

INDUSTRY 5/7/97 <sup>with</sup> <sub>OSM</sub>

[redacted] - OUR SECURITY  
[redacted] - OUR ATTORNEY

FIRST SUBJECT:

~~THE SUBJECTS~~

I. SECURITY PAYMENTS ~~AND CUSTOMS PAYMENTS~~

Confidential Treatment  
Request by Chiquita Brands

1. [redacted] I HAVE COMPLETED OUR WORK ON LOGIC AT IMMIGRATION ENTRANCE AND SECURITY PAYMENTS IN COLOMBIA  
• HAD DIFFICULT OBTAIN SUPPORT AND DOCUMENTATION IN THE PAST  
• NOW HAVE IT FOR LAST 4 YRS 1993, 94, 95, 96

575  
43  
618

222  
43  
265

2. RESULTS + WANTED <sup>TO OWE YOU THE RESULTS</sup> ~~TO~~

- SPENT APPROX \$575,000 OVER LAST 4 YEARS ON SECURITY PAYMENTS - OUR OWN PAYMENTS
- \$22,000 IN 1996 <sup>\$225</sup> 21,763 CONVULS REST OURS
- BUDGET FOR 1997: \$80,000 OURS 120,000 CONVULS
- [redacted] INDICATES CONVULS LEAD
- NOT FOR ISSUE

- FORMED 1991
- NOT OUR AGENCY
- LEAD PAYMENTS
- COMMON ON CONVULS
- OBTAIN TO FORM A LEAD ENTRY TO DEPEND BOTH ON CONVULS

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3. APPROVAL:

• NORMALLY [redacted] APPROVES PAYMENTS WHEN REQUEST BROUGHT BY [redacted]

[redacted] (PACKAGE SECURITY OUY)

• NORMALLY OBTAIN INTERVIEWS AFTER THE PAST. \$25,000 PAY BURNDICK STA

[redacted] SUGGESTED. 0 → 50,000  
50 - 100,000 [redacted]

2CHQ6-000633

4. Recommendations

1. [ ] should know amounts in Budget  
Before Budget prepared
2. Security is an issue / Confidentiality  
So would like to keep Approvals  
Low
3. Set Approval Level for [ ]  
to approve indiv. Trans. Above  
a certain amount.
4. To what extent would [ ]  
like to be involved — say  
wished to have payments report  
to central & report
5. They should continue to send QTR. statements  
to us and to our staff to review the details
6. At this point it is ~~not~~ the group  
doesn't believe this is an  
Admin Comm issue —  
is a Mgmt. Issue  
" " " " Board Issue
7. [ ] will make RCPA presentation  
in next couple of months.
8. Need CAO involvement
9. Above \$10M own needs to approve before
10. reconcile GL with [ ]

b6  
b7C

• Find out  
something  
from Dick  
• Find out  
other  
companies  
• How even  
we need  
less  
• Who else  
finds  
problems,  
• What is our  
involvement in  
problems.

Review the Logistics - General  
Operations  
Managers Expense

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Second Issue - Customs Payments

# QUESTIONS

MOR. & KPSUSE MEMO

COLOMB  
4/22/97

## PROCEDURAL:

1. HOW WERE AMOUNTS BUDGETED FOR 1997?  
200000 ~~60000~~ 1997 ; BUDGETED 1425000  
CONVINT 120000  
BASED ON BEST GUESS OF WHAT IT WILL BE

b6  
b7c

TCMR #439 1996 #542 1997 #1031MCA

2. WHERE DID THEY SHOW UP IN THE BUDGET

(WHAT LINE ITEM AND IN WHICH ACCOUNT?)  
TCMR - [ ] ON DW. MCA - WILL FIND OUT

~~TCMR~~  
IN BUDGET IS "ADMINISTRATIVE"

SAVINGS

3. WHO APPROVED THE TOTAL AMOUNT 1997

(WHAT APPROVAL LEVELS WERE INVOLVED)

• JUST [ ] NOT [ ]

# [ ] HAS NOT BEEN TOLD ABOUT AMOUNT

4. WHO APPROVED THE AMOUNTS SPENT

IN EACH CATEGORY OF EXPENSE.

[ ]

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5. WHAT APPROVAL LEVEL IS REQUIRED  
ON EACH PAYMENT MADE?

[ ] APPROVES BEFORE MADE NO MATTER WHAT  
AMOUNT

[ ] BEFORE THE FACT & SOMETIMES DISCUSSES  
WITH [ ] BEFORE THE PAY

HOW MANY  
TRANSACTIONS  
are

are  
[ ]

SHOULD ADDITIONAL APPROVALS BE REQUIRED?

Below 5000 - [ ]  
YES @ 50000 - OVER THIS GET [ ] APPROVAL

FIRST  
Over 10000 - [ ] APPROVES IT  
2 SIGNATURES [ ] AND [ ] SIGNED

[ ]

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### 6. QUARTERLY SUMMARIES SENT TO CINCINNATI

- WHO REVIEWS FOR APPROVAL

OF EXPENDITURES?

\* [ ] PREPARES FROM GC. WILL SEND TO ME WITH 1-7  
[ ] OWES THE FEE. [ ] APPROVING DETAILS  
SITUATION? - DO THIS 3 COPIES RELAY [ ] OWES [ ]  
[ ] OWES NEED TO - WHO REVIEWS [ ] PROPERTY  
KNOW

OF EXPENDITURES

[ ] OWES AFTER THE FACT

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### 7. WHAT ASSURANCE DO WE HAVE THAT CASH OUT EQUALS CASH RECEIVED?

- [ ] AMOUNTS [ ]
- OWES TO [ ] MONEY (OUTSIDE CASH)
- OWES TO REVENUE
- DEPENDS ON [ ] TO OWE MONEY

\* THE RISK [ ] NEGOTIATES FOR \$10000 + CHARGES US \$12000 SINCE HE DOES THE NEGOTIATING

### 8. WHAT IS THE FEE FOR TIME INTERMEDIARY AND HOW IS DETERMINED

WE PAY HIM NOW

[ ] - \$20M 1994

\$6M SO FAR IN 1997 (AS OF APRIL 21, 1997)

NO CONTRACT! ONLY [ ] APPROVES THESE NEGOTIATIONS WITH [ ]

### 9. HOW IS [ ] INFORMED OF:

- AMOUNT BUDGETED DURING BUDGET PROCESS? ISNT TOLD

- AMOUNTS SPENT QUARTERLY / ANNUALLY? ISNT TOLD

- AT WHAT LEVEL SHOULD I BE INVOLVED IN A SINGLE PAYMENT OR NEW CATEGORY OF EXPENSE? SINGLE PAYMENT - OWES WITH FULL OFFER

ASSUME THIS IS COMMON

NEW CATEGORY - IVE DONE IT

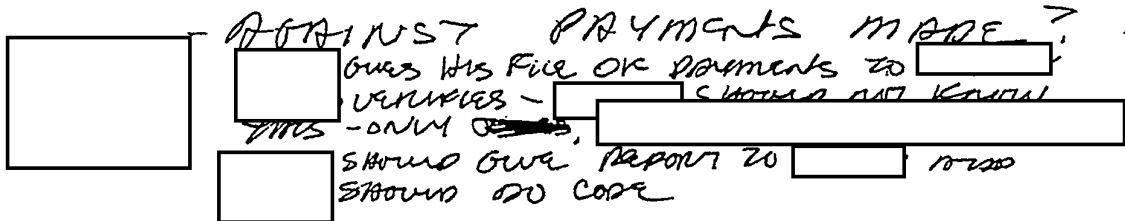
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10. How are amounts recorded in  
TIE G/L

- WHAT ACCOUNTS EXPENSE PART MAND
  - WHAT DESCRIPTIONS
- USE 3 ACCOUNTS - SEE MEMORANDUM
- LOGISTICS  
OPERATIONS  
MEMBERS EMBASSY
- 3 WAYS FOR

b6  
b7c

11. How are G/L amounts verified



- AGAINST AMOUNTS REPORTED EACH QUARTER TO CINCINNATI?
- SEE #11

DECODER WILL USE CODE 1-7 SEE ATTACHED FOR COPYR EXPENSES.

To Do:

1.

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SPECIFIC QUESTIONS

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1. COMPETITIVE INFO

- SMART 1995 190.70 Q:

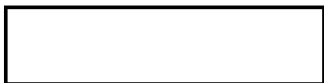
b6  
b7C

2. From \$139m (95) to \$231m (96)

- WHY INCREASE

- WILL IT CONTINUE TO INCREASE

3.



PAID 12/96

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[Redacted]

Believes:

- WE SHOULD TELL [Redacted] ONLY GENERALLY WHAT WE ARE DOING - NOT THE SPECIFICS
- BELIEVES IT IS [Redacted] <sup>PRO</sup> TO ADMINISTER THE PROGRAM LOCALLY AND TO NOT INVOLVE [Redacted]
- [Redacted] <sup>PREFER TO</sup> MAY ~~NOT~~ NOT HAVE KNOWLEDGE OF THE SPECIFICS IN CERTAIN SITUATIONS
- AUDIT COMMITTEE MAY OVER REACT TO THIS SINCE LEGAL WHAT DO THEY NEED TO KNOW
- THE AMOUNTS WE ARE PAYING ARE NOT CHANGE IN COMPARISON TO WHAT OTHER COMPANIES ARE DOING (OCCIDENTAL PETROL \$50 MILLION) JUST WAS IN PAPER ~~BEFORE~~ WERE PAYING TOO MUCH
- THE ANNUAL PAYMENTS ARE GOING DOWN
  - \$80000 EST. FOR 1997 VS 1996
  - \$120000 " " CONTINUED 1997 VS 1996
  - NO LONGER PAYING
- COST OF DOING BUSINESS IN COLOMBIA - MAKE THE QUESTION IS NOT WHY ARE WE DOING THIS BUT RATHER WE ARE IN COLOMBIA AND DO WE WANT TO STOP PAYMENTS FROM COLOMBIA
- NEED TO KEEP THIS VERY CONFIDENTIAL - PEOPLE CAN GET KILLED.
- [Redacted] VERIFIED WITH [Redacted] WHICH I WAS THERE THAT THESE PAYMENTS WERE LEGAL TO CONSIDER

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