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JFK ASSASSINATION SYSTEM

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WILEY, CHARLES W.
TERMINATION OF WILEY, CHARLES W.
VASALY, LOUIS; DEMPSEY, JOHN (RESEARCH BRANCH)

[R]

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Record Number 15 -10011-10122

29 August 1974

MEMORANDUM FOR THE RECORD

SUBJECT: Charles W. Wiley
Summary of Termination
#343 589
#127 958

1. During the course of the reorganization of the Office of Security, it was decided that the Security Research Staff would be abolished. This decision led to the preparation of a memorandum for the Director of Security from the Chief, Security Staff, dated 1 June 1973, captioned, "Request for Director of Security Assessment Regarding Continuance of Functions and Possible Replacement." The last paragraph of this memorandum stated:

"For immediate planning purposes, to fulfill the early deadline already established, it would be appreciated if you would review the attached outlines of existing functions and indicate your desires regarding the function (continue, continue with low priority, discontinue) and where you wish any retained functions to be placed in the reorganization structure. In the latter instance, I have attempted to indicate the more likely options for this to facilitate your assessment."

2. On 4 June 1973, the Director of Security indicated that "Special Access Source," Charles Wiley, should continue on a low priority and be transferred to the Operational Support Branch.

3. Shortly after the implementation of the reorganization on 1 August 1973, John Dempsey, Chief, Research Branch, verbally discussed and reviewed with Edwal Jones, Chief, Clearance Division, the disposition of certain SRS functions

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still in the possession of the Research Branch, but recommended and approved for transfer to other components of the Office of Security. Among those items discussed was "Special Access Source," Charles Wiley. Messrs. Jones and Dempsey agreed that Wiley was not worth the money spent, performed little or no useful service for the Office of Security and, in fact, had done little or nothing to justify his keep. It was further agreed that Mr. Jones would discuss Wiley and make known to the Deputy Director of Security (PSI), Stanton Ense, the agreed assessment of Wiley.

4. Mr. Jones next informed Mr. Dempsey that a memorandum should be prepared reviewing the Wiley case, making recommendations as to disposition. A memorandum was then prepared by Louis Vasaly of the Research Branch, dated 18 September 1973, which recalled the history of Wiley's association with the Office of Security with a recommendation for termination. The only disagreement was as to timing. Mr. Dempsey recommended 30 June 1974; Mr. Jones, 1 February 1974. The Deputy Director of Security (PSI) agreed with the latter termination date.

5. On 25 October 1973, Louis Vasaly and John Dempsey, both of the Research Branch, met Wiley at the Key Bridge Marriott Motel, Arlington, Virginia, to effect his termination. Wiley was most unhappy with the proceeding although claiming to understand that budget problems and curtailment of domestic activities led to his separation. He acknowledged that written notice of his termination by his signature; however, he appended that the notice was "signed with the reservation that the terms will be appealed," and stating he would seek redress either with the Director of Central Intelligence of contacts on Capitol Hill.

6. Wiley was contacted twice more on 6 November 1973 and on 12 February 1974, both times in New York City, by Sidney Stembridge, Deputy Director of Security (P&M) and Louis Vasaly. At the former meeting, Mr. Stembridge politely explained to Wiley that CIA is no longer engaged in matters in which he had been assisting and that there was, therefore, no further need for his services. Mr. Stembridge indicated that the Office of Security might be able to assist financially in a limited sense beyond the 31 January termination date, but that would be the limit of any help.

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7. On the latter occasion, Mr. Stembridge informed Wiley that he had been awarded a termination bonus of \$4,000, which figure, in essence, represented his salary carried forward from 31 January through 30 June 1974. Wiley promptly rejected this offer, again expressing dissatisfaction with his termination. He specifically asked that he be reimbursed for the deficit in his so-called Saroyan Fund. He also asked that the Agency find him a job or bear the expenses of him returning to college for a post-graduate degree, which would enable him to find a position in the academic world. He contended that the Agency should pay not only his tuition, but a stipend for a living expense.

8. Mr. Stembridge concluded the interview by reminding Wiley that his termination was effective, and the previously executed Secrecy Agreement was in force. Mr. Stembridge also informed Wiley that he would be available for additional assistance should Wiley so require. However, it was definitely made clear that the next move was to come from Wiley.

9. Shortly after this rejection, Mr. Kane, the Director of Security, asked the Research Branch to prepare an analysis of Wiley's so-called Saroyan Fund. This analysis was completed by 19 April 1974 by Louis Vasaly, who concluded that Wiley did not appear to have any legal or moral claims to reimbursement for the Saroyan Fund deficit. The fund, according to Vasaly, was an accounting exercise which had never been accepted by his previous case officers as legal, binding, payable, or claimable. The items in the fund included all expenses incurred by Wiley in the production of income plus payments received for whatever services he performed in the acquisition of outside income.

10. Dempsey reviewed the Wiley file and arrived at the same conclusion as Mr. Vasaly. Specifically, Dempsey saw no evidence to indicate an intention on the part of the Agency to reimburse Wiley for expenses as listed in the Saroyan Fund. Likewise, there was no evidence to indicate an intention on the part of the Agency to offset Wiley's Agency salary by those items of outside income.

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11. On 9 April 1974, Wiley met Louis Vasaly and turned over the last statement of the cover fund accounting. Wiley's claim amounted to \$7,475.01.

12. The Office of Security, recognizing that this claim could not be paid as structured, contacted the Office of Personnel to determine whether or not Wiley could be paid a termination settlement and, if so, in what amount. Although HR 20-32 does not apply to independent contractors, the Office of Personnel concluded that, under existing Agency regulation and using HR 20-32 as a guide, Wiley could be paid a maximum termination of \$9,500. The recommendation was then made to the DD/M&S to approve payment to Wiley in the amount of \$8,000, an amount somewhat in excess of his so-called Saroyan Fund deficit.

13. On 24 June 1974, Messrs. Stenbridge and Dempsey contacted Wiley in New York City and attempted to effect a termination settlement. Mr. Wiley promptly rejected the \$8,000 offering, contending that it was reimbursement for his cover fund deficit and a mere \$500 termination bonus. Messrs. Stenbridge and Dempsey explained again to Wiley this Agency did not recognize the Saroyan Fund, therefore, could not pay the deficit. The \$8,000 bonus offering was just that--a termination bonus and no more. Wiley was not satisfied with this explanation and claimed that all he wanted at this point was reimbursement for his Saroyan Fund deficit. Stenbridge and Dempsey told Wiley they would be back in touch with him in a couple of weeks.

14. Mr. Kane, the Director of Security, in attempt to resolve this matter, called upon the assistance of the Office of Finance to conduct an objective study into Wiley's claim. The Office of Finance, after a complete audit, and, based upon a complete examination of all papers in the file, concluded that Wiley could be reimbursed for direct cover expenses and foreign travel up to a total amount of some \$20,054.23. The Office of Finance's conclusions were formulated into memoranda for the DD/M&S and the Director of Central Intelligence in early August of 1974, recommending approval to pay Wiley \$24,429.23, which payment consisted of \$20,054.23 in reimbursable expenses; \$4,375 in termination bonus. This recommendation was approved

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by the DD/M&S and forwarded to the Director of Central Intelligence, who, on 10 August, questioned the amount of the termination offer. He felt full reimbursement was not particularly advantageous to either this Agency or Wiley. He approved a payment of \$12,000, consisting of \$8,000 in allowable expenses and a \$4,000 termination bonus.

15. Mr. Colby instructed Mr. Kane to prepare a letter for his signature explaining to Wiley that this Agency had thoroughly examined Wiley's claim and could not honor it as structured. However, certain operational expenses in the amount of \$8,000 plus a \$4,000 termination bonus could be paid. This letter would be given to Wiley at the next meeting with Office of Security representatives, and Wiley should be told this is the maximum settlement he can be given under CIA's rules and regulations.

16. On 28 August 1974, Messrs. Stenbridge and Dempsey met with Wiley in New York City. Wiley was given the DCI's letter and read the Quit Claim. Upon reading both, he promptly accepted the termination offer and signed. Wiley was told should anything arise which might need clarification, he should contact Dempsey.

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