Exhibit 78
Apr 12, 2006

MITCHELL JAMES F

Attention: Dr. James Mitchell
Subject: Contractor Performance Report
Reference: 2003*DI10300*000

In accordance with FAR 42.1503, provided herewith is the Government's assessment of your performance on the above referenced contract for the period of January 1, 2003 through December 31, 2003:

CONTRACTOR PERFORMANCE REPORT

Performance Rating: (Scale = Unsatisfactory, Marginal, Satisfactory, Very Good, Exceptional)
Quality of Product/Service: Exceptional
Cost Management: Exceptional
Timeliness of Performance: Exceptional
Contract Management/Communications: Exceptional

Comments regarding Contractor performance and ratings:
Dr. Mitchell performed at an exceptionally high level during my time as COTR for his contract. In fact, he was awarded the Agency Seal Medallion in recognition of his outstanding contribution to the success of a Directorate of Operations' compartmented program from April 2002 to April 2003. As a direct result of Dr. Mitchell's participation and guidance, the program was consistently successful in supporting the production of extremely valuable and actionable intelligence. In sum, Dr. Mitchell consistently met the highest standards of professionalism and competence.

Given the response above, the Contractor's overall assessment is: Exceptional

In accordance with clause 152.204-703, Non-Publicity (Dec 2003) of the referenced contract, none of the material contained in this document may be used for publicity, advertisement purposes, or as a reference to new business. This obligation shall not expire upon completion or termination of the referenced contract, but will continue indefinitely.

The Contractor may request a waiver or release from the foregoing but shall not deviate there from unless authorized to do so in writing by the Contracting Officer. Contractors are not required to obtain waivers when informing offices within this Agency of contracts it has performed or is in the process of performing provided there are no security restrictions.
Comments regarding this report, if any, may be submitted to this office no later than 45 days from the date of this notification. Information you submit will be entered into our past performance database and retained for a period not to exceed three years after contract completion for source selection purposes. A copy of your comments shall also be retained in the contract file. Please note that the Government is under no obligation to consider your comments should they arrive later than 45 days after the date of this letter.

Upon expiration of the above 45-day comment period, the Contracting Officer’s copy of this contract and all file documentation pertaining to the contract shall be forwarded to our Contract Settlement & Property Team to begin the Close Out/Settlement process. Please refer to clause 152.204-717 Settlement of your contract for further instruction.

Should you have any questions, please call

Sincerely,

Contracting Officer
SUBJECT: EYES ONLY - HQS FEEDBACK ON STATUS OF ENHANCED INTERROGATION APPROVAL

TEXT:

1. ACTION REQUIRED: PLEASE PASS TO SERE PSYCHOLOGISTS - REQUEST FOR COMMENTS ON THE WATER BOARD AND FAKE BURIAL.

2. IN AN EFFORT TO GAIN AG AND WHITE HOUSE APPROVAL FOR THE NEXT INTERROGATION PHASE OF AZ, CTC/LGL OFFICERS AND C/OTS/OAD, HAVE MET WITH DEPUTY ASSISTANT ATTORNEY GENERAL (DAAG) JOHN YOO AND TWO OF HIS STAFF. THE PURPOSE OF THIS MEETING WAS TO PRESENT FURTHER INFORMATION ON THE PROPOSED INTERROGATION TECHNIQUES AND LONG-TERM PSYCHOLOGICAL EFFECTS ON AZ AT NSC DIRECTION. JUSTICE HAS BEEN ASKED TO PREPARE A DETAILED, CLASSIFIED LEGAL OPINION ON OUR PROPOSED ENHANCED INTERROGATION STRATEGY.

3. THE DAAG WAS MOST INTERESTED IN THE LONG TERM IMPACT OF EACH OF THE TECHNIQUES CIA IS PROPOSING TO APPLY TO AZ. INFORMALLY, DAAG AGREES THAT THE TECHNIQUES WE ARE PROPOSING, WITH THE EXCEPTION OF THE WATER BOARD AND MOCK BURIAL, DO NOT CAUSE PROLONGED MENTAL HARM AND ARE NOT CONTROVERSIAL. THE DAAG HAS NOT YET RULED OUT THE WATER BOARD AND MOCK BURIAL, BUT REQUIRES FURTHER INFORMATION. IN AN EFFORT TO HELP HQS OBTAIN THE NEEDED APPROVALS SO THAT BASE CAN BEGIN THE NEXT PHASE OF THE INTERROGATION PROCESS, REQUEST SERE PSYCHOLOGISTS' ASSISTANCE. SPECIFICALLY, REQUEST SERE PSYCHOLOGISTS COMMENT ON THE SHORT AND LONG TERM PSYCHOLOGICAL EFFECTS OF THE WATER BOARD AND MOCK BURIAL AND, IF AVAILABLE, STATISTICS ON WHAT LONG TERM MENTAL HEALTH ISSUES RESULTED FROM USING THESE TECHNIQUES IN THE SERE TRAINING. PLEASE KEEP IN MIND THE STATUTORY DEFINITION THAT THE TECHNIQUE MUST NOT CAUSE SEVERE MENTAL PAIN OR SUFFERING. WE UNDERSTAND, FROM OUR CONVERSATIONS
WITH JPRA, THE WATER BOARD AND MOCK BURIAL ARE NO LONGER BEING USED BECAUSE THEY ARE EXTREMELY EFFECTIVE, PREVENTING THE STUDENT FROM LEARNING THE FUNDAMENTALS OF RESISTANCE IN A MEASURED WAY. WE ARE ALSO RESEARCHING THIS SUBJECT.

4. BOTTOM LINE--THE DAAG IS WORKING THROUGH THE DUE DILIGENCE PROCESS ON OUR REQUEST, IS SUPPORTIVE AND IS WORKING WITH US TO QUICKLY GAIN AG AND WHITE HOUSE APPROVAL.

END OF MESSAGE -SECRET-