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17 Nov 80

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MEMORANDUM FOR THE RECORD

SUBJECT: FONECON Between [redacted] and LTC Watt, 13 Nov 80

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1. (U) At 1545 hrs, 13 Nov 80, I called [redacted] and informed him that I had just talked to Dr. Hal Puthoff, SRI-I.

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2. (S) I told [redacted] that Dr. Puthoff had raised the following issues with me and I thought it prudent to pass them on to him [redacted]

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a. (S) Dr. Puthoff and his immediate associates were being forced to take leave by SRI-I management due to lack of contractual funds being made available. I do not know exact status of Puthoff, Targ, etc...whether they are on administrative leave, leave without pay or regular leave.

b. (S) Dr. Puthoff stated that the money from ACSI (50K) had not arrived. I assured him that the 50K had been transferred from ACSI to FTD and all concerned were doing their best to expedite the funds to SRI-I.

c. (S) Dr. Puthoff then informed me that by the end of this month he would have to make a decision on the number of personnel that would have to be dropped from their program. He explained that the contractual effort currently being staffed by DoD would not be sufficient to cover the expenses of his current group for a complete year. Either the size of the staff had to be cut, stated Puthoff, or more monies had to be put into the effort. Although I understood his problem, I informed Dr. Puthoff that there was nothing I could do as far as obtaining additional dollars for his program. However, I assured him that I would, again, stress the need to get currently planned proposals firmed up and get money into the system as soon as possible.

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3. (S/NOFORN) I told [redacted] that he might want to let Dr. Vorona know about the above conversation and that he might want to check with [redacted] rep at SRI-I) and see if things really were that bad. Further, I reminded [redacted] that we had indications that CIA and NSA might be willing to put some money into the project. If so, maybe Dr. Vorona could pursue that angle and advise Dr. Puthoff of the results.

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4. (C) Finally, I told [redacted] that I was going ahead with my plans to visit SRI-I in early Dec 80. He suggested the earlier the better...if for no other reason than to show SRI-I management that DoD was really serious about future contract work.

*Murray B. Watt*

MURRAY B. WATT  
LTC, MI  
INSCOM GRILL FLAME  
Project Manager

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