

DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON 25, D. C.

Op-921D/ljw  
Ser 28716P92

27 DEC 1957

From: Director of Naval Intelligence  
To: Distribution List

Subj: Proposed Special Agents' Association

Encl: (1) Copy of Constitution and By-laws of proposed Association  
(2) Questionnaire

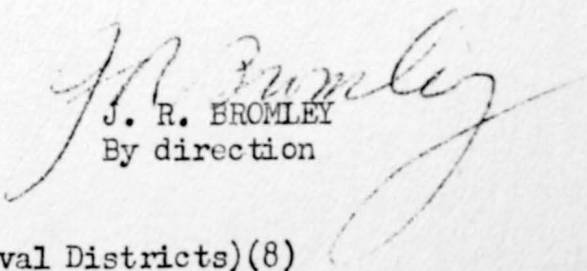
1. The formation of a Special Agents' Association to provide a death benefit fund has been proposed by agents attached to the various field activities from time to time. These proposals have been discussed at several recent Agents' Training Courses and in more detail at the last Supervising Agents' Seminar. A proposed Constitution and By-laws for such an Association has now been formulated and is ready for submission to interested persons. It should be stressed at the outset that the proposed Association will be a private one and will not possess any official standing as an agency of the United States Government, the Department of the Navy, or the Office of Naval Intelligence. This disclaimer is fully set out in the Constitution and By-laws of the proposed Association.

2. However, under pertinent regulations (NCPI) such an organization may be permitted to operate on a Naval Installation and enjoy certain other privileges providing the written permission of the Head of the Activity has been obtained. It has been construed by the Judge Advocate General that such permission by the Director of Naval Intelligence would be required in this case.

3. Prior to attempting to secure such permission, however, or taking any further measures to establish the Association, it is necessary to obtain an expression of interest from those who would be eligible for membership. Enclosed are copies of the proposed Constitution and By-laws, and questionnaires pertaining thereto. (Adoption of the Constitution will require a two-thirds vote of the prospective membership.) If there is no widespread acceptance of the plan as presented, no further action will be taken on the matter. If sufficient acceptance is revealed, appropriate additional measures will be taken, with a target date of 1 March 1958, for the formal activation of the Association.

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4. The Acting Board of Directors of the Association requests that the Supervising Agents in the continental District Intelligence Offices, and designated agents in the other Intelligence Offices here addressed, circulate a copy of the enclosures to each individual within their respective organization who is eligible for membership. It is desired that each individual respond directly to Special Agent S. J. CARDICE, Op-921D3, Room 5C724, Pentagon Building, Washington 25, D. C. Responses are desired by 15 January 1958. In order that a complete record may be developed, it is requested that those individuals who are not interested provide a formal indication within the 15 January deadline.

  
J. R. BROMLEY  
By direction

Distribution:

F28(Intelligence Officers, Naval Districts)(8)

IOs

CINCNELM (8)

COMNAVMARIANAS (8)

COMNAVPHIL (8)

COMNAVJAP (8)

Additional copies of enclosure (2) as follows:

DIO-1ND(25)	DIO-12ND(23)
DIO-3ND(68)	DIO-13ND(15)
DIO-4ND(42)	DIO-14ND(10)
DIO-5ND(33)	DIO-15ND(3)
DIO-6ND(35)	DIO-17ND(4)
DIO-8ND(22)	IO-CINCNELM(5)
DIO-9ND(59)	IO-COMNAVMARIANAS(5)
DIO-10ND(4)	IO-COMNAVPHIL(5)
DIO-11ND(31)	IO-COMNAVJAP(6)
	IO-PRNC(49)

CONSTITUTION AND BY-LAWS

OF THE

SPECIAL AGENTS' ASSOCIATION

CONSTITUTION

- I. The name of this association is the Special Agents' Association and it will be referred to herein as the Association.
- II. This is a voluntary Association of Special Agents and certain other classes of civilian employees of Naval Intelligence as hereinafter designated and without regard to their geographical assignment. The Association is a private one organized and maintained solely for the benefit of its membership and for the specific purpose of providing a fund out of which the payment of a certain sum of money will be made to the designated beneficiary of a member upon the death of said member. It is not intended in any way to represent an official instrumentality of the United States Government, and neither the United States Government, the Department of the Navy, nor the Office of Naval Intelligence shall be in any way responsible for any debts or obligations of the Association, or for any claims by or against it.
- III. To be eligible for membership in this Association an individual must be:
- a. A civilian agent or special agent employed by Naval Intelligence.
  - b. A civilian employee of Naval Intelligence, formerly an agent or special agent of Naval Intelligence, who has been transferred or promoted to a position other than that of agent or special agent within Naval Intelligence.
  - c. A civilian employee of Naval Intelligence, occupying a supervisory position concerned with investigations, who is not necessarily a former agent or special agent, but who has issued to him agent or special agent credentials.
- Individuals who belong to the Association will be referred to herein as members.
- IV. The Association will be governed by a Board of Directors which shall have control over all matters pertaining to the acquisition, safe-keeping, and expending of said funds. The Board of Directors will be composed of seven members who will be elected in the manner hereinafter described. The Officers of the Board will consist of a Chairman, a Secretary, and a Treasurer. These officers must be assigned to the Office of Naval Intelligence Headquarters Office in order to enable them to administer the business of the Association and will be covered by Fidelity Bonds of appropriate amounts. The remaining four members of the Board shall be supervising agents of a District Intelligence Office. The first Board of Directors will be comprised of the following persons:



Chairman, John W. LYNCH, 1020 Kathryn Road, Silver Spring, Md.  
Secretary, Salvatore J. CARDICE, 27 Embassy Lane, Fairfax, Va.  
Treasurer, George R. SALB, 6007 Walton Road, Bethesda, Md.  
Member, Theodore FASON, 5810 Brunswick Street, Springfield, Va.  
Member, Thomas J. FENTRESS, 752 Vincent Drive, Mt. Pleasant, S.C.  
Member, Veikko E. LEVANDER, 4529 Washington, Downers Grove, Ill.  
Member, Charles L. MOREHEAD, 5566 Beaumont, La Jolla, Calif.

This and subsequent boards will serve a two-year term and will be ineligible to succeed themselves, except that one of the three Headquarters' members may be reelected to serve for a second consecutive two-year term. Membership of subsequent boards shall be by election by a majority of the entire membership of the Association from lists of candidates nominated by the Board in Office. To be eligible for membership on the Board of Directors, an individual must be a member of the Association. A minimum of three members of the Board of Directors will constitute a quorum and a majority of a quorum is sufficient to render a Board of Directors' decision. When a vacancy occurs in the membership of the Board of Directors, a new member shall be appointed by the Board of Directors to serve out the remainder of the unexpired term.

V. The Board of Directors will assess contributions from the members from time to time as they deem necessary in order to establish and maintain the fund at a level sufficient to offset liabilities which the Association may reasonably expect to incur. In no case after the first year of operation will the fund be permitted to fall below the amount necessary to cover five death payments. The Board of Directors shall deposit sufficient funds for ordinary operating expenses in a checking account in the name of the Association in a bank whose deposits are insured by the Federal Deposit Insurance Corporation. Checks as required shall be drawn on this account over signature of the Treasurer of the Association countersigned by the Chairman of the Association. In the absence of either or both of these individuals any other members of the Board of Directors may sign or countersign checks in their stead. Funds over and above the amount deposited in the checking account will be invested by the Board of Directors in various Government Insured Building and Loan Associations, Savings Institutions, U.S. Savings Bonds, and such other insured investments as the Board may deem reasonable and necessary.

VI. The members assigned to each District Intelligence Office or Intelligence Office and to the Office of Naval Intelligence will elect an Association local representative who is assigned to the Headquarter's Office of the District Intelligence Office or Intelligence Office or to Office of Naval Intelligence. This individual will be charged with the responsibility of collecting the contributions from the members in his District, recording the contributions, and forwarding them to the Treasurer of the Association at the Office of Naval Intelligence in Washington, D.C. The local representative will also perform such other duties as may be required in carrying out the business of the Association. In the absence of the elected representative of the District, the supervising agent shall function as the representative.

VII. Upon receipt of a death notice submitted by a Field representative of the Association, executed in accordance with the then current instructions of the Board of Directors, the officers of the Association charged with the responsibility will draw a check in favor of the deceased member's designated beneficiary in the amount of \_\_\_\_\_. This check will be forwarded to the local representative who will present the check to said beneficiary. Payments of death benefits will be made as expeditiously as practicable, provided that during the first year of operation of the Association, if required by the sum available in the fund, death benefit payments may be delayed up to a period not to exceed one year after the date of death.

VIII. An eligible individual as defined in Article III can become a member by contributing to the fund in such amount and in such manner as is agreed upon by the prospective membership in adopting this Constitution. Eligibility for membership must be exercised within three months of the adoption of the Constitution or is thereafter permanently lost. In the case of a person who becomes eligible after the effective date of the Constitution, he must exercise his eligibility for membership within three months of his employment by Naval Intelligence or forfeit any future opportunity to participate in the Association. Any agent who is separated prior to completion of his probationary period shall be refunded the amount of his contribution to the Association in excess of \$25.00.

IX. The Board of Directors will issue an annual financial statement that will be available to all members of the Association. They shall also cause an independent audit of the Association's accounts to be made annually. A member may inspect the books and records of the Association at any reasonable time at his own expense. The Treasurer of the Board of Directors will be charged with the responsibility of preparing Federal and State Income Tax forms and such other forms and records as statute might require. An amendment to this Constitution can be accomplished by proposing said amendment in the form of a petition addressed to the Board of Directors and signed by at least twenty members of the Association. Notices of the proposed amendment must be given to the entire membership of the Association by the Board of Directors and the Board of Directors must cause a vote to be taken of the membership in order to adopt the proposed amendment. Two-thirds of the membership of the Association must vote in favor in order to adopt an amendment. Amendments to the By-laws may be proposed and acted on in the same manner, except that only a majority of the members voting shall be required to enact such amendments.

X. This Association may be dissolved if the United States enters into a State of War declared by the Congress, providing two-thirds of the then active members vote to dissolve it. The Association may also be dissolved if required for any reason outside the control of the membership. Other than for the above reasons, the Association may be dissolved only upon the written petition of a majority of the then active members, duly voted on and approved by at least two-thirds of the then active members. In the event of dissolution for any of the foregoing reasons, the funds of the Association shall be applied first to the payment of any outstanding or anticipated obligations of the Association. There shall be no liability on the Association for death benefit payments on or



after the actual agreed on date of dissolution. The sum remaining after payments of obligations as aforesated shall then be divided among the then active members of the Association as of the actual agreed upon date of dissolution. Distribution to each active member shall be in an amount proportionate to the amount which each such active member shall have contributed during his membership in the Association. "Active member" as used in this connection shall also be deemed to include any such member who has become inactive solely by reason of being in a military leave status while actually performing active military service.

#### By-laws

1. A member's beneficiary will be entitled to receive the death gratuity as prescribed in the Constitution only after death of the member occurs while he is in fact a member of the Association. Membership shall be deemed effective as of the time the first contribution is made and membership will terminate simultaneously with the effective date and time of resignation, retirement, or termination for cause from the Office of Naval Intelligence, except in cases of retirement for physical disability as indicated in Article 4. An individual's membership will lapse if he does not make a specified contribution ordered by the Board of Directors within 30-days after he has been notified of his delinquency by the District representative. In this event an individual's membership can be reinstated by his payment of all delinquent contributions provided that he is still otherwise eligible for membership and provided further that said delinquent contribution shall be accepted by the Board of Directors. This reinstatement is contingent upon a complete physical examination at his own expense by a physician approved by the Board of Directors. Reinstatement in the Association will be effective as of the time delinquent contributions are accepted by the Board of Directors.

2. In such cases where a member of the Association is ordered to active military duty, he shall be considered inactive as a member of the Association as of the date his military leave becomes effective. If his death occurs while he is on military leave, exclusive of two-weeks' Reserve Military Training duty, there shall be no payment whatever to his designated beneficiaries. Upon his return from military duty to active employment as a civilian agent with ONI he can be reinstated as an active member of the Association without any requirement on his part to contribute any assessments paid into the fund during his absence.

3. At the time an individual applies for membership he will designate one or more beneficiaries and contingent beneficiaries on the application form, specifying the percentage of the death benefit payable to each person so designated. Beneficiaries and contingent beneficiaries may be designated only from among the member's relatives or bona fide dependents. This form shall be countersigned by the District representative and forwarded to the Secretary of the Association where it will be retained on file. The member retains the option to change his beneficiaries and contingent beneficiaries. Such changes shall be accomplished by following the procedure set out above for initially designating beneficiaries and contingent beneficiaries and will be effective as of

the date the form is countersigned by the local representative. Where more than one beneficiary is designated, and one or more of them predeceases the member without a change in beneficiary being submitted, the surviving beneficiary(ies) will be paid proportionate shares of the deceased beneficiaries share. Contingent beneficiaries will be paid only when all designated beneficiaries predecease the member. If, from a common disaster, death results to the member, all beneficiaries, and all contingent beneficiaries, the death benefit will be paid to the estate of the member. When a designated beneficiary or contingent beneficiary to whom payment would normally be made cannot be found after diligent search, and determination cannot be made within one year following the member's death as to whether such beneficiary or contingent beneficiary is alive or dead, the Board of Directors shall decide to whom that person's share shall be paid, taking into account the deceased member's wishes as expressed by his written designation of beneficiaries insofar as possible.

4. Members who must retire due to a physical disability shall remain members of the Association for the period of two-years, subsequent to the effective date of retirement, without being required to contribute to the fund. In such instances, if the member dies within those two-years, from any cause except self destruction, his designated beneficiary will receive one-half of the death benefit payment effective at the time of his death. No entitlement to any such payment shall exist after the aforesaid two-year period. In cases where any controversy may arise in the adjudication of the cause of the member's death the decision of the Board of Directors of the Association shall be guided by competent medical authority and its decision will be final.

SPECIAL AGENTS' ASSOCIATION

QUESTIONNAIRE

1. After reading the proposed Constitution and By-laws, are you interested in becoming a member of the Association?

2. Which of the following death benefit plans is preferred?

<u>Benefit Payment</u>	<u>Assessment</u>	<u>Terms</u>
a. \$5,000.00	\$ 65.00	\$25.00 initial payment. Remaining \$40.00 within 9-months @ \$20.00 per quarter.
b. \$10,000.00	\$125.00	\$25.00 initial payment. Remaining \$100.00 within 15-months @ \$25.00 per quarter.

3. Serious consideration is being given to the reinsurance of the fund which would insure the payment of deaths exceeding five and up to fifteen in any one year. The cost of this reinsurance, as given by a representative of Lloyds of London, would be approximately \$5.00 for the \$10,000.00 benefit payment or \$2.50 on the \$5,000.00 benefit payment per participating member based on a 400-person membership. This cost would be absorbed by the fund.

Are you in favor of maintaining such reinsurance?

4. If answer to question #1 is YES, please suggest any changes you feel may improve the proposed Constitution.