

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement  
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Hill and Knowlton, Inc. 901 31st Street, Washington, D.C. 20007	2. Registration No. 3301
---	-----------------------------

3. Name of foreign principal Government of Hungary	4. Principal address of foreign principal Embassy of Hungary 3910 Shoemaker Street, NW Washington, D.C. 20008
---	--

5. Indicate whether your foreign principal is one of the following type:

Foreign government

Foreign political party

Foreign or  domestic organization: If either, check one of the following:

<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee
<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group
<input type="checkbox"/> Association	<input type="checkbox"/> Other (specify) _____

Individual—State his nationality \_\_\_\_\_

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. Government of Hungary

b) Name and title of official with whom registrant deals. Gyula Kodolanyi

7. If the foreign principal is a foreign political party, state:

a) Principal address N/A

b) Name and title of official with whom registrant deals.

c) Principal aim

RECEIVED  
 DEPT. OF JUSTICE  
 CRIMINAL DIVISION  
 90 APR -9 P 3 58  
 INTERNAL SECURITY  
 SECTION  
 REGISTRATION UNIT  
 Gyula Kodolanyi

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

N/A

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Directed by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Financed by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Subsidized in whole by a foreign government, foreign political party, or other foreign principal ..... Yes  No

Subsidized in part by a foreign government, foreign political party, or other foreign principal ..... Yes  No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

N/A

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A

August 8, 1990

Name and Title

Mary c. Foerster  
Senior Vice President

Signature

*Mary C. Foerster*

**INSTRUCTIONS:** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

**Privacy Act Statement.** Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

**Public Reporting Burden.** Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant

Hill and Knowlton, Inc.

Name of Foreign Principal

Government of Hungary

Check Appropriate Boxes:

- 1.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
- 2.  There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 3.  The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant will provide public relations/public affairs services and counsel.

Formerly OBD-65

INTERNAL SECURITY  
REGISTRATION UNIT

90 MAR -9 9358

RECEIVED  
OFFICE OF THE ATTORNEY GENERAL  
CRIMINAL DIVISION

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Registrant will provide staff services to develop and implement public relations/public affairs programs for the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?<sup>1</sup>  
Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Registrant may contact by telephone, written correspondence, or other personal visits to app to appropriate Executive Branch Officials or Congressional members and their staffs in representing the public relations/public affairs interests of the foreign principal.

Date of Exhibit B

August 8, 1990

Name and Title

Mary C. Foerster  
Senior Vice President

Signature

*Mary C. Foerster*

<sup>1</sup>Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

# HILL AND KNOWLTON

Hill and Knowlton  
Public Affairs Worldwide Co.  
Washington Harbour  
901 31st Street, N.W.  
Washington, D.C. 20007-3838  
202-333-7400  
Telecopy 202-333-1638  
Telex 440143 HKDC

## LETTER OF AGREEMENT

RECEIVED  
JULY 5, 1990  
PT. OF JUSTICE  
CRIMINAL DIVISION

This will serve as the agreement between Hill and Knowlton, Inc. ("H&K") and the Government of Hungary ("Client") pursuant to which H&K will serve Client as public relations counsel.

1. ~~AS COUNSEL~~ H&K will:

Provide services in connection with and to publicize the visit of Prime Minister Antall to the United States in October 1990, including obtaining interviews and press appearances in both print and electronic media for the Prime Minister and officials accompanying him.

2. Charges

Charges for the services of H&K will be made at H&K's standard hourly staff rates for participating executives and staff as the same are required to carry out the programs and activities approved by Client.

- (a) In addition to staff time charges, Client will pay H&K the net cost of all materials, services and rights obtained by H&K from third party suppliers on Client's behalf, plus a 15% handling and administration fee on all such disbursements. In obtaining such materials, services and rights, H&K will act as agent for Client as disclosed principal.
- (b) Client will reimburse H&K for the net cost of all routine out-of-pocket disbursements such as travel, local messengers, in-house photocopying and ordinary communications (telephone, telex and postage).
- (c) In the rare event H&K may be called upon to respond to or assist Client in connection with litigation commenced or threatened against Client (for example, in responding to a document subpoena), it is understood that H&K will be entitled to staff time charges and reimbursement of expenses for services rendered to Client or time spent by H&K in connection with such matters. This provision shall survive the expiration or earlier termination of this agreement.



HILL AND KNOWLTON

Government of Hungary  
Page Two

- (d) From time to time, H&K may be called upon to render services that do not fall within the scope of this agreement, such as, in the case of a "crisis" or extraordinary situation requiring an unusual expenditure of time and/or effort by H&K personnel. If such a situation arises, a separate letter of agreement will be prepared and H&K, in conjunction with the Client, will take into consideration such extraordinary factors in determining the rates or fee to be charged.
- (e) Client will reimburse H&K for staff time and expenses incurred in order to comply on Client's behalf with the Foreign Agents Registration Act. It is understood that pursuant to such Act, H&K may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.

### 3. Billing

- (a) Upon signing this agreement Client shall pay to H&K the sum of \$15,000 U.S. in payment of services to be provided hereunder. Payments shall be deposited to H&K's account at Citibank in New York City, account number 30056769. Any charges whatsoever, including but not limited to, any taxes, surcharges, imposts, duties, stamp taxes, sales taxes, or levies imposed by any governmental or quasi-governmental agency shall be for the sole account of Client.
- (b) Following the conclusion of each calendar month, H&K will provide Client with a statement of staff time charges actually incurred during such month. At the termination of this agreement, H&K will provide Client with a reconciliation statement of actual staff time charges incurred and any overpayment or underpayment shall be promptly adjusted between the parties.

### 4. Records

- (a) H&K will maintain accurate records of all staff time work and out-of-pocket expenditures incurred on behalf of Client and, during the term of this agreement and for one year thereafter, Client may

Government of Hungary  
Page Three

examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K's salary data, overhead and other internal H&K costs or non-billable items.

- (b) If requested, copies of supplier invoices and other back-up materials in support of H&K's out-of-pocket charges of \$100 or more will be included with H&K's end-of-month invoices for an additional handling fee of \$100 per month. Client shall give H&K's financial accounting department at least one full month's prior notice of desire to receive such supporting documentation.

5. Confidentiality

H&K acknowledges its responsibility, both during and after the term of its appointment, to use all reasonable efforts to preserve the confidentiality of any proprietary or confidential information or data developed by H&K on behalf of Client or disclosed by Client to H&K. Notwithstanding the above, H&K's obligation to maintain the confidentiality of any such information that it maintains in its possession or control, shall cease on the third anniversary of the termination of this agreement.

6. Indemnity

It is acknowledged that H&K cannot undertake to verify facts supplied to it by Client or factual matters included in material prepared by H&K and approved by Client. Accordingly, Client agrees to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable attorneys' fees and disbursements) or liabilities ("damages") which H&K may incur (i) as a result of any materials, releases, reports or information supplied to H&K by or on behalf of Client or prepared by H&K and approved by Client prior to its dissemination or broadcast; and (ii) except when attributable to H&K's failure to use due care, resulting from disputes between H&K and third parties related to and or within the scope of this agreement. Client shall similarly indemnify and hold H&K harmless in respect to any damages arising out of the nature or use of Client's



Government of Hungary  
Page Four

products or services. This provision shall survive the expiration or earlier termination of this agreement.

7. Termination

H&K's appointment under this agreement shall be effective as of July 5, 1990 and continue thereafter until completion of project as outlined in Paragraph 1 hereof.

Upon termination of this agreement, provided that there is no outstanding indebtedness then owing by Client to H&K, H&K shall transfer, assign and make available to Client all property and materials in its possession or control belonging to Client.

8. Governing Law

This agreement will be governed and construed in accordance with the laws of the State of New York for contracts made and to be performed entirely in New York.

If you are in agreement with the above, would you kindly sign both copies of this letter in the space provided for that purpose below and return one copy to Hill and Knowlton for our records.

Sincerely yours,

HILL AND KNOWLTON, INC.

*Frank Gankiewicz*  
Frank Gankiewicz  
Vice Chairman

Date: \_\_\_\_\_

AGREED:

Government of Hungary

By: *Vesel Wac*

Title: *Ambassador*

Date: *August 6 1990*

