

SECRET

24 March 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Retirement of Mykola Lebed

1. During my operational meeting with PDDYNAMIC principals in New York on 20 March, I had occasion to talk alone with Mykola Lebed re his proposed retirement. He told me that although in reality he would like to retire in November 1975, when he reaches 65, he is deeply worried about the adverse economic effect on his life, and especially on his wife. His monthly rent is \$330, subject as all rents are to increase, and his social security would be roughly \$310 monthly. Mrs. Lebed is not employed; she has had some health problems. I know she has not worked for at least the past five years, and Lebed's 201 makes no mention of any previous employment. If she has not been employed she will receive no social security benefits.

2. Lebed has an [CIA] pension fund totaling about \$38,000, which he may take in a lump sum or which can provide him with a monthly annuity of approximately \$270 for life. He can earn only \$2,700 a year without having to sacrifice part of his social security. As we have discussed, we can carry him as a Prolog consultant for this figure. This combination would give him about \$790 per month, largely tax-free; Mrs. Lebed would receive survivor benefits, in the event of his death, from the pension plus social security, of \$385.

3. The fact which most disturbs Lebed and Dr. Prokop is that CIA has decided that Lebed should retire. His contention is that when we began the operational relationship with ZP/UHVR in 1948 it was decided that the Council and later Prolog Corporation would formulate its own personnel policies, and that CIA concurrence would take individual problems into consideration. I could not dispute this, since if there is any record of such an agreement (and this is unlikely) it is buried in the archives. I reminded Lebed that I, as an Agency employee, must retire at 60. Obviously, since government employees retire with far greater financial benefits, he is not impressed by this fact.

4. Weighing the admittedly sad and worsening state of the PDDYNAMIC budget against the long and dedicated service of Mykola Lebed, I propose that we permit Prolog to carry Lebed at his present salary through FY 1976, but no longer. This will permit him to build up additional equity in his [CIA] pension fund, allow him to make a more gradual transition to what will at best be an austere retirement. This would also ease the mind of Prokop, who will be 65 in May 1978.

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