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Executive Registry
71-5294

OGC 71-1526

Adm -13,1

19 October 1971

MFR

(b)(3)

MEMORANDUM FOR: Acting Executive Director-Comptroller
SUBJECT : Settlement for Francis Gary Powers

1. This memorandum contains a recommendation submitted for approval of the Acting Executive Director-Comptroller. Such recommendation is contained in paragraph 6.

2. As you are aware, Francis Gary Powers has retained an attorney to represent him in connection with his service with the Air Force and CIA. The attorney addressed a letter to the President of the United States under date of 31 August 1971. Since that letter was not entirely clear as to what was desired, it was agreed that a representative of the Air Force and John S. Warner, Deputy General Counsel, CIA, would visit with the attorney to determine what was being requested.

3. At that meeting the attorney indicated that Mr. Powers would be satisfied if he were allowed credit for Air Force purposes for the time he spent with the Agency which, in fact, was promised him originally and reinstatement in the Air Force which in another eight years would entitle him to a 20-year retirement.

4. The Air Force has determined that they cannot see their way clear to restore him to active duty. In lieu thereof, a proposal has been approved by Secretary of the Air Force Seamans and Secretary of Defense Laird whereby a sum up to \$250,000 would be offered Powers in lieu of all claims. This sum would be placed in a trust to be administered by a corporate trustee. The mechanics of the movement of money and arrangements for the trust will be accomplished by the Agency so that there will be no traceable record back to the Government. Powers will be required to execute a full release and discharge of all claims.

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5. The Air Force offered the Agency the opportunity to participate in supplying the necessary funds up to 50 percent. Mr. Carl Duckett, in his meeting with you on 15 October 1971, advanced cogent reasons for our so participating. As you informed Mr. Warner orally on 15 October, the Director of Central Intelligence has approved providing funds up to \$125,000 for this purpose. The purpose of this memorandum is to authorize the Office of Finance to advance \$250,000 to Mr. John S. Warner so that if he can negotiate a settlement it can be consummated while the Air Force representative and Mr. Warner are in Los Angeles on 26 and 27 October. The Office of Finance will seek reimbursement from the Air Force of one-half of the final settlement amount, including the necessary legal fees, in accordance with their agreement.

6. Your authorization is requested for Office of Finance to advance \$250,000 for the above purposes.



LAWRENCE R. HOUSTON
General Counsel

CONCUR:

[Handwritten signature]

DDS&T

Date

(signed) John M. Clarke

21 OCT 1971

D/PPB

Date

The recommendation in paragraph 6 is approved.

[Handwritten signature]

Acting Executive Director-Comptroller

21 OCT 1971

Date

- Original - OGC
- 1 - A/ExDir/Compt
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