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Enclosure  
61-71631  
OGC 61-1503

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31 August 1961

**MEMORANDUM FOR:** Director of Central Intelligence

**SUBJECT:** Death Benefits for Deceased Para Dispatch Officers Project CYHOPE

**REFERENCE:** Memorandum for DCI from Acting Chief, DPD, dated 30 August 1961, same subject as above

1. This memorandum is for information only.

2. Referenced memorandum recommends that the Director of Central Intelligence approve payment to each of the three families of a benefit not to exceed \$20,000, the exact amount to be predicated on the Air America contract under which the three individuals were ostensibly employed. While this Office has no legal objection to these payments, I believe there are certain facts which are pertinent in any consideration of death benefits to be provided.

3. Under the Agency contracts which these three employees signed, it is provided that the terms of that contract are to govern

[Redacted line]

Further, the contract provides for death or disability benefits in accordance with the provisions of the Federal Employees' Compensation Act. In all of the cases at hand, no wives or children are involved and to date it has not been disclosed that there are any dependent parents involved. Were there wives, the liability for benefits would be far in excess of the proposed maximum of \$20,000. You will recall that in the case of the

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[redacted] it was necessary for us to establish a trust fund capitalized at \$750,000 to provide an equivalent of FEC benefits. The maximum payment under FECA is \$525.00 per month to a widow continuing as long as she is unremarried and as long as there are children under 18. When the children reach 18, the amounts generally will be reduced.

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4. Under the facts in the present cases the Government legally has no obligation to the families of the three employees other than accrued salary. Therefore, any death benefits are being paid solely on the basis of [redacted] security considerations and in this regard this Office has no legal objection if it is determined to be necessary. On the other hand, if any of these three men had wives, children or dependent parents, the amounts owed by the Government would be considerably in excess of the amounts proposed to be paid [redacted]

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[redacted]

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[redacted]

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6. More careful planning of employment arrangements, having in mind the problems of payments for death, disability or prisoner status can contribute significantly to greater security and reduce tremendously the Agency's administrative burden, and avoid unnecessary outside legal assistance at considerable cost.

Distribution:

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s/ John S. Warner

JOHN S. WARNER  
Acting General Counsel

OGC/JSW:mks

1-4678

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DD/S 61-2980

DPD-5357-61

Executive  
11-7163

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Death Benefits for Deceased Para Dispatch Officers,  
Project CYNOPS

1. This memorandum contains in paragraph 8 a recommendation for the approval of the Director of Central Intelligence.

2. On 13 August 1961, three contract employees of DPD were instantaneously killed in the crash of an Air America C-46 enroute

[redacted]  
in Laos. The aircraft crashed into a ridge for reasons as yet unknown. There have been conflicting reports from eye witnesses which indicated the aircraft was in trouble but whether or not from engine failure or enemy fire or both has not yet been fully determined. In addition to the FBO's, both the pilot and co-pilot were killed.

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[redacted] At the time of the flight, the aircraft was engaged in fulfilling the commitments of an open Air Asia (subsidiary of Air America) contract with the United States Operations Mission in Laos. [redacted]

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3. The deceased employees are: Barrall A. Eubanks, first employed 1 October 1959; John S. Lewis, first employed 27 January 1960; William D. Bevan, first employed 30 January 1961. Eubanks and Lewis are from Lampasas, Texas and Bevan is from Mineral, Washington.

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4. The bodies were flown back to the United States and burial took place 21 August. All communications, publicity and announcements were made by Air America either in the field or from the Washington office of Mr. George Dool. Prior to the return of the bodies.

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[redacted]  
to assist in the settlement of the estates. The families were advised that the discussions would include cases of salaries due, bank accounts, benefits, etc. [redacted]

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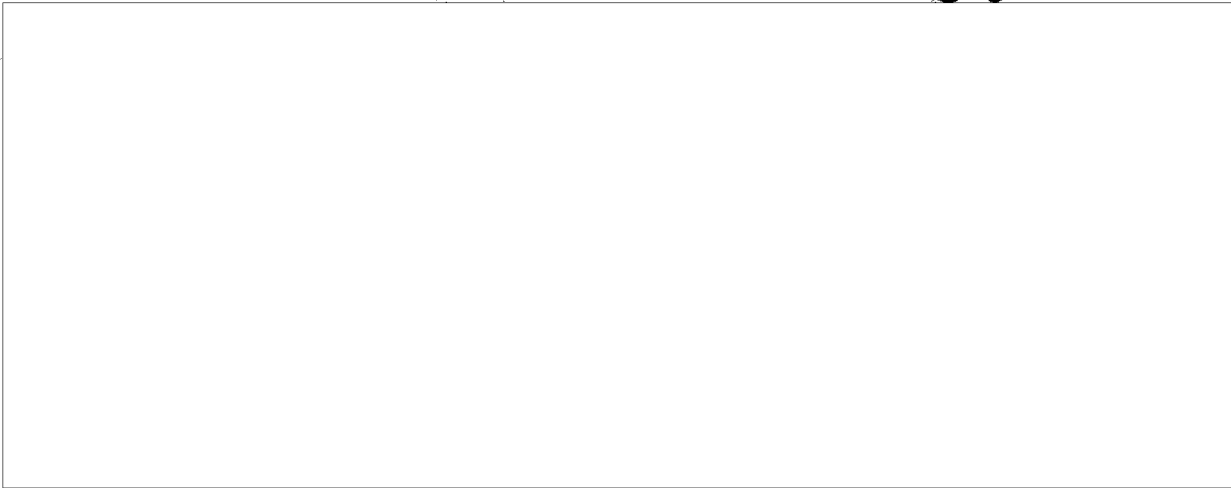
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8. It is accordingly recommended that the Director of Central Intelligence approve the payment to each of the three families of a benefit not to exceed \$20,000, the exact amount to be predicated on payments made in accordance with the Air America contract under which the employees were presumed to have been employed.

STANLEY W. BEERLI  
Colonel, USAF  
Acting Chief, DPD-DD/P

CONCURRENCES:

(Signed) C. Tracy Barnes

30 AUG 1961

C. TRACY BARNES  
Acting Deputy Director (Plans)

Date

/s/ John S. Warner -- See attached memo.  
for LAWRENCE R. HOUSTON  
General Counsel

31 August 1961

Date

L. K. White  
Deputy Director (Support)

5 Sept 61

Date

8  
Recommendation in Paragraph / APPROVED:

**SIGNED** E. P. Cahill

6 SEP 1961

*Acting*  
ALLEN W. DULLES  
Director of Central Intelligence

Date

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