

EXHIBIT “1”

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

PETER B.

Plaintiff,

v.

Civil Action No. 06-1652 (RWR)

CENTRAL INTELLIGENCE AGENCY
et al.

Defendants.

* * * * *

DECLARATION OF PETER B.¹

The undersigned hereby declares as follows:

1. I am a person over eighteen (18) years of age and competent to testify. I make this Declaration on personal knowledge. I have reviewed the Central Intelligence Agency's ("CIA") Motion for Summary Judgment and this Declaration is submitted in support of my Opposition.

2. I am the plaintiff in this matter. I have a B.B.A. and M.B.A. from two American Universities. I have a Ph.D in international economics from a foreign university, and I have completed the academic course work for a second Ph.D. in geopolitics from a foreign university. The CIA, in fact, partially funded my first Ph.D.

3. I want to state at the outset that I believe I have material and relevant facts, which may or may not be classified, that it is my legal right to bring before this Court as part of my case. Even more important, given the current stage of litigation, I believe I am in possession of specific factual evidence beyond that which is stated below that would serve to defeat the CIA's Motion for Summary Judgment. The CIA, however, is using the

¹ Pursuant to my secrecy agreement this declaration has been submitted to the Central Intelligence Agency for classification review prior to its filing with the Court. The submission of this document with any redactions of "classified" information does not constitute a concession that the information is, in fact, classified. Should any information be redacted it is respectfully requested that this Court review an unredacted copy.

classification system as a weapon against me in order to shield itself from culpability and liability. Pursuant to my secrecy agreement, I cannot send certain information to my attorney in written form or discuss it with him over the telephone. This is true whether I think the information is classified or not. Although I can discuss information that is classified up to and including the Secret level with my attorney in person, neither of us can include that in our written submissions to the Court because of the threat that we will either lose our clearance eligibility/access or even face potential criminal prosecution.

4. That is why I was more than willing to go to a secure CIA facility and use a stand-alone computer to type a more complete declaration so that there was no possibility of unauthorized disclosure or inadvertent leak of classified information. This request to do so was made by my attorney and denied by the CIA for the purpose of protecting itself and not the national security interests of the United States.

5. Thus, this declaration, which may determine whether my case continues into the discovery stage, is not complete and I may very likely suffer harm as a result of the denial of my constitutional rights.

Employment Status With Central Intelligence Agency

6. I was recruited for work with the CIA in or around 1989, and spent most of 1990-1991 involved with the processing of my application. I finally entered on duty in or around January 1992 and began training. During 1993-1994 I was working in [] location "A". I returned to the Washington, D.C. area in 1994 for additional training and was certified as an Operations Officer. In or around February 1995, I left to serve in Country "A" where I remained until Summer 1999. From 1999 - 2001, I worked in [] location "B". In or around January 2002, I returned to the Washington, D.C. area after being transferred to a different Division. While awaiting scheduled deployment to Country "B" my employment was suddenly "terminated" in October 2002. Additional information concerning the last year of my employment with the CIA is discussed below.

7. The CIA is only partially correct in its assertion regarding my employment status. When I was first hired and began work in 1992 I was a covert contract employee. This unique relationship was necessary for reasons that I cannot discuss in this declaration, and which are likely not materially relevant to this case anyway. What is relevant is that those specific circumstances changed in 1994 and I was converted to a full-time career staff civil servant, as discussed more fully below.

8. I have no recollection whatsoever of signing any contract extensions or documentation after 1992 that would characterize my employment situation with the CIA as anything but a career staff civil servant. Interestingly, although the CIA claims I signed several extensions it has not provided this Court with any copies. I would hope logic dictates questioning why the CIA has not provided copies of the direct evidence to support its factual assertion. Obviously the CIA is conveniently the only entity in possession of these documents. Previous requests by my attorney to review these documents have been unsuccessful.

9. I also question why "my" signature on the 1992 document is redacted although it is revealed on at least one page of the 2002 document. I am not necessarily challenging the validity of the 1992 document because, as I stated above, I did enter into service with the CIA as a covert contractor and I am sure I signed many documents, but if I cannot verify the integrity of the signature on the document I fail to see how the Court is supposed to do so. It makes little sense if the CIA is claiming I signed a document to reveal my purported signature on one document, but not another. Obviously I recognize that the CIA is claiming I signed the 1992 document using a pseudonym, which I do not recall doing, but at the very least I, and my attorney, should be permitted an opportunity to privately review the document and verify my signature.

10. In any event, I absolutely challenge the CIA's assertion that I served as a contract employee after 1994. While the 1992 and 2002 documents coupled together may provide such an impression, I believe the CIA is intentionally misleading this Court as to my true

status. Indeed, the 2002 document actually does not, by and of itself, verify or confirm that I was a contract employee during the period preceding it.

11. For one thing, the document, given the redactions, is obviously not complete as submitted. I cannot address that which I cannot see. Why, for example, is the signature block on page 3 completely redacted if it is, in fact, my actual signature? On page 6 my signature, other than my full last name, is revealed so I am at a loss to understand the evidentiary value of this document. I honestly do not recall signing this document because of the serious duress I was under at the time, which included post-traumatic stress as a result of 9/11 (more on this below) and the unexplained threats by the CIA that I was going to be turned over to the FBI.

12. But most importantly, particularly for purposes of my Opposition brief, in or around September 2002, I *personally* reviewed my [] personal file at Headquarters. In it were numerous documents that unequivocally stated I had been converted to a full-time staff, career civil servant, employee in 1994. I was not allowed to copy any of the documents given the classification status but presumably they remain in my file and clearly would be part of the discovery I would seek if permitted to proceed further in my case. I am also aware of witnesses, some of whom are identified below, who can provide supporting testimony on this specific issue.

13. Of course, I have not had access to my files since in or around September 2002. Thus, what specific information was placed in my files after this date and then disseminated following my termination is something I will not know without discovery.

Events Leading Up To Alleged Termination Of Employment/Expiration Of Contract

14. While I cannot detail on the open record the work assignments I had engaged in from 1992 – 2002, suffice it to say that I was operating on highly sensitive and often life-threatening matters. I held a very unique status (first as a contractor and then as a civil servant) with the Agency, which can be clarified further in classified submissions or, if necessary or appropriate, closed door meetings with this Court.

15. I was in New York City physically near the World Trade Center on 9/11. I personally witnessed the carnage and tragic events and have very clearly suffered as a result; facts that will become more of an issue if my lawsuit proceeds forward. After 9/11, the CIA obviously launched into a surge to address the horrific events and I was one of those called upon. I was hand-picked because of very unique circumstances that existed regarding my background and previous work assignments with the CIA, none of which I can discuss. I accepted the request and came to the Washington, D.C. area. My family remained at [] location "B". I was promoted in January 2002 and seconded to another Division. This assignment was to last one year.

16. In February 2002, I was awarded a commendation from DCI George Tenet for services rendered for our country. I was not notified that I had received this award. I only discovered its existence when I reviewed my [] file in September 2002. In fact, between July 1999 and September 11, 2001, I received three exceptional performance awards.

17. In or around April 2002, I was directed by the three Divisions I was working with to obtain certain operational documents to reinforce my abilities to work on an upcoming overseas assignment. I incurred significant expenses during this process that will be detailed at the appropriate time.

18. In May 2002, I was, after extensive further security scrutiny from my new Division, provided with certain covert communication devices in preparation for my impending assignment.

19. In or around early June 2002, I was sent to another [] location to receive specialized training, including weapons training, for my upcoming overseas assignment.

20. In or around the end of June 2002, I was formally transferred from my old Division, which is now claiming it allowed my contract to expire, to this new Division under Tyler D [], who was the Chief. Before that happened, Mr. D [] sought and received approval for my transfer from DCI George Tenet. I was told this

personally by Mr. D[] and there was paperwork in my [] file that supports this chain of events.

21. On or about July 1, 2002, I was scheduled to deploy to Country "B" to participate in activities in the Global War on Terror. Something happened that prevented my deployment. Much of the details are hazy to me, particularly because of my mental state at the time due to 9/11 and given the nature of CIA secrecy. It is my understanding from multiple third parties that several CIA officials, to especially include defendant Margaret "Peggy" Lyons, took action or spread adverse/defamatory information, either in writing, verbally or both and which was not related to my job performance, and this resulted in stigmatizing my career and my subsequent dismissal. I also believe that defendant Lyons' activities, coupled with the likelihood that others have repeated this information based on the false understanding it was true, continue to flow contemporaneously from the time they were made to cause me harm.

22. I was overseas on Annual Leave until August 2002. I then came back in September 2002 to discover "something" was seriously wrong. At no time prior to my termination was I ever told about any security concerns. Nor was I ever told of even any personnel concerns. As far as I know, everything was proceeding perfectly normally with the advancement of my career. I should also note that, although my resume still does not to this day indicate I was employed in any capacity with the CIA, I was explicitly authorized to list that I held various security clearances with the U.S. Government.

23. The assertion that my "contract" was suddenly simply allowed to "expire" in October 2002 in the midst of all of that was transpiring up to that moment is more than baffling, particularly since the CIA literally spent millions on my training and status and was aggressively grooming me for my next overseas assignment. I had no opportunity to appeal.

24. It is my understanding that shortly after what happened to me defendant Lyons was removed from her position at least in part for the perception that she was tearing

apart the Division I originally belonged to and was destroying people and their careers including myself.

25. In fact, Ms. Lyons is/was married to a former State Department official, Donald Keyser, who found himself at the center of an espionage investigation. Exhibit "A". He was ultimately convicted of three felony charges including for mishandling classified documents and lying to investigators. According to court records, as reported in the press, Keyser was ordered to spend a year and a day in jail and two years on supervised release, and to pay a fine of \$25,000. Exhibit "B". Time Magazine reported that an FBI raid discovered she, too, had improperly brought classified documents to their home. Exhibit "C".

26. I believe that the work I was doing, and about to do, potentially risked exposure of the illegal activities of her husband and that defendant Lyons sought to eliminate me as a threat to her husband, and perhaps, her own actions. Thus, she took certain steps to disparage me, and destroy not only my CIA career but my ability to pursue my chosen profession. The facts, of course, are all contained within the files of the CIA as well as the personal recollections of certain current and former CIA personnel. Additionally, I am personally aware that the FBI possesses relevant records about this theory.

27. The efforts undertaken by defendant Lyons, and perhaps others, infected various offices within the CIA and lay in wait until such time as I took affirmative steps to re-enter the environment I had just been forced from. Thus, what transpired below was very much the direct product of what took place in 2002 when I was "terminated". I was not in an emotional state until 2006 to attempt a return. Moreover, there were other issues/problems created by the CIA that were ongoing during this time that I am not permitted, or reluctant due to the threatened security concerns, to detail in this public document.

Loss Of Employment With Defense Contractor

28. In Summer 2006, I contacted the founder of a major defense contractor with significant connections to the CIA in order to inquire about potential employment. At this time I will not publicly name either the company or the individuals with whom I dealt pending clarification from the CIA as to whether and to what extent I can provide this information in a public forum. My attorney is providing this information to the Court in a sealed document. But suffice it to say I obviously possess this information and I have in my possession various correspondence that discusses the situation.

29. Contrary to the insinuations in the CIA's Motion for Summary Judgment and accompanying attachments, I did not need to reveal my prior cover relationship with the CIA because the founder previously worked with me during my tenure with the Agency. In fact, he had known me for years. Thus, there was never any unauthorized disclosure of classified information in order to present my bona fides. My CIA covert relationship status was a known quantity without my ever having to reveal it. It should be no surprise that this is often the case with defense contractors who do business with the CIA. There is very often a revolving door with respect to those working in the community.

30. I was told by the owner of the company something to the effect of "you are the type of person we like and know", and that he would have someone call me immediately. I soon met with several principles, including the founder, of the company to discuss possible work I could perform.

31. On or about September 6, 2006 I was provided with an offer to work for the defense contractor. In order to accept this position, which I did on September 15, 2006, I terminated my then current employment and also cancelled a planned move. The annual base salary was to be \$174,000. I was also given shares of stock and immediately presented with two checks for \$30,000 each.

32. The work I was hired to do cannot be detailed in this public declaration, at least not to my knowledge. And I cannot risk including any information that I even believe to

be unclassified because of the restrictions imposed upon my counsel and I in drafting this declaration.

33. During September 2006, as part of this new job, I had multiple and extensive meetings with CIA officials to discuss the work I was to do for the defense contractor. Obviously there was no question that the CIA was aware of my involvement with this defense contractor, my background or the intended plans for my employment. Thus, the CIA's declarations discussing how I was to reveal my background to a potential employer who did not know me or the steps that the CIA would normally take under such circumstances simply do not apply to the facts of my case.

34. As part of the process with having me come on board with this defense contractor and work on classified covert CIA operations, I was told that my security clearance would be taken care of. We discussed at the time that my clearance had likely "lapsed" because of the two year period, but I was led to directly believe that conversations had initially taken place between the contractor and CIA security specifically concerning my clearance and that there would not be an issue.

35. By e-mail dated October 4, 2006, however, I was suddenly notified by the defense contractor that "the customer you met with has declined any interest" and that "their decline was a 'firm' decline." I was later notified in writing that my termination was effective October 11, 2006.

36. I was specifically told that the defense contractor was working with my old division, which is where defendant Lyons stigmatized me, and that problems, none of which were detailed to me, arose that necessitated I be terminated. I can not say conclusively that defendant Lyons was contemporaneously involved in events leading to my 2006 termination but she was still an employee of the CIA.

37. I have no doubts in my mind that my preclusion from working on CIA contracts extends to both classified and unclassified work. Defendant Lyons and others have

completely tarnished my reputation and stigmatized my ability to obtain work in my chosen field.

38. The comment in the e-mail from the defense contractor that was previously submitted into the record that "additional research on our side re your utility from there is finding some inconsistencies [sic] in what you provided and what is a matter of public record" is nothing but a subterfuge for what really transpired, which is that the defendants foreclosed my employment opportunity. The alleged discrepancies, which actually did not exist, were either insignificant or the product of understandable problems associated with the nature of my covert CIA employment (which I cannot obviously discuss in this public setting), and had nothing to do with why the defense contractor actually terminated my employment.

39. The defense contractor based its decision on the instructions provided by the CIA and whatever comments were made. I later received an e-mail on January 26, 2007, from one of the principals of the defense contractor that made it clear that their decision was based on something the CIA did and/or said. The e-mail noted that "peter, it is not difficult for anyone in a business of any sort to understand why customer opinions matter, but for the little matter that customers keep us all in business."

40. The negative information that was either conveyed to the defense contractor, or served as the basis for the CIA to notify the defense contractor that I could not perform the work for which I was hired, related directly to the actions and false information spread by defendant Lyons and others when I was "terminated" from my CIA position in 2002. Either the defamatory information exists within my personnel and/or security files and was utilized by unknown CIA officials, or the information was known to CIA officials based on what defendant Lyons had told them sometime prior to that date, in 2002 or possibly later, or because the officials played a role in my 2002 termination.

Discovery

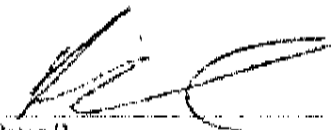
41. I am aware, both from my own personal viewing of my [] file and from third party sources, that there is a great deal of material and relevant factual information that pertains to my case which is contained in [] (internal CIA e-mail system).

42. Witnesses who have relevant and material evidence to present, but who are not allowed to do so without explicit permission from the CIA or through court order include, but are not limited to, Rosemarie Hesterberg (extensive interaction), Mary Margaret G. (retired, personal day to day interaction), Tyler D [] (retired, personal day to day interaction), Harry T. (retired, personal day to day interaction), Wendy W., and, of course, defendant Lyons (personal day to day interaction). There are other individuals whose status is completely covert and I am disinclined to name them in this document but can provide a sealed submission to the Court.

43. Obviously there are several individuals who are employed by the defense contractor who possess specific relevant and material evidence surrounding what transpired in September/October 2006. These names are listed in my attorney's sealed declaration.

I do solemnly affirm under the penalties of perjury that the contents of the foregoing paper are true to the best of my knowledge.

Date: February 1, 2010



Peter B