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DISPATCH		CLASSIFICATION SECRET	PROCESSING	
TO	Chief of Station, Ottawa		SEARCHED	INDEXED
INFO			SERIALIZED	FILED
FROM	Deputy Chief, WH/SA		MARKET P.R. INDEXING	
SUBJECT	Operational/TYPIC/AMMUG AMMUG/1 - Money Held by (SMABOVE)		INDEXING REQUIRED	
ACTION REQUIRED	REFERENCES		ONLY QUALIFIED HEADQUARTERS DESK CAN FILE INDEXING	
ACTION: As Stated				
REF: OCOA 7762, Dated 1 May 1964				
<p>1. As you will recall, at the time of AMMUG/1's defection, ⁰¹ he had with him \$2,500 (U.S.) which was retained by the (SMABOVE's) because their office believed that this might have to be turned back to the PEROMEN government upon request. Although the foregoing position hardly appeared consistent with (SMABOVE's) ⁰¹ surrender of documents and files which even more clearly were the property of PEROMEN, you and LANCOSCH agreed that KUBARK's interests would be served best by taking the documents and the person and by not quibbling about the holding of the money.</p> <p>2. In the absence of any news to the contrary, it appears that PEROMEN has not claimed the money and has no intention of doing so. Accordingly, it would appear that (SMABOVE) may be willing to turn over the \$2,500 now. ⁰¹</p> <p>3. As matters stand, KUBARK has turned over \$2,500 to AMMUG/1 but our tax unit considers that this must be treated as taxable income. Hence, in order that AMMUG/1 may net \$2,500, the payment here must be charged to \$3,010. This will include the tax payment (and the tax on tax) but the total tax of \$510 will be held by the Finance Section until time for filing. If you could recover the \$2,500 held by (SMABOVE), ⁰¹ no tax problem will be encountered and administrative headaches will be avoided at the Idea of March. ⁰¹</p> <p>4. Your efforts to recover the \$2,500 from (SMABOVE) will be appreciated. Please notify headquarters of (SMABOVE's) decision. It is left to you to decide the opportune time to raise the matter which, of course, could coincide with furnishing (SMABOVE) with results of debriefing AMMUG/1. ⁰¹</p>				
KENNETH H. PHILBROOK				
STEWART F. POLNICK				
Distribution:		DATE TYPED		DATE DISPATCHED
3 - COS, OTTA				
CROSS REFERENCE TO		DISPATCH SYMBOL AND NUMBER		
		1009 4792		
CLASSIFICATION		HEADQUARTERS FILE NUMBER		
SECRET		10 - 6 - 102/3		
OFFICE	OFFICER	TYPIST	EXT	
WH/SA/CI	Harold F. Swenson	SWK	6471	
OFFICE SYMBOL	DATE	OFFICER'S NAME		
WH/SA/CI				
WH/SA/EOR				

Barrett Hill
S-ppent Hill

9/12