property received by reason of the position or employment of the individual or individuals bonded hereby and all duties and responsibilities now or hereafter imposed upon such individual or individuals by law or by regulation issued pursuant to law. The term "regulation" shall include any written rule, order or instruction issued pursuant to law.

Section 3. **INDIVIDUALS COVERED.**--It is understood and agreed that this bond covers all individuals filling positions in the Central Intelligence Agency, as listed in the attached schedule, whether such individuals are regular employees of the Agency or are assigned to the Agency as a part of their regular duties, and who are personnel of the United States Armed Services, or of any department of the United States Government. In no event, however, shall this bond cover any Foreign National while occupying any such position.

Section 4. **FILLING A POSITION.**--An individual will be deemed to be filling a position when he is assigned the duties of the position permanently or is temporarily detailed thereto.

Section 5. **LIABILITY ON INDIVIDUAL IN TWO OR MORE POSITIONS.**--In the event that any individual shall fill, at the same/^{or}at different times, two or more positions covered hereunder, the Surety shall be liable under this bond for losses attributable to such individual while filling each position in an amount not exceeding the amount set opposite the title of such position in the Schedule hereto attached or in any endorsement hereof.

Section 6. **LOSS CAUSED BY MORE THAN ONE INDIVIDUAL.**--In the event a loss is caused through the failure of more than one individual to effect the faithful performance of the duties of their respective positions the limitation on recovery shall be the aggregate of the

penalties applicable to each such individual by virtue of the position filled by each.

Section 7. ADDITIONAL LOSS CAUSED BY ANOTHER INDIVIDUAL IN SAME POSITION.-- Loss caused by any individual shall not affect the liability of the surety for additional losses caused by any other individual.

Section 8. ADJUSTMENTS FOR CHANGES IN PERSONNEL REQUIREMENTS.--It is understood and agreed that the premium on this bond is based on the number of individuals set forth in the Schedule as filling the positions named therein on the date this bond became effective. It is further understood and agreed that the premium on this bond will be adjusted semi-annually after the effective date, based on the number of individuals filling the positions named in the Schedule or endorsement, on the date of adjustment on a pro rata basis to provide for an additional premium charge or a refund for the balance of the term of the bond in accordance with the rate set forth in the Schedule or endorsement for any changes in the number of individuals filling a position named in the Schedule or endorsement. No adjustment will be made, however, for fractional parts of the semi-annual period immediately preceding the adjustment date. No payment or refund will be made on account of such semi-annual adjustment if the amount of additional premium or refund is less than \$5.00.

Section 9. NINETY-DAY AUTOMATIC COVERAGE.--Automatic coverage is given for the first ninety days of employment in any newly created position in the amount of Five Thousand Dollars (\$5,000.00). This automatic coverage shall be void from the beginning unless within the ninety-day period the Obligor either (a) has made request for the addition of such newly created position to the said Schedule or (b) has given notice of loss.

Section 10. CANCELLATION.--This bond shall not be cancelled by the Surety in whole or in part prior to the expiration of its term.

Section 11. LIMITATION ON RECOVERY.--There shall be no limitation upon the time in which a loss must be discovered in order to be recoverable under this bond nor any limitation upon the time in which recovery may be made on account of any loss arising hereunder except as may be provided by federal statute.

Section 12. INVESTIGATIONS AND FINDINGS OF FACTS.--A summary of the findings and recommendations of the report of a board of officers which has been duly appointed in accordance with regulations, approved by the appointing authority, shall be binding in the settlement of any claim or claims under the bond, provided, however, that the Underwriter shall have the right at any time within 10 days from receipt of the findings of the board of officers at its home office or at its other designated office, to notify in writing the Insured that it desires to make an investigation of the claim before accepting the findings of the board of officers, except to the extent that such investigation will be limited to information not involving the security of the United States. In the event of disagreement as to any claim, the matter shall be referred to three disinterested arbitrators, the Underwriter and Insured each choosing one and the third party being selected by the two so chosen. The award in writing by a majority of the arbitrators shall be final and conclusive upon the parties. Each arbitrator shall be paid by the party naming him, and the expenses of arbitration and the remuneration and expenses of the third arbitrator shall be paid by the parties equally. Failure of the Underwriter to request appointment of arbitrators within 30 days from receipt of proof as aforesaid shall constitute waiver of the Underwriter's right to arbitration.

Section 13. INDEMNITY AGAINST LOSS UNDER PRIOR BOND OR POLICY.--If the coverage of this bond is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured as to any Employee covered hereunder which prior bond or policy is terminated, cancelled or allowed to expire as of the time of

such substitution, the Underwriter agrees to indemnify the Insured against loss of money or other property, as aforesaid, sustained by the Insured and discovered as provided in sub-section (b) of Section 2 and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; PROVIDED: (1) the indemnity afforded by this paragraph shall be a part of and not in addition to the amount of coverage afforded by this bond; and (2) such loss would have been covered under this bond, had this bond with its agreements, limitations and conditions as of the time of such substitution been in force when the acts or defaults causing such loss were committed; and (3) recovery under this bond on account of such loss shall in no event exceed the amount which would have been recoverable under this bond as to any Employee in the amount set opposite the position occupied by such Employee as of the time of such substitution, had this bond been in force when such acts or defaults were committed, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy on the same Employee continued in force until the discovery of such loss, if the latter amount be smaller.

Signed and sealed this _____ day of _____
in the City of _____ State of _____.

(Surety)

(SEAL)

By _____
(Attorney-in-fact)

In sections 12 and 13 of the draft, the words "Underwriter" and "Insured" should be replaced by the words "Surety" and "Obligee" in order to conform to the wording of the balance of the draft.