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## Chapter 12

### *Protection of the Agency Against Threats of Violence—Office of Security*

During the period of widespread domestic disorder from 1965 to 1972, the CIA, along with other government departments, was subject to threats of violence and disruption by demonstrators and self-styled revolutionary groups.

In the fall of 1968, a bomb destroyed a CIA recruiting office in Ann Arbor, Michigan. Bomb threats required the evacuation of other Agency buildings on several occasions. Agency recruiters on college campuses were harassed and occasionally endangered. Protesters held massive demonstrations, sometimes with the announced purpose of preventing operation of the government.

Throughout this period, the government was determined not to permit such activities to disrupt its functioning. The Office of Security of the CIA was charged with the responsibility of ensuring the safety of CIA buildings, employees, and activities and their continued functioning.

Three programs to accomplish this mission are of particular concern to our inquiry:

- Assistance to recruiters on college campuses.
- Infiltration of dissident groups in the Washington, D.C., area.
- Research and analysis of dissident activity.

#### A. Assistance to Recruiters

In light of the increasingly hostile atmosphere on many college campuses, the CIA's Deputy Director for Support (now Administration) directed the Office of Security in February of 1967 to institute a program of rendering assistance to Agency recruiters.

CIA field offices made contacts with college and university officials to determine the general level of dissident activity on each campus—and the nature and extent of activity directed against the CIA in par-



ticular. The Office of Security then advised the recruiter scheduled to visit a particular campus of its findings and recommendations.

We found nothing to indicate that the CIA collected this information by any means other than openly published materials and conversations with law enforcement and other authorities.

If a recruiter elected to visit a campus where there were indications of trouble, the Office of Security would provide him with monitoring and communications support.

If trouble arose while the recruiting interviews were in process, appropriate warnings were communicated to the recruiter, law enforcement agencies in the vicinity were alerted, and arrangements were made for terminating the interviews and leaving the campus. The Agency had a clearly-expressed policy of avoiding confrontations.

If the recruiter elected not to conduct interviews on a college or university campus, the Office of Security would arrange for alternative interviewing space in off-campus facilities, if possible. Where necessary, similar monitoring and communications support was provided at the off-campus site. In some instances, the campus atmosphere was so hostile that scheduled recruitment visits were simply cancelled.

The program of assistance to recruiters was discontinued in 1970. By that time, revisions in the Agency's recruitment program eliminated the need for such security precautions.

## **B. Infiltration of Dissident Groups in the Washington, D.C., Area**

A second program conducted by the Office of Security involving dissident activity was aimed at providing timely advance notice of impending demonstrations in the Washington, D.C., area in order to protect the facilities, employees and operations of the Agency. The Director of Central Intelligence knew of this program and approved its initial scope and purpose.

This project began in February 1967.<sup>1</sup> It was initially aimed at monitoring<sup>2</sup> public demonstrations which might develop into picketing of Agency buildings. Almost from the outset, however, it became a project for placing "assets" in suitable organizations in order to obtain information concerning intended demonstrations directed at

<sup>1</sup> There was testimony from one Agency employee that he had been asked as early as 1964 to monitor certain groups. If such monitoring did occur, it appears to have been confined to one or two men operating on their off-duty hours.

<sup>2</sup> According to Director Helms, to "monitor" a group is merely to attend its public meetings and hear what any citizen present would hear; to "infiltrate" a group is to join it as a member and appear to support its purposes in general; to "penetrate" a group is to gain a position of leadership and influence or direct its policies and actions.

CIA properties. ("Asset" is a term used by the CIA to refer to agents and informants other than employees.)

A small number of persons employed by the CIA, either directly or through an Office of Security proprietary, and several of their relatives were recruited to work on this project on a part-time basis. In the early phase of the project, only four or five such part-time "assets" were involved. They were instructed to mingle with others at demonstrations and meetings open to the public, to listen for information and pick up literature, and to report promptly on any indications of activities directed against Government installations, particularly CIA installations.

By April 1967, four specific organizations in the Washington metropolitan area had been designated for infiltration—the Women's Strike for Peace, the Washington Peace Center, the Student Non-Violent Coordinating Committee and the Congress of Racial Equality.

The part-time agents were instructed to attend meetings of these organizations, to show an interest in their purposes, and to make modest financial contributions, but not to exercise any leadership, initiative or direction. The Agency provided funds for their suggested financial contributions.

They were also directed to report how many persons attended the meetings or demonstrations, who the speakers and leaders were, what they said and what activities were conducted and planned.

These "assets" reported regularly, usually in longhand. The reports were not confined to matters relating to intended demonstrations at Government installations. They included details of the size and make-up of the groups and the names and attitudes of their leaders and speakers.

By late June 1967, the Agency sought to obtain whatever information it could regarding the sources and amounts of income of each of the infiltrated organizations.

One infiltrator was sent to dissident rallies in New York, Philadelphia and Baltimore. One was called upon to maintain a continuous check on the movements and activities of certain prominent dissident leaders whenever they arrived in Washington, D.C. Infiltrators were charged from time to time with obtaining specific information on individuals, groups or planned demonstrations.

In some instances, the Agency identified leaders or speakers at a meeting by photographing their automobiles and checking registration records. In other cases, it followed them home in order to identify them through the city directory. Photographs were also taken at several major demonstrations in the Washington area and at protest activities in the vicinity of the White House.

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In September 1967, the National Mobilization Committee to End the War was added to the list of monitored organizations in anticipation of large demonstrations planned for the Washington, D.C., area in the following month. The assets were instructed to gather biographical data on its leaders and participants, and information regarding the location of the organization's office, the source of its funds, and the identity of other organizations which would participate in that demonstration.

In mid-August 1968, additional organizations were added to the list for monitoring: the Southern Christian Leadership Conference, School of Afro-American Thought, Washington Ethical Society, American Humanist Association, Black Panthers, War Resisters' League, Black United Front, Washington Mobilization for Peace, Washington Urban League, Black Muslims and Niggers, Inc.

Assets were instructed to include within their reports the details of meetings attended, including the names of the speakers and the gist of their speeches, any threatening remarks against United States government leaders, and an evaluation of attitudes, trends, and possible developments within the organization.

Funds and personnel adequate to carry out the program in full were never made available. There are strong indications in the CIA's files, and there was testimony before the Commission, that some of the named organizations were never monitored at all. On the other hand, some of them had already been infiltrated before August 1968.

On one occasion, in the course of infiltrating one of the dissident organizations, an asset learned that the organization was receiving financial support from a foreign source. The Director of Central Intelligence and the President were informed of this development. Concerned that further investigation of this matter might involve the Agency in forbidden domestic activity, the Director made immediate arrangements to turn the information and the asset over to the FBI. From that point forward, the asset engaged in no further activity on behalf of the CIA.

Information gathered in the course of this program was regularly supplied to Operation CHAOS. Indeed, both testimony and circumstantial evidence indicate that the broad sweep of the information collected was in part a result of requests levied on the Office of Security by that Operation.

By the latter part of 1968, the Washington Metropolitan Police Department had developed its own capability to collect information on dissident groups in the area, and the Office of Security phased out its project. In his testimony, Director Helms confirmed that these two events were related. The Office of Security has continued to maintain liaison with police departments in the Washington area.

During the period of the operation of this program (February 1967 to December 1968), the maximum number of agents employed at any one time appears to have been twelve. None of them was a professionally-trained intelligence gatherer. All were residents of the Washington metropolitan area. Most of them were manual laborers. They were paid nominal salaries by the CIA, in most cases \$100 per month or less. Except for several housewives who were otherwise unemployed, all of these assets had full-time jobs unconnected with dissident groups or activities. During major demonstrations in the Washington metropolitan area, some of them were called upon to put in long hours on evenings and weekends, and for this extra service they received compensation on a modest hourly basis. The primary motive of these assets appears to have been patriotism rather than pay.

### C. Research and Analysis on Dissident Activity

In 1966 and 1967, the Deputy Director for Support ordered the Office of Security to prepare several studies relating to dissidents and dissident groups. One of the studies centered on the individuals and groups who were charging the CIA with involvement in the assassination of Malcolm X, the Black Muslim leader. The study provided background information relating to those accusing the CIA.<sup>3</sup>

Shortly thereafter, the Deputy Director for Support ordered a further study on dissidents in general. Such a study was prepared, relying primarily upon public news sources.

In December 1967, the Office of Security launched a program under which it was to maintain for several years a continuing study of dissident activity throughout the United States. The stated purposes of this project were to identify threats to CIA personnel, projects and installations, and to determine whether there was foreign sponsorship or ties to any such groups.

All field offices were directed to forward to headquarters whatever relevant information they might find in their respective geographic areas. Such information was to be obtained from willing sources and from newspapers and similar publications. No penetrations, infiltrations or monitoring of dissident groups was ordered or expected.

A substantial flow of material, primarily newspaper clippings, began arriving at headquarters in early 1968. At that point, there was only one employee in the Office of Security charged with the responsibility of studying and evaluating such incoming material. In short order, the arriving material inundated him.

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<sup>3</sup> No evidence was found which would support such a charge.

The Office soon created a special branch to handle the task. The branch began operation in May 1968. Its staff varied slightly in size from time to time, normally consisting of four or five persons.

One of the jobs of this branch was to organize and study the material from the field offices. It also gathered relevant information from a variety of other sources, including:

- Newspapers of general circulation in Washington, D.C., New York and Chicago;
- Underground newspapers such as the *Los Angeles Free Press* and the *Berkeley Barb*;
- The communist press, such as *The Worker* and *People's World*;
- Organizational publications, such as the *Black Panther*;
- All college papers the branch could get and had time to read;
- Any relevant newspaper clippings it found;
- News magazines; and
- Books and articles in general.

These materials dealt with activities and plans of dissident groups, the names and travels of their leaders and speakers, and the attitudes and intentions of such figures.

The branch had little or no input from the separate element within the Office of Security engaged in monitoring dissident groups in the Washington metropolitan area during 1967 and 1968. It used no infiltrators, penetrators, or monitors.

Occasionally, the branch asked local police department intelligence officers for information on dissident activities, and it always received cooperation. It also received the minutes of meetings of police department intelligence officers from the Washington metropolitan area held from time to time to plan for the handling of demonstrations and potential riots. Finally, it received continuing reports from the FBI relating to activities of dissidents and dissident groups.

The end products of this branch were weekly and special reports called "Situation Information Reports" (SIR). These SIR's usually consisted of two sections: one an analytical approach to events which had been occurring; the other a calendar of forthcoming events. For the most part, the SIR's were published weekly. The only regular recipient of the full SIR's outside the Office of Security was the Chief of Operation CHAOS. A United States Secret Service agent regularly came to the Agency to pick up a copy of the calendar of forthcoming events. Branch personnel and the Secret Service agent also conferred whenever their information conflicted on the times and dates of forthcoming events.

The SIR's were not furnished to the FBI. Neither were copies fur-

nished to local police departments. They were never released to the press or otherwise made public.

In addition to providing information from which to prepare the SIR's, the materials received from the field and studied by the special branch were used for several other related purposes:

(1) The Office of Security developed some insight into dissidents and dissident groups. It could identify certain individuals whose participation in an event would suggest the possibility of violence. It analyzed the relationships between some of the individuals and groups and noted the frequent alterations and reorganizations of some of the groups.

(2) It developed files on dissident groups and their leaders for reference purposes. These files were intended, in part, for use in making security clearance determinations on applicants for employment by the Agency. (According to those in charge of security clearance evaluations, participation in the activities of a dissident organization, even one that was prone to violence, did not necessarily disqualify an applicant for employment with the Agency, although it was considered relevant to his objectivity and willingness to accept Agency security discipline.)

(3) The Office of Security obtained information which helped it assess risks posed to CIA offices, recruiters, agents and contractors by upcoming demonstrations and other dissident activity.

Although estimates varied somewhat, approximately 500 to 800 files were created on dissenting organizations and on individuals related in various ways to dissident activity. The chief of the special branch "guessed" that somewhere between 12,000 and 16,000 names were indexed to these files.

The great majority of individuals and organizations indexed, or on whom files were opened, were dissidents and dissident groups. This was not true in all cases. Exceptions included Dr. S. I. Hayakawa of San Francisco State College and Father Theodore M. Hesburgh of Notre Dame University, because they were publicly involved in coping with dissident activities.

Few if any of the files opened during this project were destroyed before the commencement of the Commission's work. The Agency intends to retain these files until the current investigations are concluded, when it will destroy them as permitted by law.

In January 1971 the field offices were directed to limit their activities in support of this project to sending in newspaper clippings and the literature of dissident organizations. In late 1972, publication of the Situation Information Reports was discontinued because dissident activity had tapered off markedly. In June 1973, the entire project relating to dissident individuals and groups was discontinued.

During the lifetime of this project (late 1967 to mid-1973), several incidental uses were made of it by the Office of Security:

(1) Branch personnel prepared a special report evaluating risks that dissidents would interfere with CIA contract projects at about twenty universities.

(2) On at least one occasion, a branch officer briefed the police departments of Arlington and Fairfax Counties, Virginia, on what to expect from large demonstrations planned for the Washington metropolitan area.

(3) A branch officer delivered a briefing to security officers of the Atomic Energy Commission on the subject of dissident groups in connection with a training program on home-made bombs.

(4) Branch personnel served at the Command Center operated by the Office of Security during several large demonstrations in order to provide continuing analyses of developments and an assessment of risks to Agency personnel and installations.

During the same period of time, the FBI maintained its own program of reporting on dissident activity. CIA officials testified, however, that the FBI reports concentrated primarily on whether the person or organization was subversive, whereas the needs of the Office of Security extended beyond loyalty or subversion. This was so in connection with screening employment applications and in assessing the degree of risk to Agency facilities and operations by any particular organization or combination of organizations. Knowledgeable FBI officials did not dispute these observations, which were offered to explain why CIA mounted its own effort rather than using FBI reports.

### *Conclusions*

The program under which the Office of Security rendered assistance to Agency recruiters on college campuses was justified as an exercise of the Agency's responsibility to protect its own personnel and operations. Such support activities were not undertaken for the purpose of protecting the facilities or operations of other governmental agencies, or to maintain public order or enforce laws.

The Agency should not infiltrate a dissident group for security purposes unless there is a clear danger to Agency installations, operations or personnel, and investigative coverage of the threat by the FBI and local law enforcement authorities is inadequate. The Agency's infiltration of dissident groups in the Washington area went far beyond steps necessary to protect the Agency's own facilities, personnel and operations, and therefore exceeded the CIA's statutory authority.

In addition, the Agency undertook to protect other Government departments and agencies—a police function prohibited to it by statute.

Intelligence activity directed toward learning from what sources a domestic dissident group receives its financial support within the United States, and how much income it has, is no part of the authorized security operations of the Agency. Neither is it the function of the Agency to compile records on who attends peaceful meetings of such dissident groups, or what each speaker has to say (unless it relates to disruptive or violent activity which may be directed against the Agency).

The Agency's actions in contributing funds, photographing people, activities and cars, and following people home were unreasonable under the circumstances and therefore exceeded the CIA's authority.

With certain exceptions, the program under which the Office of Security (without infiltration) gathered, organized and analyzed information about dissident groups for purposes of security was within the CIA's authority.

The accumulation of reference files on dissident organizations and their leaders was appropriate both to evaluate the risks posed to the Agency and to develop an understanding of dissident groups and their differences for security clearance purposes. But the accumulation of information on domestic activities went beyond what was required by the Agency's legitimate security needs and therefore exceeded the CIA's authority.

***Recommendation (16)***

The CIA should not infiltrate dissident groups or other organizations of Americans in the absence of a written determination by the Director of Central Intelligence that such action is necessary to meet a clear danger to Agency facilities, operations, or personnel and that adequate coverage by law enforcement agencies is unavailable.

***Recommendation (17)***

All files on individuals accumulated by the Office of Security in the program relating to dissidents should be identified, and, except where necessary for a legitimate foreign intelligence activity, be destroyed at the conclusion of the current congressional investigations, or as soon thereafter as permitted by law.

## Chapter 13

# *Other Investigations by the Office of Security*

The Office of Security is responsible, on a world-wide basis, for ensuring proper security of CIA facilities, operations and personnel.

The protection of classified material from unauthorized disclosure is prominent among the responsibilities of the Office.

The Office also administers the Agency's security clearance program and investigates breaches or suspected breaches of security by persons affiliated with the Agency. Occasionally it has investigated persons with no connection with the Agency, for various reasons related to the protection of classified material.

The Office is also responsible for providing proper security for persons who have defected to the United States from other nations.

In the course of conducting investigations, the Office has, on infrequent occasions, engaged in wiretaps, buggings, surreptitious entries and other improper conduct. Some of these activities were clearly illegal at the time they were conducted. Others might have been lawful at the time, but would be prohibited under current legal standards.

### **A. Security Clearance Investigations of Prospective Employees and Operatives**

The Office of Security conducts security investigations of all prospective Agency employees and operatives, and of the employees of private contractors doing business with the Agency on classified projects. Employees are subject to reinvestigation at five-year intervals.

Such investigations are undertaken to ensure that persons likely to be security risks are not hired or retained by the Agency and are not used by private companies on sensitive jobs for the Agency. Proper security investigations of prospective Agency employees and operatives are essential. All such investigations begin with routine name



checks with other agencies to determine if there are any recent investigations of the subject on file. If no satisfactory recent investigation has been conducted, the Office of Security conducts its own investigation, which includes making contact with friends, neighbors and business associates of the prospective employee or operative.

Although the Commission has not attempted to review the thousands of files compiled during the course of security investigations, testimony before it has not given any reason to suspect that the Office of Security has abused its authority in this regard or made improper use of information so gathered.

Charges have been made implying that, on one occasion in 1968, the Johnson Administration improperly used the Agency to investigate a member of the Nixon campaign staff. The individual involved had received some unclassified materials from the Agency, and the Agency contemplated furnishing him with classified materials as well. A routine security investigation was begun.

When the Agency learned that this individual had been asked by Mr. Nixon to work on his campaign, it immediately curtailed its investigation, restricting further inquiry to name checks from other agencies. The Commission finds no basis for criticizing the Agency's actions in this instance.

### *Conclusions*

The CIA has properly performed the necessary function of screening persons to whom it will make available classified information. The Office of Security's activities in this regard help fulfill the Director of Central Intelligence's statutory duty to protect sources and methods of intelligence from unauthorized disclosure.

### **B. Investigations of Possible Breaches of Security**

Aside from routine security clearance investigations and reinvestigations, the Office of Security has conducted other investigations within the United States in response to specific allegations of jeopardy to intelligence sources and methods. Most of these allegations have been resolved through routine investigative techniques such as name checks or interviews.

In a relatively small number of cases, more intrusive methods (physical and electronic surveillance, unauthorized entry, mail covers and intercepts, and reviews of individuals' tax returns)—euphemistically known in the Office of Security as "special coverage"—were used.

While the Commission cannot be certain that it has found every



instance of "special coverage" within the United States during the last 28 years, it believes most of the significant operations have been discovered.

Two questions are involved in the analysis of these investigations:

1. Was it proper for the CIA to conduct the investigation of the particular subject by any means? .
2. Were lawful investigative techniques employed?

### *1. Persons Investigated*

#### *a. Persons Affiliated with the CIA*<sup>1</sup>

By far the largest category of investigations involved the Agency's own employees or former employees. We found a total of 76 investigations, involving 90 persons, in which some form of "special coverage" was used. Almost all of the persons involved were United States citizens.

Approximately one-fourth of the investigations of Agency employees and former employees resulted from information obtained from defectors to the United States that several employees of the Agency might be working for foreign intelligence services.

Almost all of the remaining investigations were the result of the discovery of suspicious activities on the part of employees with access to sensitive classified information.

For example, investigations were undertaken concerning employees associating with known or suspected foreign intelligence agents; employees spending beyond their means; and employees suspected of engaging in conduct which might subject them to blackmail or compromise.

A few investigations directed against valued employees with many years of service to the Agency were initiated as much to clear up suspicions concerning the employee as to ensure the Agency that the employee was not a security risk.<sup>2</sup>

All Agency employees are fully informed by the Office of Security, when they first seek employment, of the possibility that their activities might be closely scrutinized if they should be suspected of being a security risk.

The next largest category of cases involved the investigation of

<sup>1</sup> If a person affiliated with the Agency who was investigated also falls into another category of subjects investigated, he has been included in the category with persons affiliated for purposes of the Commission's analysis. Significantly different issues, however, are raised by investigations falling within the various groups.

<sup>2</sup> Under the National Security Act of 1947, the Director of Central Intelligence has the absolute right to discharge any employee without explanation where an employee is suspected of being a security risk. The Director would thus be justified in requesting and receiving that employee's resignation. One of the stated purposes for having undertaken an investigation of suspected employees was to permit innocent employees to continue their work with the Agency without knowing that they were suspected of having been disloyal.

49 foreign nationals living in this country. Of these, 38 were Agency operatives and 11 were defectors. In almost all of these cases, the Office of Security investigated the foreign national at the request of one of the operational arms of the Agency. The reasons varied from case to case. Examples include:

- Determining whether the subject was controlled by a foreign intelligence service;
- Verifying the subject's sources of information;
- Ascertaining the bona fides of a defector;<sup>3</sup>
- Determining the propriety of using the subject for operational purposes in the future.

In a few cases, special coverage was initiated in order to protect a CIA case officer if trouble arose, or to provide a record of conversations for later evaluation.

In many instances, the employee or operative under investigation was surveilled for only one or two days, or his telephone was tapped so as to overhear only one or two specific telephone conversations. In some other instances, the investigations were more extensive.

One investigation by the Office of Security spanned approximately eight years in the late 1940's and early 1950's. The employee involved was alleged to have engaged in Communist Party activities in the 1930's and was suspected of still being in contact with Communist sympathizers. A combination of physical surveillance, wiretaps and bugging were used from time to time. The apartment occupied by the subject was entered surreptitiously on two separate occasions. The Director of Central Intelligence closely followed this particular investigation. The investigation led eventually to termination of the subject's employment.

An extreme example of how far an investigation can go occurred in the late 1960's. A CIA employee who attended meetings of a group which the Agency suspected of foreign left-wing support, had been privy to extremely sensitive classified information. Physical surveillance of the employee was conducted for almost one year. A surreptitious entry was made into the employee's apartment by cutting through the walls from an adjacent apartment so that microphones could be installed. Seven microphones were placed so that conversations could be overheard in every room of the apartment. A cover was placed on the employee's mail for two months during one period and five months during another. Several of the subject's tax returns were also reviewed. This investigation yielded no evidence of disloyalty.

The investigations of Agency employees and operatives were conducted pursuant to a general understanding with the FBI. The Bureau

<sup>3</sup> Several American citizens working with, but not employees of, the Agency have been surveilled to determine their bona fides or the validity of their sources of information, in the same manner as foreign nationals in similar positions.



was unwilling (partly due to a lack of sufficient manpower) to undertake every investigation of a breach of security involving employees or operatives of the CIA or other intelligence departments and agencies. It expected those departments and agencies to conduct any necessary preliminary investigation and would enter the case itself only when hard evidence of espionage was discovered.

Further, each member agency of the United States intelligence community had been given primary responsibility by the National Security Council for protecting intelligence sources and methods within its own organization.

#### *b. Newsmen*

The Commission found two cases in which telephones of three newsmen were tapped in an effort to identify their sources of sensitive intelligence information. The first such instance took place in 1959. The other occurred in 1962, apparently with the knowledge and consent of Attorney General Kennedy.

Three additional investigations were found in which reporters were followed in an effort to identify their sources. These activities took place in 1967, 1971 and 1972.

Presidential concern was continually voiced, during every administration since the establishment of the CIA, that the sources of news leaks be determined and the leaks themselves stopped—by whatever means. In addition, the committee of the United States Intelligence Board charged with investigating news leaks has historically taken no definitive action to solve the problem.<sup>4</sup>

The attitude of the FBI during the 1960's and early 1970's also remained unwavering. The Bureau would not handle leak cases unless directed to do so by the Attorney General. The Bureau's procedure in such cases was to submit a request for investigation to the Attorney General for a prosecutive opinion and not to proceed unless the Attorney General issued a favorable opinion and a directive to investigate.

Faced with this set of circumstances, the CIA chose to conduct its own investigations of "leak" cases by physically and electronically surveilling newsmen to learn their sources of information.

#### *c. Other Persons Not Affiliated With the CIA*

On several occasions, the Office of Security placed "special coverage" on other persons with no relationship to the Agency. In 1971, six United States citizens and one alien were followed for a period of some three months as the result of a report that they intended to

<sup>4</sup>The Chairman of the USIB Security Committee during the early 1970's, when several surveillances were initiated against newsmen by the Office of Security, was also the CIA's Director of Security. At several Security Committee meetings he stated that surveillance of newsmen (which had been suggested at the meetings) was improper. At the same time, he carried out such surveillance at the direction of the Director of Central Intelligence.

assassinate the Director of Central Intelligence and kidnap the Vice President. This investigation was conducted in close cooperation with the FBI and the Secret Service.

On two occasions, investigations were directed against employees of other government agencies with access to sensitive intelligence material.<sup>5</sup> Significant breaches of security were suspected in both cases.

On at least one occasion, physical surveillance was placed on a citizen who had approached an Agency employee under circumstances suggesting that he might be attempting to penetrate the Agency. Several investigations of Americans have been initiated for other reasons directly associated with suspected security violations at the CIA.

In addition, on approximately eleven occasions, investigations of employees or former employees of the CIA have resulted in some type of coverage of other United States citizens with whom those employees had contacts.

The Commission discovered no evidence suggesting that any of these investigations were directed at any congressman, judge, or other public official.

### *Conclusions*

Investigations of allegations against Agency employees and operatives are a reasonable exercise of the Director's statutory duty to protect intelligence sources and methods from unauthorized disclosure, provided they are lawfully conducted. Such investigations also assist the Director in the exercise of his unreviewable authority to terminate the employment of any Agency employee.

Although such investigations may take on aspects of domestic counterintelligence or enforcement of domestic laws, they are proper unless their principal purpose becomes law-enforcement or the maintenance of internal security. Whenever an investigation develops substantial evidence of espionage or other criminal activity, it should be coordinated with the FBI.

Investigation of the bona fides of alleged defectors is an important function, lawfully assigned to the CIA by the National Security Council.

The Director's responsibility to protect intelligence sources and methods, however, cannot be read so broadly as to permit investiga-

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<sup>5</sup> Two additional cases involved investigations of military officers temporarily assigned to the Agency. These have been included in the figures for investigations of persons affiliated with the Agency.



tions of persons having no relationship whatever with the Agency. The CIA has no authority to investigate newsmen simply because they have published leaked classified information. Investigations by the CIA should be limited to persons presently or formerly affiliated with the Agency, directly or indirectly.

Where an employee or other person under investigation has suspicious contacts with an unknown individual, sufficient investigation may be conducted to identify that person. Further investigation of the contacts of persons properly under investigation should be left to the FBI or other appropriate law enforcement agencies.

The investigation directed against several persons allegedly threatening to assassinate the Director of Central Intelligence and kidnap the Vice President was probably an exception to the general rule restricting CIA investigations to persons with some relationship to the Agency. The circumstances were obviously extreme, the threats involved the Agency's director, and the investigation was undertaken with the full knowledge and consent of both the FBI and the Secret Service.

***Recommendation (18)***

a. The Director of Central Intelligence should issue clear guidelines setting forth the situations in which the CIA is justified in conducting its own investigation of individuals presently or formerly affiliated with it.

b. The guidelines should permit the CIA to conduct investigations of such persons only when the Director of Central Intelligence first determines that the investigation is necessary to protect intelligence sources and methods the disclosure of which might endanger the national security.

c. Such investigations must be coordinated with the FBI whenever substantial evidence suggesting espionage or violation of a federal criminal statute is discovered.

***Recommendation (19)***

a. In cases involving serious or continuing security violations, as determined by the Security Committee of the United States Intelligence Board, the Committee should be authorized to recommend in writing to the Director of Central Intelligence (with a copy to the National Security Council) that the case be referred to the FBI for further investigation, under procedures to be developed by the Attorney General.

b. These procedures should include a requirement that the FBI accept such referrals without regard to whether a favorable prosecutive opinion is issued by the Justice Department. The CIA should not engage in such further investigations.



*Recommendation (20)*

The CIA and other components and agencies of the intelligence community should conduct periodic reviews of all classified material originating within that department or agency, with a view to declassifying as much of that material as possible. The purpose of such a review would be to assure the public that it has access to all information that should properly be disclosed.

*Recommendation (21)*

The Commission endorses legislation, drafted with appropriate safeguards of the constitutional rights of all affected individuals, which would make it a criminal offense for employees or former employees of the CIA willfully to divulge to any unauthorized person classified information pertaining to foreign intelligence or the collection thereof obtained during the course of their employment.

*2. Investigative Techniques Used*

Direction of some investigations at proper subjects does not mean that all the investigative techniques used were proper.

A great many of the cases (directed at 96 persons) involved physical surveillance—that is, observation of the public comings and goings of an individual. Some of the cases were trivial. In one case, an Agency employee was suspected of working at his private business establishment when he should have been working for the Agency. Employees of the Office of Security went to his place of private business and established that he was in fact there when he should have been at the CIA.

Other cases of physical surveillance were more extensive, involving dawn-to-dusk coverage for a period of months. The last case of physical surveillance by the Agency was in 1973. Current directives prohibit surveillance off Agency property.

Our investigation also disclosed thirty-two wiretaps, thirty-two instances of bugging,<sup>6</sup> and twelve unauthorized entries. The last wiretap used by the CIA was in 1965; the last bug in 1968; and the last unauthorized entry was in 1971.

<sup>6</sup> These figures do not include cases in which the eavesdropping was done with the consent of one or both parties. Such instances were done for convenience in making a record of a conversation, such as the debriefing of a defector or a recruitment interview. Approximately thirty-four such instances were discovered. In addition, a technical log (for recording Office of Security wiretaps and buggings) for the period from December 1961 until March 1967, showing eleven telephone taps and sixty-five "mike and wire" operations conducted during that period, suggests that there may actually have been more "mike and wire" operations than the Commission has otherwise been able to document. Witnesses before the Commission testified that most of those installations were used where one or both parties were aware that their conversation was being recorded. In all cases where doubt existed as to whether the CIA had subjected an individual to any questionable investigation, the benefit of that doubt was not given to the Agency, and the investigation has been included in the above figures.



None of these activities was conducted pursuant to a search warrant, and only in connection with the 1965 wiretap did the Agency obtain the prior written approval of the Attorney General.

In at least fourteen instances, involving sixteen people, the CIA obtained access to information on individual Federal income tax returns. The Agency was apparently seeking information which would indicate possible connections between the subject and foreign groups.

Ninety-one mail covers were used in 63 investigations. Only 12 occasions, mail was actually opened and photographs were taken of the contents.

### *Conclusions*

Physical surveillance, while not itself unlawful, may become so if it reaches the point of harassment. The possible invasions of privacy by physical surveillance and the proximity of that activity to proscribed law enforcement functions indicate that it should be undertaken only after high level authorization within the Agency. Such authorization would include a finding that the proposed surveillance is necessary to protect intelligence sources and methods. When a legitimate CIA investigation reaches the point that a search or some form of electronic eavesdropping is appropriate, the case should be turned over to the FBI or other law enforcement agencies.

The unauthorized entries into the homes and offices of American citizens were illegal when they were conducted and would be illegal if done today.

Because the law as to electronic eavesdropping has been evolving, the Commission has not attempted to delineate specifically which of the CIA's investigations over the years utilizing eavesdropping were unconstitutional under then-announced standards. Some of those investigations within the United States were proper under the constitutional standards of the time, but many others were not. Under constitutional standards applied today, it is doubtful whether any of those investigations would have been proper, with the possible exception of the one wiretap installed in 1965 where prior written approval of the Attorney General was sought and obtained.

Today, eavesdropping would at a minimum require the prior written approval of the Attorney General, based on a showing that the national security was involved and that the circumstances included a significant connection with a foreign power. The Supreme Court has left open the question whether such approval would be sufficient or whether a judicial search warrant would be required.

The execution of a search warrant involves the exercise of a law-enforcement power of a type expressly forbidden to the CIA. If the approval of the Attorney General is an adequate substitute for a warrant in some cases, similar problems may arise in conducting searches or eavesdropping under that authority.

Under the provisions of the Internal Revenue Code, no person has access, without special authorization, to any information supplied by a taxpayer pursuant to a requirement of the tax law relating to income and other taxes.<sup>7</sup>

Formal procedures for obtaining the necessary authorization have been in effect for some time. They require the applicant (here the Director of Central Intelligence) to make written application to the Commissioner of Internal Revenue for each tax return desired, setting forth the reason why the return is needed.<sup>8</sup>

The Commission has found no evidence that this procedure was ever followed by CIA personnel.

Mail covers are not unlawful if they are conducted in compliance with postal regulations and do not reasonably delay the mail. The opening of mail, however, violated specific statutes prohibiting such conduct and was unlawful (see chapter 9).

In many instances the Agency's files do not clearly indicate the nature of an investigation, the specific evidence suggesting that the person investigated was a security risk and thus a proper subject of investigation, the authority giving approval for special coverage, the reasons underlying the decision to investigate, or the results of the investigation.

Several past Directors of Central Intelligence testified that they believe they authorized all investigations in which wiretaps, bugs or unauthorized entries were utilized. Yet, in over half of the investigative records, a clear showing of the authorizing official is missing.

Investigative files should contain documentation showing the basis and authority for undertaking each investigation. This will assure that such investigations are authorized and have a lawful basis.

#### *Recommendation (22)*

The CIA should not undertake physical surveillance (defined as systematic observation) of Agency employees, contractors or related personnel within the United States without first obtaining written approval of the Director of Central Intelligence.

#### *Recommendation (23)*

In the United States and its possessions, the CIA should not intercept wire or oral communications<sup>9</sup> or otherwise engage in activities that would require a warrant if conducted by a law enforcement agency. Responsibility for such activities belongs with the FBI.

<sup>7</sup> 25 U.S.C. sec. 610 (a) and (b).

<sup>8</sup> 26 C.F.R. sec. 301.6103(a).

<sup>9</sup> As defined in the Omnibus Crime Control and Safe Streets Act, 18 U.S.C. secs. 2510-20.



***Recommendation (24)***

The CIA should strictly adhere to established legal procedures governing access to federal income tax information.

***Recommendation (25)***

CIA investigative records should show that the investigation was duly authorized, and by whom, and should clearly set forth the factual basis for undertaking the investigation and the results of the investigation.

### **C. Handling of Defectors**

Investigation of defectors is the responsibility of the CIA under a National Security Council Intelligence Directive, assigning this duty to the Agency as a "service of common concern" to the intelligence community as a whole.

Within the CIA, the Office of Security is charged with providing proper security for the handling of persons who have defected to the United States from other nations. A careful procedure has been developed for such handling.

Generally a defector can be processed in a few months' time. In one instance, however, a defector was involuntarily confined to a CIA installation for approximately three years. For much of this time, the defector was held in solitary confinement under extremely spartan living conditions. The defector was apparently not physically abused.

The justification given by the CIA for the lengthy confinement arose out of a substantial concern regarding the defector's bona fides. When the issue was finally resolved, the defector was given total freedom and became a United States citizen.

The confinement of the defector was approved by the Director of Central Intelligence on the written advice of the General Counsel. The FBI, the Attorney General, the United States Intelligence Board, and selected Members of Congress were all aware to some extent of the continued confinement.

In one other case, a defector was physically abused, although not seriously injured. The Director of Central Intelligence discharged the employee involved.

### ***Conclusions***

Such treatment of individuals by an agency of the United States is unlawful. The Director of Central Intelligence and the Inspector General must be alert to prevent repetitions.

### D. Other Activities of the Office of Security

The Commission has examined other domestic activities of the Office of Security, including its cover operations, its use of the polygraph as an aid in security investigations, its use of informants among employees or contractor employees to assist in preventing sabotage of its premises or penetrations of its organization, its use of recording systems in certain CIA offices, and its efforts to test the physical security systems of certain private corporations under contract to the Agency.

No violations of the CIA's charter have been found in connection with such activities.



## Chapter 14

### *Involvement of the CIA in Improper Activities for the White House*

During 1971, the CIA, at the request of members of the White House staff, provided alias documents and disguise materials, a tape recorder, camera, film and film processing to E. Howard Hunt. It also complied with a request to prepare a psychological profile of Daniel Ellsberg.

This assistance was requested by various members of the White House staff and some of the materials provided were later used in connection with improper activities, including the break-in into the office of Dr. Lewis Fielding, Ellsberg's psychiatrist.

President Nixon and his staff also insisted in this period that the CIA turn over to the President highly classified files relating to the Lebanon landings, the Bay of Pigs, the Cuban missile crisis, and the Vietnam war. The request was made on the stated ground that these files were needed by the President in the performance of his duties, but was in fact made to serve the President's personal political ends.

The Commission's staff has investigated the facts and circumstances surrounding these events.<sup>1</sup> On the basis of this investigation, the

<sup>1</sup> Documentation supporting this chapter is contained in the statement of information in Hearings before House Judiciary Committee on H.R. 803 (Impeachment of President Nixon) Book VII (May-June 1974); transcript of trial testimony in *United States v. Ehrlichman et al.*, No. 74-116 (June 28-July 9, 1974); transcript of testimony before House Special Subcommittee on Intelligence of the Armed Services Committee (May 1973-July 1974); transcripts of Executive Session Testimony before the Senate Select Committee on Presidential Campaign Activities (Watergate Hearings), principally between December 17, 1973, and March 8, 1974; the testimony and affidavits of witnesses examined by the Commission and its staff; and the files and records of the Central Intelligence Agency.

The Commission also requested permission to examine relevant papers of President Nixon's administration which are currently in the custody of the General Services Administration under the terms of an interim order of the United States District Court for the District of Columbia. The provisions of that order permit counsel for the former President to object to such requests and he in fact did so, threatening to seek sanctions from the court to prevent such an examination. With the limited period of time available to complete the Commission's work, it was not possible to obtain a determination by the court of the validity of the request.



Commission concludes that the CIA neither participated in nor knew in advance of the Fielding or Watergate break-ins. The Agency provided certain assistance to the White House staff because the staff (and, in the case of the production of certain sensitive files, the President) insisted that it do so, but it appears to have provided that assistance without actual knowledge that the White House staff was engaging in illegal activities.

The Agency knew, however, that some of the demands made on it by the White House, such as the demand for a psychological profile of Dr. Ellsberg, were of doubtful propriety, and it is subject to criticism for having at times failed to make sufficient efforts to resist those demands. Nevertheless, the principal responsibility for drawing the Agency into these activities falls on the White House staff.

Once it became known, however, following the arrest of the Watergate burglars, that some of the activities under investigation involved persons with past or present CIA connections, the Agency's leaders should have undertaken a thorough inquiry and should have disclosed all relevant information to investigating agencies. The Commission considers the Agency's delay of nearly a year in instituting such an investigation, the Agency's failure promptly to disclose relevant information in its possession, and the Agency's destruction of some materials which may have contained relevant information to reflect poor judgment and to be subject to criticism.

The evidence bearing on these matters is discussed in this chapter.

### **A. Employment of E. Howard Hunt by Robert R. Mullen and Company**

In April 1970, E. Howard Hunt retired from the Central Intelligence Agency after having served in it for over twenty years. With the help of the Agency's External Employment Affairs Branch, he obtained a job with Robert R. Mullen and Company, a Washington, D.C., public relations firm. The Mullen Company itself had for years cooperated with the Agency by providing cover abroad for Agency officers, carrying them as ostensible employees of its offices overseas.

Hunt, while employed by Mullen, orchestrated and led the Fielding and Watergate break-ins and participated in other questionable activities. The Mullen Company had tangential associations with some activities of the White House staff.

These circumstances have led to suspicions and allegations of CIA involvement in or advance knowledge of some of Hunt's improper activities. In this section we review the circumstances of Hunt's em-

ployment and the nature of the Hunt-Mullen-CIA relationship in the light of these allegations.

Hunt retired from the Agency in April 1970 after having held a number of responsible positions in the Directorate for Plans (now the Directorate of Operations). After initial service in Europe, Hunt served in various Western Hemisphere stations. In the early 1960s he supervised a group of Cubans forming a skeleton government-in-exile in connection with the Bay of Pigs operation and subsequently was responsible for certain foreign publishing activities conducted under cover by the Agency. Hunt retired on his own volition and in good standing with the Agency.

In the course of looking for post-retirement employment, Hunt contacted the Agency's External Employment Assistance Branch, which among other things helps retirees find positions. One of its officers, Frank O'Malley, had known both Hunt and Mullen from his earlier work on the Agency's cover staff. In view of Hunt's interest in the public relations field, O'Malley, with the help of the CIA case officer assigned to Mullen, contacted Mullen for help in placing Hunt. Mullen, who had known Hunt at a time after World War II when both had served in the European Cooperation Administration in Paris, arranged several interviews for Hunt during March 1970, none of which produced results.

Meanwhile, Mullen decided to expand the operations of his company, and about April 10, 1970, offered Hunt a job which he accepted. Although in early testimony Mullen had claimed that Director Helms or others in the Agency had put pressure on him to hire Hunt, he later acknowledged that this was not correct and that he had hired Hunt on his own initiative. There does not appear to be support for the position taken by Mullen in his early testimony. While Helms had given Hunt permission to list Helms' name as a reference on Hunt's resume, and had written a letter of recommendation to a friend at another company (a copy of which Mullen might have seen), there is no evidence that he either wrote or communicated with Mullen about Hunt, or took part in Mullen's hiring of Hunt. Helms' testimony is that he did not even know Mullen. Within the Agency, Mullen's hiring of Hunt was in fact considered undesirable because it could attract attention to the existing cover relationship between Mullen and the Agency.

The Mullen Company was a legitimate public relations firm with a number of clients having no known relationship to the CIA. Robert Mullen had, however, for many years cooperated with the CIA by making some of his overseas offices available at different times as a cover for Agency employees operating abroad. The existence of Mullens' relationship with the CIA was, of course, kept secret to

protect the secrecy of the cover arrangements and this led to complications when, after Watergate, the Mullen Company came under investigation.

The existence of the cover arrangements did not involve the Mullen Company in the collection or transmission of intelligence itself. Its only involvement was in the administrative arrangements for operating the offices in which an Agency employee worked during various periods of time, maintaining the appearance of public relations activity by the employee, and handling in secret the related administrative details. The necessary transactions were generally handled between the CIA's case officer and Mullen's bookkeeper who was a retired CIA accountant.

After Hunt came to work for Mullen he was told, with CIA's consent, of the existing cover arrangement so that he could deal with administrative matters when necessary during Mullen's frequent absences from Washington. To this end his security clearance was extended by the Agency in October 1970. The record, however, discloses only two instances of Hunt's involvement in these cover arrangements. On one occasion he suggested a new arrangement which the Agency declined; on another, he successfully urged the Agency not to terminate an existing arrangement.

There is no evidence of other significant contacts between Hunt and the Agency from the time of his joining Mullen until July 1971 when he became a White House consultant. The only documented contacts were inconsequential in nature. Hunt corresponded with the Agency's General Counsel in an unsuccessful effort to change his election of survivorship benefits under the Agency's retirement program. In the fall of 1970, he was asked by the Agency to prepare a citation for a Civil Service award. And some time during this period, Hunt repaid a loan made to him by the employee's association to pay medical expenses incurred on behalf of his children.

Eight months after Hunt was hired by the Mullen Company, Robert Bennett joined the company. Bennett, the son of Senator Wallace Bennett (R-Utah), had been active in Republican Party affairs and served as Congressional relations officer of the Department of Transportation until January 1971 when he came to the Mullen firm. His political connections led him to be involved in some of Hunt's later activities, discussed below.

Mullen, who was planning to retire, had invited Bennett to become president of the firm and purchase it. This was a disappointment to Hunt who had himself expected to become president and owner of the business. Attempts by Hunt to negotiate a joint ownership arrangement with Bennett failed and Hunt began to think of leaving the firm.

There is no evidence of Bennett's having had prior CIA contacts. He



stated that he learned of the Mullen-CIA arrangement in February 1971 when he was examining Mullen's books preliminary to negotiating a purchase price for the company. At that time, he first met the CIA case officer and was briefed; occasional meetings followed from time to time to discuss the cover arrangements.

Bennett brought Hughes Tool Company (now Summa Corporation) as a client to Mullen. He had met Hughes representatives while at the Department of Transportation. Later in 1971, he introduced Hunt to representatives of Hughes and various contacts occurred which are discussed further below.

### *Conclusions*

The investigation disclosed no participation by Hunt after his retirement in any operation of the CIA, other than as described. Nor has this investigation disclosed evidence of participation by the Mullen Company or its employees during the period following Hunt's employment in any operations of the CIA other than those described. There is evidence that various companies who were clients of the Mullen firm may in turn have had relationships with the CIA, but no evidence has been found that either the Mullen firm or any of its employees participated in those relationships.

Those activities of Hunt which culminated in the Fielding and Watergate break-ins, for some of which he sought CIA support, were, so far as the record shows, conducted independently of his Mullen employment. No evidence has been found that the Mullen Company or its employees were either involved in those activities or that they served as a vehicle for CIA involvement in them. These matters are discussed in greater detail in later sections.

### **B. CIA Assistance to Hunt**

In July 1971 the CIA, at the request of Hunt, who had been hired as a White House consultant, provided him with personal disguise materials and alias identification. Within the next month the CIA provided Hunt with additional assistance, including a tape recorder and concealed camera, and disguise materials and alias identification for G. Gordon Liddy. Some of these materials were used by Hunt and Liddy in preparing for and carrying out the entry into the office of Dr. Fielding, Daniel Ellsberg's psychiatrist. In particular, the CIA at Hunt's request developed pictures taken by him of that office in the course of his reconnaissance for the break-in.

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These circumstances have led to suspicions and allegations of CIA involvement in or knowledge of Hunt's unlawful activities. In this section we review the record concerning CIA's assistance to Hunt.

Early in July 1971, Charles W. Colson, Counselor to President Nixon, invited Hunt to become a part-time consultant for the White House. Colson and Hunt were acquainted and had occasionally met for lunch. Hunt had expressed interest in Colson's White House work. Colson was looking for someone to become familiar with the Pentagon Papers and to coordinate White House efforts resulting from their recent publication by the *New York Times*. Colson introduced Hunt to John D. Ehrlichman, Assistant to the President, either immediately before or just after he was hired.

Shortly after Hunt started to work at the White House, Bennett told him of an acquaintance, Clifford de Mott, who claimed to have derogatory information about the Kennedy family. Bennett knew and had approved of Hunt's White House job and thought de Mott might be of interest to the White House. Hunt and Colson agreed that de Mott should be interviewed. Hunt felt, however, that his identity as a White House staff member should be concealed and proposed to obtain a disguise from the CIA.

At Hunt's request, relayed by Colson, Ehrlichman called General Robert E. Cushman, Jr., then Deputy Director of the CIA, on July 7, 1971. According to notes of the conversation taken by Cushman's secretary, Ehrlichman alerted him that Hunt had been asked by the President to do some special consulting work on security problems, that he may be contacting Cushman, and that Cushman should consider "he has pretty much carte blanche." Ehrlichman has testified that he does not recall having called Cushman about Hunt and that he does not believe he did.

Cushman routinely reported the news about Hunt's White House employment at the Agency's July 8, 1971, Senior Staff meeting attended by Helms. He also advised the Agency's Director of Security of Hunt's assignment since it related to security, and the Director in turn may have called Hunt's office to establish contact.

On July 22, 1971, Hunt met Cushman at the Agency by appointment. Hunt, who had known Cushman during his service as an Agency employee, asked to speak to Cushman alone. Hidden equipment in Cushman's office recorded the conversation. Such recordings were made by Cushman on occasion, but he was not able to explain why this particular conversation was recorded.

Hunt explained that he had been charged with a "highly sensitive mission" by the White House and needed a physical disguise and some identification cards for what he described as a "one time operation—in and out." Cushman has stated that he did not consider this

request as something to be concerned about inasmuch as the request was made by an experienced ex-CIA officer with the endorsement of high-ranking White House staff. Cushman also stated that he assumed that the Agency's technical staff would require an appropriate accounting of materials given to Hunt. Moreover, materials of the sort requested by Hunt were considered by Agency personnel as being useful for disguising one's identity, not as implements for an unauthorized entry. And, indeed, Hunt's purpose when asking for these materials was simply to conceal his White House's connection while interviewing de Mott.

Cushman has testified (and a contemporaneous memorandum by his executive assistant confirms) that he reported this request to Helms routinely a few days after he had given authority to proceed, and that there was no discussion about it. Helms, however, did not recall having learned of Hunt's requests for technical assistance until later in August, either in connection with Hunt's subsequent request for secretarial assistance or in connection with the decision to terminate further assistance to him.

It was during this same period of time that Helms, at the request of David R. Young of the White House, authorized preparation of a psychological profile of Daniel Ellsberg, discussed in a later section of this chapter. The Commission has found no evidence indicating that Helms then knew that Hunt had a part in the profile project. Nor has it found evidence indicating Cushman knew of the request for preparation of the profile.

In any event, Cushman directed that his executive assistant handle Hunt's request for technical assistance. Since the materials requested would be provided by the Technical Services Division (TSD) of the Directorate for Plans, the executive assistant advised the office of the Deputy Director for Plans of the request and then contacted the Acting Chief of TSD. Hunt, at his request, was identified to TSD only as "Mr. Edward", not by his true name, but TSD was told that the request came from the White House. The materials were prepared and on the following day, July 23, 1971, a TSD technician met Hunt at a Washington apartment maintained by the Agency for clandestine meetings (where all subsequent meetings were also held) and supplied him with a wig, a pair of glasses, a speech-altering device, a driver's license and miscellaneous identification cards (not including credit cards). On his return, the technician briefed the Acting Chief on the meeting with Hunt. Hunt and the technician met again at Hunt's request about a week later to adjust Hunt's glasses.

Hunt used the disguise to interview de Mott in Rhode Island. There is no evidence that he disclosed to the Agency any information beyond the fact that he needed assistance to conduct an interview in disguise.

The Agency's regulations required the execution of authentication forms by an authorized officer before the issuance of technical assistance. In this manner the purposes for which assistance was required had to be disclosed and the material received had to be accounted for, either by its subsequent destruction or return. In the case of the assistance supplied to Hunt, the Acting Chief assumed, from the manner in which the request was given to him, that normal accounting procedures were to be dispensed with; he drew that conclusion from the fact that Hunt was identified to him only by an alias and that the entire request was treated as particularly sensitive. The Acting Chief and the technician did, however, continually request that Hunt promptly return the materials. According to the Acting Chief, it was Hunt's continuing evasion of these requests that eventually led him to express his concern to the executive assistant later in August.

Additional requests by Hunt for assistance followed. On August 18, 1971, he called the executive assistant requesting that a particular Agency secretary, then stationed in Paris, be detailed to him temporarily for a "highly sensitive assignment." After discussion with Cushman, the executive assistant turned Hunt down, offering him other qualified secretarial assistance available at Headquarters which Hunt, however, declined.

On August 20, 1971, Hunt again met with the technician and asked him for alias business cards. He also requested a tape recorder to record conversations in a noisy environment. TSD's Acting Chief approved these requests as being within the scope of the initial request.

About this time, Hunt also requested a so-called backstopped New York telephone number and a backstopped driver's license and credit cards. Backstopping requires arrangements such as a telephone answering service and cooperation with the issuing authority for providing independent verification for the alias identification. The Acting Chief advised the technician that this request would not be met without the Director's approval. He did, however, ask one of his electronic technicians to find out what would be required to provide this service, and the technician appears to have asked TSD what information would be needed to provide a backstopped telephone number. A typewritten note from another officer to the technician specified some of the needed information that would have to be obtained from Hunt. It is not known what was done with that note, but on August 26 or 27, 1971, Hunt's secretary telephoned certain of this information to the technician who typed a memorandum recording it. There is no evidence, however, that steps were taken within the Agency (beyond this gathering of information) to provide backstopped service; in any event, as discussed below, by August 27, 1971, instructions were issued cutting off all further assistance to Hunt.

Another meeting between the technician and Hunt had taken place on August 25, 1971, at which time the business cards and tape recorder were delivered to him. Hunt had brought Liddy—identified only as George—to this meeting and requested disguise materials for him as well as a concealed camera. These were provided by the technician later that day after approval had been given by TSD's Acting Chief. Hunt renewed his request for a backstopped telephone number. In the course of the meeting the technician heard Hunt and Liddy speak of being engaged in narcotics-related activities and of catching a plane that evening. In fact, Hunt and Liddy were about to fly to Beverly Hills for a reconnaissance of the office of Dr. Fielding, Ellsberg's psychiatrist, but the Commission has found no evidence that anyone at the Agency had knowledge of this plan.

On the evening of the next day, August 26, 1971, Hunt called the technician from Los Angeles and asked him to meet him at Dulles Airport at 6:00 a.m. the next morning (August 27). Having first cleared with his Acting Chief, the technician met Hunt and received the concealed camera and a cartridge of film to be developed. Hunt asked that the pictures be delivered to him as soon as possible. The technician took the film to the CIA laboratory and then returned to his office.

Meanwhile, TSD's Acting Chief became concerned over Hunt's failure to return the alias materials which had been issued with the understanding that they would be for a "one time operation", coupled with the introduction of an unknown person (Liddy) and his requests for a concealed camera and backstopped alias materials. He instructed the technician to tell Hunt that no additional support would be given without further authorization from the Director. He then called Cushman's executive assistant on August 26, 1971, to report and express his concern. The executive assistant instructed that no further assistance should be provided to Hunt and directed him to get the camera and additional disguises back as soon as possible. The executive assistant also wrote a memorandum to Cushman expressing his concern over the assistance being requested by Hunt and noting that "there was also the question of its use in domestic clandestine activity." He recommended that all further requests be cleared in advance with the Deputy Director's office and that assurance be obtained from Ehrlichman that "Hunt's latest caper is OK." On the morning of August 27, 1971, after receipt of this memorandum, Cushman telephoned Ehrlichman and advised him that the Agency could not properly meet Hunt's requests and Ehrlichman agreed that he "would call a halt to this." Cushman passed the memoranda reflecting these communications to Helms who saw them several days later and noted his approval of the cutoff of assistance to Hunt.



By this time, the films which Hunt had delivered to the technician early on August 27, 1971, had been developed and printed. The laboratory made no extra copies of the prints, apparently because the matter was regarded as sensitive. When they were finished, the technician, prior to delivering them to Hunt, showed them to the Acting Chief who directed that xerox copies be made and retained in a file. He and the technician reviewed them briefly; their testimony is that they could not identify the subject of the pictures but speculated that it might be a California medical building having some connection with a narcotics training exercise, Liddy having previously mentioned narcotics. Through an enlarger they could make out the names "Dr. Fielding" and "Dr. Rothenberg" on the side of the building and the technician wrote the names on the xerox copies. The Acting Chief placed the xerox copies, along with other notes and papers related to the dealings with Hunt, in a folder labeled "Mr. Edward" (Hunt's alias) and the pictures were delivered to Hunt by the technician who advised him of the cut off of assistance.

Later that day the executive assistant, with Cushman also on the phone, called the Acting Chief and confirmed that Hunt was to receive no more assistance. They spoke briefly about the pictures. The Acting Chief has testified that they speculated that the pictures showed a medical building in Southern California, possibly involved in a narcotics exercise, but made no attempt to ascertain what they showed. On August 31, 1971, Hunt called the technician once again to renew his request for a backstopped telephone number but was turned down.

The disguise materials were not returned to the Agency and were eventually found in the possession of some of the men arrested at the Watergate in June 1972. Copies of the pictures taken with the CIA camera were turned over by the Agency to the Justice Department during the Watergate investigation in January 1973.

### *Conclusions*

The providing of assistance to Hunt and Liddy was not within the Agency's authorized foreign intelligence functions. The Commission has found no evidence, however, indicating that the Agency was aware that Hunt's request would involve it in unauthorized activities, at least until request was made for a concealed camera and backstopped telephone number at which time prompt action was taken to terminate further support.

Nor has the investigation disclosed facts indicating that the CIA knew or had reason to believe that the assistance it provided to Hunt and Liddy would be used in connection with the planning of an illegal

entry. Indeed, as will be discussed below, when Hunt made his first request to Cushman, the plan for the Fielding break-in had not yet been formulated.

The responsibility for involvement of the Agency in providing support ultimately used for illegal activities must rest primarily on the White House staff. It is to some extent understandable that the Agency would want to accommodate high-level White House requests which on their face do not appear to be improper. Nevertheless, the Agency is subject to criticism for having used insufficient care in controlling the use of the materials it supplied. Inasmuch as the assistance provided in this case differed from the foreign intelligence services normally provided by the CIA to the White House, the responsible Agency officials would have been well advised to insist on compliance with the normal procedures for control of materials of this kind, notwithstanding (or perhaps particularly because of) the air of mystery that surrounded Hunt's request. Those procedures would at least have required disclosure of where and when the materials were to be used and might have served to deter the request. The Agency should also use particular care in accommodating requests by or on behalf of former employees or contractors.

### C. The Ellsberg Psychological Profile

In July 1971, at the request of David R. Young of the White House staff, the CIA prepared a psychological profile of Daniel Ellsberg, then under indictment for theft of the Pentagon Papers. Various materials, including FBI reports, were provided for this purpose by the White House staff to the Agency's psychiatric staff. In November 1971, a second profile was prepared at the request of the White House on the basis of additional materials supplied by it to the Agency.

Daniel Ellsberg was a patient of Dr. Lewis Fielding, a Beverly Hills psychiatrist. In September 1971, Hunt and Liddy, after having received CIA support, engineered a break-in into his office in an attempt to obtain material on Ellsberg for use in the preparation of the second profile.

These circumstances have given rise to suspicions and allegations of Agency involvement in or prior knowledge of the Ellsberg break-in. In this section, we review the circumstances surrounding the preparation of the profile in the light of these allegations.

The publication of the Pentagon Papers, coming on top of a series of unauthorized disclosures of classified materials, caused consternation in the White House. It led to the creation in July 1971, at the

President's direction, of the Special Investigative Unit, headed by David Young and Egil Krogh. This group, which later became popularly known as the White House Plumbers, reported to Ehrlichman. Its principal purposes were to induce action by various Executive agencies to prevent unauthorized disclosures, to review classification and security practices and procedures, and to ensure thorough investigation of all aspects of the case against Daniel Ellsberg, who by then had been indicted.

On July 28, 1971, Hunt submitted a written proposal to Colson for a series of overt and covert operations to assemble a file on Daniel Ellsberg that would help "to destroy his public image and credibility." Among other things, he proposed that the CIA prepare a "covert psychological assessment-evaluation" and that Ellsberg's file be obtained from his psychiatrist.

Colson passed the proposal to Young and Krogh and, with Ehrlichman's approval, Young in July 1971 contacted the CIA's Director of Security with the request that such a profile be prepared. Young had previously been in contact with Helms in connection with White House projects to review classification and security procedures and Helms had authorized him to deal directly with the Director of Security.

Young told the Director of Security that the White House wanted a personality assessment on Ellsberg similar to others previously done by the Agency on foreign leaders to assist in determining the motivation for an implication of the theft of the papers, and that Ehrlichman had a personal interest in this project. The Security Director expressed his concern to Young and stated that he would have to take it up with the Director. A few days later, he discussed the request with Helms. The Director approved it, stating that he believed that since the request dealt with a major security leak, providing assistance would fall within his obligation to protect intelligence methods and sources. A CIA study had found that release of the Pentagon Papers disclosed the identity of certain CIA operations and connections. In addition, shortly before the decision was made, the Director had received a report that a full set of the Pentagon Papers had come into the possession of a major foreign embassy, and this report may have influenced his decision. Nevertheless, the approval had been given reluctantly. As Young later put it in a memorandum to Ehrlichman reporting on CIA's preparation of the profile:

CIA has been understandably reluctant to involve itself in the domestic area, but, responsive to the President's wishes, has done so. (Memorandum of August 20, 1971, p. 7)

On July 29, 1971, the Director of Security directed the Agency's Chief of Medical Services to prepare the profile, and he in turn assigned the task to the Chief of the Psychiatric Staff, who had had prior

experience along these lines. The latter called in a staff psychiatrist to prepare a first draft. All three doctors had reservations about the project as being outside the Agency's charter since it involved an American citizen. They were also disturbed that the order came from the Director of Security instead of their superior, the Deputy Director for Support. Nevertheless, when copies of FBI reports, newspaper and magazine clippings, and State Department security and evaluation reports arrived from the White House in a few days, a draft profile was prepared for the Director of Security, who sent it to Young on August 11, 1971.

Young, Hunt and Liddy reviewed the profile and considered it inadequate. On August 12, 1971, they met with the Chief of the Psychiatric Staff to discuss what could be done to improve it. He stated that the information given to him was insufficient. Liddy said that Ellsberg had been under the care of a psychiatrist named Dr. Fielding and that more information was available, but he did not specify what it was. Young and Liddy made the suggestion, rejected by the CIA psychiatrist, that the Agency could interview Ellsberg's former wife. Liddy and Hunt also stated that they wished to "try Dr. Ellsberg in public."

The Agency psychiatrist had known Hunt when he was with the Agency and had rendered services to his family. At the end of the meeting, Hunt took him aside and asked him not to tell anyone at the Agency of his presence. Later, the psychiatrist telephoned Hunt to say he could not conceal his presence, and he subsequently discussed it, as well as the substance of the meeting, with the other doctors involved.

It was after the meeting with the psychiatrist that Hunt, Liddy, Young and Krogh decided that an effort should be made to obtain Dr. Fielding's file on Ellsberg. This led to the Fielding break-in of September 3, 1971, discussed in the following section.

Meanwhile, also on August 12, 1971, Ehrlichman and Young met with Helms and the Director of Security apparently to impress on them the importance of the Pentagon Papers investigation and the problem of leaks, as well as the status of Young as Ehrlichman's representative.

The Agency shortly received additional materials of the same nature from Hunt; there is no evidence, however, that they included any psychiatric reports. On August 20, 1971, the doctors met with the Deputy Director of Support to discuss this project. They concluded that the new material did not assist in preparing a personality assessment, that Ellsberg's former wife should not be interviewed, that the prospective use of the study as well as Hunt's participation were matters of concern, and that these matters should be taken up with the Director of Central Intelligence. The doctors hoped, however, that

inasmuch as no significant new material had been received, the matter would simply come to an end at this point.

On August 23, 1971, the psychiatrist called Young to acknowledge receipt of the material. Young told him Hunt would contact him. No further work was done on the profile.

On September 30, 1971, however (some few weeks after the break-in at Dr. Fielding's office), Young called to reactivate the project and set up a meeting with the psychiatrist. On October 12, 1971, additional materials of the same kind as before were received from Hunt. They did not include, so far as could be ascertained, any psychiatric reports. On October 27, 1971, the psychiatrist met with Young, Liddy and Hunt and was asked to prepare a new profile incorporating the additional information supplied.

A second profile was then prepared. The doctors were still concerned that the Agency might be exceeding its charter but believed that the question had been considered and resolved by the Director. On November 8, 1971, the profile was sent to Helms who reviewed it. On November 9, 1971, Helms wrote to Young:

I have seen the two papers which [the psychiatrist] prepared for you. We are, of course, glad to be of assistance. I do wish to underline the point that our involvement in this matter should not be revealed in any context, formal or informal. I am sure that you appreciate our concern.

The psychiatrist himself delivered the profile to Young's office on November 12, 1971. Young, Hunt and Liddy were all present to receive it and a brief discussion of its contents was held.

At this point, the CIA's activities in connection with the psychological profile appear to have ended. Only after the Fielding break-in was disclosed by testimony to the Watergate Grand Jury in April 1973 did these activities come to light.

### *Conclusions*

The preparation of a psychological profile of an American citizen who is not involved in foreign intelligence activities is not within the Agency's statutory authority. Although Ellsberg, by leaking the Pentagon Papers, may have jeopardized sources and methods of intelligence for which the Director is responsible, no evidence appears to have been presented to the Agency that the profile was desired for the purpose of protecting intelligence sources and methods. Indeed, by the time the second profile was prepared, at least one of the CIA doctors had reason to believe it might be leaked to the public—a highly improper activity and one not connected with the CIA's proper area of responsibility.

The Agency was induced to accept this assignment by pressure from the White House in the name of the President and purported national security. This request came from Young, who had previously served as the National Security Council's liaison to the Agency, but all of the CIA officers involved knew that it was of doubtful propriety.

However, the investigation has disclosed no evidence indicating that the Agency had prior knowledge of the break-in into Dr. Fielding's office or generally of efforts to secure additional information on Ellsberg by unlawful means. As a result of the Agency's normal practice of compartmentation, *i.e.*, restricting knowledge of an activity to those participating in it—evidently followed with particular care in the case of the White House projects because they were regarded as sensitive—there apparently was no communication between the two Directorates with which Hunt was dealing during the period. While the Directorate of Support was preparing the profile, the Operations Directorate was giving Hunt assistance, and neither seems to have known what the other was doing.

Only Director Helms appears to have had some knowledge of both activities, but the evidence indicates that his information was general and fragmentary and that he knew neither of Hunt's involvement in the profile project nor of the photographs of Fielding's office produced as a result of the technical support given Hunt. Although it would seem inappropriate to place responsibility on the Director on the basis of hindsight for failing to connect two seemingly unrelated series of events, it is clear to the Commission that procedures should be established which would allow sufficient information about White House requests to be gathered together at one point so that, in the future, the propriety of Agency participation can be judged with the benefit of all of the relevant facts.

In any event, the Commission concludes that the Agency is subject to criticism for proceeding with the preparation of a project considered to be of doubtful authority without consultation with its own counsel and other responsible White House officials. Moreover, the Agency's medical officers, in spite of their repeatedly expressed reservations, were negligent in failing to insist that those reservations (and all underlying facts) be presented to the Director, particularly after learning of the purpose to use the profile to try Ellsberg in public.

The Commission realizes that requests such as that for the profile confront the Director with a dilemma between his obligation to serve the President and compliance with his understanding of the Agency's statutory limitations; at times, as hereafter discussed, a Director may well have to conclude that he has no alternative but to submit his resignation. They also confront Agency staff with a similar dilemma

between obeying orders and acting within what they understand to be the Agency's authority. At the very least, the staff must make certain that their superiors have all the facts and considerations before them before they make their final decision.

#### D. The Break-in of Dr. Fielding's Office

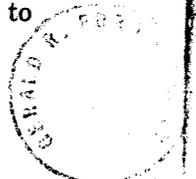
On September 3, 1971, three Cuban emigres, under the command of Hunt and Liddy, broke into the office of Dr. Fielding, Ellsberg's psychiatrist. One of the Cubans was at the time a paid informer of the CIA in Miami; another had served the CIA as a contract agent for several years until 1966. Hunt and Liddy had previously reconnoitered the Fielding office, using the CIA-supplied camera and disguises. Their objective was to obtain psychiatric information useful in the preparation of the profile which the CIA had been asked to prepare.

Suspicions have arisen from these circumstances and charges have been made that the CIA was involved in the Fielding break-in or at least acquired prior knowledge of it. The relevant facts are reviewed in this section.

Following receipt of the first Ellsberg profile, which they regarded as unsatisfactory, Young and Krogh, in a memorandum to Ehrlichman, proposed an operation to obtain Ellsberg's psychiatric file. Hunt and Liddy made the reconnaissance of Dr. Fielding's office on August 26, 1971, referred to above. After their return, a so-called "covert operation" to obtain the file was authorized by Ehrlichman. Hunt went to Miami and recruited Bernard Barker and he in turn recruited Rolando Martinez and Felipe de Diego for the operation.

Both Barker and Martinez had a long history of association with the Agency. Barker was an American citizen who had lived in Cuba. He had joined the Cuban police force in the 1950's as a result of which he lost his American citizenship. While in the Cuban police, he was recruited by the Agency which helped him escape to the United States in 1959. Barker worked for Hunt during the Bay of Pigs period helping to organize a Cuban government-in-exile. He continued to serve in various CIA operations relating to Cuba until 1966, when the Agency no longer needed him and terminated his contract. Barker had entered the real estate business in Miami but made it clear to the Agency that he would be willing at any time to return to its service. There is, however, no record of any contacts or connections between Barker and the Agency after 1966.

Martinez was recruited by the Agency in Miami in 1961. Until 1969, he participated in a large number of maritime operations relating to



Cuba and compiled what the CIA considered a distinguished record. When these operations ended, Martinez obtained a real estate license and went to work for Barker. The Agency, in recognition of his services, had continued his contract payments until early 1970. At that time, the Agency had planned to terminate him but agreed to pay him \$100 per month for a year to help him make the transition to civilian life. In return he was required to report monthly to a CIA case officer in Miami on developments in the Cuban community. In July 1971 it was agreed that the retainer would be continued for one more year because of Martinez' ability to report illegal attempts by Cuban exiles to infiltrate Cuba, but it was intended that it should end in July 1972.

There is no record that Felipe de Diego, the third participant, ever had a CIA connection of any kind.

In April 1971, Hunt, on the occasion of a business trip to Miami, had renewed his acquaintance with Barker. Barker introduced Hunt to Martinez and de Diego and together they attended the tenth anniversary commemoration of the Bay of Pigs in Miami on April 17, 1971. In August 1971 Hunt contacted Barker and asked him to recruit a crew to undertake what he described as an important security operation.

On September 3, 1971, Barker, Martinez and de Diego broke into Dr. Fielding's office in Beverly Hills. Hunt and Liddy supervised the operation. The file cabinets in the office were pried open but, although the testimony has been conflicting, it appears that no files on Ellsberg were found. The office was left in a shambles to cover the group's tracks by making it appear that someone looking for drugs had broken in. That night the Cubans returned to Miami; Hunt and Liddy left Los Angeles the next morning.

Shortly after the break-in, the Los Angeles police picked up one Elmer Davis who was wanted on several charges. In return for the dismissal of other charges, he pleaded guilty to the Fielding burglary, although there is no evidence he had had any part in it, and the police file on it was thereafter closed. As a result, the burglary received no publicity, and it was not until John Dean and Hunt testified before the Watergate Grand Jury in April 1973 that the facts of this operation came to light.

The Agency, of course, had in its files xerox copies of the pictures taken by Hunt in August which showed Dr. Fielding's office building with his name on the wall above his parking space. Those copies had been placed in a folder in the safe of the Acting Chief of the Technical Services Division on August 27, 1971, and appear to have been examined only by him and his technician. The medical staff working on the Ellsberg profile evidently was not aware of them. The pictures were discovered after the Watergate break-in and turned over to the De-



partment of Justice in January 1973. There is no evidence that anyone in the Agency was aware of their significance until the Fielding break-in was disclosed to the Watergate Grand Jury in April 1973.

In addition, personnel in the Agency had certain contacts, described below, with participants in the break-in after it took place, but there is no evidence that as a result the Agency received any information about it.

Hunt, of course, had contacts with the CIA psychiatrist in October and November in connection with the preparation of the final version of the profile (discussed above). Hunt also met the Deputy Director for Plans for lunch in October 1971 to ask him to continue the existing cover arrangement with Mullen Company in Europe. In preparation for the lunch, the Deputy Director for Plans was briefed on the technical support which had been given Hunt in July and August by the Technical Services Division and was briefly shown the xerox copies of the Hunt photographs in the files.

He and the Chief of TSD glanced at the pictures which, according to their testimony, meant nothing to them. At the lunch, the conversation was confined to the Mullen matter. Hunt did not talk about his other activities. Shortly thereafter, Hunt asked an officer in the European Division for some unclassified information concerning a French security leak in 1954, which was supplied. There is no evidence of further Agency contacts with Hunt during the period immediately following the break-in.

Martinez served as a paid informer of the Agency's Miami Station during the period both before and after the break-in. Although he saw his case officer about once a month, there is no evidence that he ever disclosed anything about his activities for Hunt. Martinez testified that late in 1971 he casually mentioned to his case officer that Hunt had been in Miami and was working for the White House. The case officer later told him that he had run a name check on Hunt at the Station (as indeed he had) and that there was no information respecting Hunt's being employed by the White House. Martinez took that response to mean that Hunt was on a secret CIA mission of which the Miami Station was not to know. On the strength of his past experience with maintaining the secrecy of CIA operations, he therefore disclosed none of the Hunt-related activities to his case officer.

### *Conclusions*

The investigation has disclosed no evidence to suggest that the Agency knew or suspected that Hunt had participated in a burglary or other illegal operations in the period in which the Fielding break-in occurred.

As discussed above, only Director Helms knew that the Agency was preparing the Ellsberg profile at the time when it was also providing certain technical support to Hunt. The Commission has found no evidence, however, that either the Director or any other Agency employee had knowledge of facts sufficient to disclose the plans for or the carrying out of the Fielding break-in.

### E. White House Efforts to Declassify CIA Files

During 1971, a major effort was undertaken by the White House staff on instructions from the President to declassify documents and files of historical interest. Within the White House, the declassification campaign, although inherently legitimate, was also sought to be used for political purposes by providing materials embarrassing to critics of the administration. The White House staff at first, and finally President Nixon, brought pressure to bear on the CIA to turn over to the President highly sensitive materials ostensibly for legitimate government purposes, but in fact for the President's personal political ends. These events, which took place during the same time period in which CIA support for Hunt was sought and the Ellsberg profile was ordered, and which involved the same group of White House aides, are reviewed in this section.

During 1971, the White House staff, largely through David Young, conducted a major campaign to bring about the declassification of the many files and documents of historical interest which no longer required classification. A parallel effort was made to improve the security of those government papers requiring continued classification.

With the publication of the Pentagon Papers in June 1971, these activities gained added significance and urgency. While the Administration was concerned over the breach of security caused by the leak of the Pentagon Papers, it was also concerned over what it considered to be an unfairly selective disclosure of embarrassing historical data. By declassifying additional sensitive files relating to prior events—mainly the Bay of Pigs, the Cuban missile crisis, and the fall of the Diem Government in South Vietnam—it sought to obtain material helpful in neutralizing critics of the Administration's policies and particularly Senator Edward Kennedy, who in 1971 was regarded as Nixon's principal challenger. Beginning in June 1971, Colson and Young urged on Haldeman and Ehrlichman a campaign in which disclosures embarrassing to past administrations would be used for the political advantage of the Nixon Administration. That program involved the use of the Pentagon Papers as well as the declassification of other files.

Colson set Hunt to work examining the Pentagon Papers and other "overtly printed documentation . . . [to determine] the most useful in demonstrating the collective bad judgment of the Kennedy Administration and/or a number of its high-level appointees." The State Department was directed to turn over various files and cables, including those dealing with the fall of the Diem Government. Hunt and Colson interviewed Lucien Conein, a retired CIA employee formerly stationed in Vietnam, whom the Pentagon Papers identified as active in dealings with Vietnamese officials at the time of the overthrow and death of President Diem.

On September 20, 1971, Ehrlichman, Young, and Krogh met to review the program of obtaining previously classified CIA materials on the fall of the Diem Government, the Bay of Pigs, and the Cuban Missile Crisis. The agenda for that meeting describes the materials and the "exposure" to be given them through "briefing of selected newsmen," "Senate Foreign Relations Committee inquiry" and "other Congressional investigations." It states, opposite various listed items under each of the three subject heads, that Ehrlichman was to see Helms to obtain materials not previously turned over by CIA. A handwritten notation states that Young was to see Helms to "set up appointment for tomorrow."

On September 22, 1971, Ehrlichman met with Helms, advised him that the President wanted to declassify the documents relating to Vietnam, the Bay of Pigs, the Cuban missile crisis and the Lebanon landings, and asked to have the CIA's files on these matters turned over to him. Helms directed an internal review of these papers to make an assessment of the impact of their possible declassification.

Meanwhile on September 24, 1971, Colson sent a memorandum to Ehrlichman entitled, "Rekindling the Pentagon Papers Issue". Colson suggested various strategies in Congress to keep the Pentagon Papers issue alive and "each day hopefully creating some minor embarrassment for the Democrats." He also recommended other steps including "program[ming] Lucien Conein to write a letter to Senator Mathias complaining that he has been muzzled by the CIA, was paid money to get out of town and instructed to talk to no one." He concludes by urging that "we should very soon release declassified documents relating to the Lebanon crisis, the Cuban missile crisis and perhaps one or two others. Releasing of declassified documents will keep press interest alive in the whole issue. We should start doing it soon to avoid the charge of election year politicking."

On October 1, 1971, Ehrlichman again met with Helms at the Agency. Helms showed Ehrlichman the files which he proposed to turn over in response to the earlier requests and asked that they be returned as soon as possible. He declined, however, to release the files

relating to Vietnam. The other files were delivered to Ehrlichman that day.

On October 8, 1971, Helms was called to a meeting at the White House with the President and Ehrlichman, apparently because he had declined to release the Vietnam file. A contemporaneous CIA memorandum states that Nixon and Ehrlichman assured Helms that the President was interested in helping the CIA and had no intention of releasing CIA papers, but needed to know the specific background of these matters to meet possible press questions and to handle further Soviet negotiations that might touch on agreements reached during the Cuban Missile Crisis. Both Ehrlichman and Helms have testified that Helms was not told of the President's intention to use the information in these files for political purposes. The memorandum states that Helms replied that he worked for only one President at a time and that any papers in this possession were at the President's disposal. He then handed the requested Vietnam file to Nixon who slipped it into his desk drawer.

On November 16, 1971, Ehrlichman lunched with William Colby, who had become the CIA's Executive Director-Comptroller, and reaffirmed the President's desire to declassify documents on these subjects. Nothing more came of the program, however, and no action was taken on declassification of these files. So far as is known, none of the information in the documents was disclosed by the White House.

### *Conclusions*

The White House demand for sensitive CIA files—cloaked in what appear to be at least in part false representations that they were needed for valid government purposes when, in fact, they were wanted to discredit critics of the administration—as thoroughly reprehensible. It represents another serious instance of misuse of the Agency by the White House.

So far as the Agency knew, the demand was for a proper purpose—there is no evidence that it had notice of the intentions revealed in later-discovered White House documents. Senior officials of the Agency did, however, consider the surrender of these files to be a highly sensitive matter, giving it great concern. The most sensitive of these files was turned over by the Director only upon direct request from the President.

The Commission recognizes that the Director cannot be expected to disobey a direct request or order from the President without being prepared to resign. The instances in which resignation may be called for cannot be specified in advance and must be left to the Director's judgment.

The Commission believes that in the final analysis the proper functioning of the Agency must depend in large part on the judgment, ability and integrity of its Director. The best assurance against misuse of the Agency lies in the appointment to that position of persons of such stature, maturity and integrity that they will be able to resist outside pressure and importuning. The Director should be able not only to manage the Agency, but also to reassure the public that he will do so properly.

## **F. CIA's Relation to Events Preceding the Watergate Break-in**

The origins of Watergate go back to a program for political espionage in connection with the 1972 Presidential campaign on which Hunt and Liddy began to work early that year. That program had various facets of which espionage directed against the headquarters of the Democratic National Committee was one.

This investigation has disclosed no evidence that the Agency provided support for the espionage program which culminated in the Watergate break-in.

As has been discussed, however, four of the participants in the break-in—Hunt, Martinez, Barker and McCord—had ties to the Agency. Martinez continued on the CIA payroll as an informer until after his arrest. Hunt had dealings with the Agency in the summer and fall of 1971 in connection with the White House projects previously discussed. And he continued to be employed by Mullen, which had a CIA relationship, and to be associated with Bennett in several projects with political or espionage overtones.

These and connected circumstances have led to suspicions and allegations of CIA involvement in or prior knowledge of the Watergate break-in. In this section we review the relevant facts in the light of these charges.

### ***1. Hunt's Contacts with the CIA***

Hunt's contacts with the Agency in connection with his request for a disguise and related support and with the Ellsberg profile have been discussed above. The Commission has found no evidence to indicate that the Agency acquired notice in the course of these contacts that Hunt was engaged in or planning illegal activities.

These contacts ended in November 1971, and thereafter Hunt had what appear to have been only a few sporadic and insignificant contacts with Agency personnel.

Hunt called the Agency's External Employment Affairs Branch

on a few occasions to ask them to refer him to persons having certain qualifications needed for his projects. At one time Hunt asked to be referred to a firm qualified to locate possible hostile electronic listening devices. On another occasion he asked to be referred to an electronics expert. The Agency referred a man named Thomas Amato, experienced both in electronics and picking locks—the record is not clear whether Hunt had requested the latter capability. In any event, the Agency employee who routinely made the referral was not told by Hunt of his purpose, and he has stated that he did not consider that any illegal activity was contemplated.

Hunt, at the suggestion of Barker and Martinez, interviewed a Cuban refugee who had been close to Castro, using Martinez' tape recorder. He believes that he may have sent a transcript gratuitously to the Agency, but it has no record of it.

Hunt frequently played tennis with a long-time friend who was a CIA officer and may have had other occasional social contacts with CIA employees. There is no record, however, of any communications between him and the Agency disclosing facts which might have indicated that he was planning or pursuing illegal activities.

Hunt, of course, had been in contact with Martinez in connection with the Fielding break-in and, later, the two Watergate break-ins. As previously discussed, Martinez reported to his case officer in Miami on an average of once a month. Although he had mentioned Hunt in passing on two occasions in 1971, for reasons discussed, Martinez chose not to disclose Hunt's activities.

Nonetheless, the case officer's superior, the Miami Chief of Station, had been disturbed when he later learned that the case officer had not promptly reported the reference to Hunt's name, a name that meant nothing to the case officer. The Chief felt that he should be advised of the presence of any former CIA officers in his territory. His lingering and undefined concern over Hunt was evidently in his mind in March 1972, when he met Martinez in connection with another intelligence requirement. In the course of that conversation, Martinez again mentioned that Hunt had been in and out of Miami on a foreign business deal. Separately, he asked the Chief of Station whether he was certain that he was aware of all CIA activity in the Miami area.

These repeated references to Hunt, in whom the station chief from past experience had limited confidence, and Martinez' unusual question led the station chief to contact his superior at CIA Headquarters. He cabled that Martinez had reported that Hunt had been in the Miami area twice recently contacting old friends and although "on the surface Hunt seems to be trying to promote business deals of one sort or another," he had indicated that he was a White House counsellor "trying to create the impression that this could be of importance to his

Cuban friends." The cable asked that Hunt's White House employment be checked out.

On receipt of this cable it was discussed with the Associate Deputy Director for Plans who stated that he had previously learned from the Deputy Director for Plans that Hunt was a White House consultant supposedly engaged in domestic activities having nothing to do with foreign intelligence and that it was neither necessary nor proper for CIA to check into Hunt's activities since domestic activities were involved.

As a result of this advice from the Associate Deputy Director, premised not only on concern that the Agency should not become involved in domestic political activity but also on his estimate of Hunt's erratic judgment, a strongly worded letter was sent to the Miami Chief of Station advising that Hunt "undoubtedly is on domestic White House business, no interest to us, in essence, cool it." Neither the Associate Director nor the parties to these communications apparently knew of the prior support to Hunt or of the Ellsberg profile.

After receipt of this letter, the station chief, through the case officer, asked Martinez to write up for him in Spanish a summary of his contacts with Hunt. Martinez was disturbed but complied when the case officer told him to write something that he would not be afraid to have shown to him later. The station chief placed it in the file. The summary failed to disclose anything beyond what Martinez had previously reported and gave no hint of any questionable activities. Martinez met his case officer again in May and on June 6, but said nothing further relating to Hunt's activities.

The station chief testified that while he had been distressed over the blunt response from Headquarters, and uneasy over Martinez' question respecting his knowledge of CIA activities, he had no reason to suspect Hunt of unlawful activities. His basic concern was that he should know what a former Agency employee was doing in his territory. He did not suspect that Martinez, of whom he thought as a boat captain, was engaged in domestic espionage activities. As for the officers in Headquarters, their overriding concern appeared to have been not to become involved in a domestic investigation and, in particular, not to cross paths with the White House.

Although Martinez was the one person in regular contact with the CIA who had knowledge of Hunt's improper activities, the Commission has found no evidence to indicate that he provided the Agency with information about those activities.

## ***2. Bennett's Contacts with Hunt and the CIA***

During the period preceding Watergate, Hunt continued to be employed by Mullen Co. and was in regular contact with Robert Bennett,

its president. Mullen continued to provide cover for CIA officers abroad and Bennett and Hunt had a few meetings with the case officer respecting these arrangements.

Bennett learned of several of Hunt's planned or executed political activities in this period, not including, however, the Fielding or Watergate operations. By June 1972, Bennett had come to doubt Hunt's reliability and judgment and had determined that Hunt should eventually leave Mullen, but he decided to take no action until after the election. According to Bennett, nothing had come to his attention that he considered sufficiently serious to justify the risk of White House displeasure should he discharge Hunt. There is no evidence that he learned anything that gave him notice of Hunt's illegal activities until they became public knowledge.

The following paragraphs summarize Bennett's relevant contacts with Hunt during this period.

At Colson's request, Hunt interviewed Dita Beard, public relations representative of ITT Corp., in her Denver hospital room in March 1972. A memorandum attributed to Beard had been published indicating that ITT had offered a large contribution to the Republican Party if the 1972 convention were to utilize the Sheraton Hotel facilities in San Diego. Bennett had received a tip from the Hughes organization that the memorandum might be a forgery and passed it to Hunt or Colson. Hunt, using the wig furnished by the CIA in August, interrogated Beard, attempting to establish that the memorandum was a forgery. On his return he gave a statement to Colson. Arrangements were made in the Senate for the release of a statement in a form useful to the media. Beard's lawyer called on Bennett, who himself had had no prior participation in this matter, to assist in its preparation. There is no evidence of any CIA knowledge of or involvement in these events.

At one time Hunt approached Bennett with a proposal to obtain the assistance of the Hughes organization for a burglary in Las Vegas to secure purported information about Senator Muskie. Bennett, at Hunt's request, introduced Hunt to a Hughes organization employee, but later learned that Hunt's proposal had been rejected. It was apparently in this connection that Hunt had called the Agency's External Employment Affairs Branch for referral of a technician. It was also this proposal which first gave Bennett concern with respect to Hunt's judgment; he assumed, however, that Hunt, being attached to the White House staff, would be adequately supervised and controlled. There is no evidence that CIA had knowledge of or any part in this plan.

During this period Bennett was asked by Hughes' attorneys to get a bid for surveillance of Clifford Irving, who was then writing a book

describing his earlier preparation of the fraudulent Hughes biography. Hunt got an estimate from James McCord and gave it to Bennett who passed it to the attorneys. They rejected it as too high. There is no evidence that the CIA had knowledge or was involved.

Bennett, active in Republican politics, participated in the reelection campaign and assisted in the formation of a number of committees to receive contributions. Neither Hunt nor Liddy evidently had any part in this effort; Bennett merely delivered Hughes' campaign contribution to Liddy. There is no evidence that the CIA had knowledge of or was involved in this activity.

Bennett's nephew, Fletcher, wanted a summer job and he referred him to Hunt. Hunt sought to recruit him to serve as a spy at Muskie Headquarters. Fletcher turned him down but referred Hunt to a friend, Tom Gregory, who took the job. Gregory was not related to Bennett but did visit Bennett and Fletcher occasionally and told them generally of his activities. According to Bennett, however, he was not told of any illegal activity until June 14, two days before Watergate, when Gregory told Bennett that Hunt had asked him to bug the office of Frank Mankiewicz in McGovern Headquarters. Gregory declined and went home. This plan evidently was not carried out. There is no evidence that Bennett (or the CIA) learned of the first Watergate break-in which had taken place in May 1972 or of the plans for the second Watergate operation until it became public knowledge.

Bennett's contacts with the CIA during the pre-Watergate period apparently were confined to the Mullen Company cover arrangements. There is no evidence that Bennett personally performed services for the CIA or had other operational contacts with the Agency. His communications with the case officer prior to Watergate evidently were limited to matters relating to the cover arrangements. There is no evidence that Bennett discussed Hunt with the case officer prior to the Watergate break-in.

In the days immediately following Watergate, a number of communications passed among Hunt, Liddy, and Bennett. Among other things, Hunt asked Bennett for help in finding him a lawyer. Liddy called Bennett to locate Hunt and pass messages to him. Nothing has been found in these communications suggesting Bennett's involvement in the Watergate operation.

Shortly after Watergate, the office of the United States Attorney questioned Bennett, and the evidence indicates that he responded truthfully to the questions, including disclosing the firm's relationship to the CIA. When he later appeared before the grand jury, he was asked few questions by the prosecutor. Having previously disclosed the facts concerning the CIA relationship, he did not volunteer them either to the grand jury or to the FBI when he was later

interviewed by it. These events, which occurred within the three weeks following Watergate, along with other comments and observations by Bennett, were reported by the CIA case officer to his superiors after he met with Bennett on July 10, 1972. A copy of the handwritten report was sent to the Director. At this time, the CIA was gravely concerned over the impact of the Watergate investigation on the security of the Mullen cover and the information received from Bennett was considered important for that reason. The case officer's report reflects that at the time the Agency was also concerned over the disclosures being made by an ex-employee named Philip Agee which threatened the Mullen cover, among other things. This development was treated as highly classified by the Agency and had not been disclosed to Bennett. It was referred to as the "WH flap" for the reason that Agee's disclosures dealt mostly with the Agency's Western Hemisphere operations. All of these matters were then being reviewed within the Agency in connection with the question whether the cover arrangements with Mullen should be terminated as no longer secure.

This investigation has disclosed no evidence indicating that the Agency, through Bennett, was implicated in the Watergate break-in.

### **3. Miscellaneous Contacts and Relations**

Various miscellaneous contacts and relationships have been mentioned as giving rise to suspicion of CIA involvement or advance notice of the Watergate break-in.

One of these is the fact that James McCord, another retired CIA employee, participated in the break-in. McCord had retired in January 1970 to form his own security firm and had become Director of Security of the Committee to Reelect the President early in 1972. He also had been in contact with the External Employment Affairs Branch for referrals to qualified ex-employees. In April 1972, he began to work with Hunt on plans for the break-in. There is no evidence that the Agency participated in or gained advance knowledge of the Watergate break-in through McCord.

Another concerns alleged telephone calls to and from the Agency immediately after the arrests of the burglars. The Watergate burglars were arrested at 2:30 A.M. on June 17, 1972. The first contact with the Agency, according to its records, occurred at 5 P.M. that day when an inquiry about the arrested men was received from a *Washington Post* reporter. That call was followed by calls from the Secret Service for a check on the aliases and from the FBI advising of the identification of McCord and Hunt, two ex-employees. This news was relayed to the Acting Director of Security who promptly called the Director of Security at 8:45 P.M. The Director returned to the Agency and then

called Helms at 10 P.M. to report that former Agency employees (McCord and Hunt) were involved in the burglary.

There is no evidence in the communications by Agency personnel immediately following the break-in to suggest that any Agency employee had advance knowledge of the break-in.

### ***Conclusions***

The Commission concludes, on the basis of this investigation, that there is no evidence either that the CIA was a participant in the planning or execution of the Watergate break-in or that it had advance knowledge of it.

### **G. The Agency's Response to the Post-Watergate Investigations**

Within hours of the arrest of the Watergate burglars on June 17, 1972, it became known that McCord, Martinez and Barker had connections with the Agency. Hunt's connection was disclosed not long afterward. Inasmuch as the burglary had occurred within the District of Columbia, it fell within the jurisdiction of the FBI, and the FBI's attention soon focused on the CIA and its possible involvement in the Watergate operation. The Agency also became an object of White House efforts to inhibit the FBI investigation and to keep the arrested burglars silent. And eventually, the CIA came under the scrutiny of the Senate Select Committee on Presidential Campaign Activities (under Senator Ervin).

The manner in which the Agency responded to these investigations, its failure to make timely disclosure of information in its possession, and its destruction of certain tapes, has led to suspicions and allegations concerning its involvement in the Watergate operation or the subsequent cover-up. In this section, we examine the relevant events in the light of these charges.

#### ***1. CIA Attempts to Limit the Scope of the FBI Investigation***

From the outset of the post-Watergate investigation, the Director took the position that inasmuch as the CIA had not been involved in Watergate, it should not become involved in the investigation. He has testified that he was particularly concerned over disclosing information to FBI field offices because leaks had occurred there immediately after Watergate, and he was concerned over the failure of the FBI to disclose the purposes for which it sought information from CIA.

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Within the first ten days after the break-in, the Agency nevertheless responded to certain requests from the FBI field office in Alexandria, Virginia. Helms, however, attempted to handle such requests directly with Acting FBI Director, L. Patrick Gray, and confine them as much as possible. In a memorandum dated June 28, 1972, he reported having urged Gray that this should be done because the CIA was not involved in Watergate and requested that the FBI "confine themselves to the personalities already arrested or directly under suspicion and that they desist from expanding this investigation into other areas which may well, eventually, run a foul of our operations."

There is no clear explanation why Helms wrote this memorandum. There is no evidence that he in fact made that request to Gray. According to Gray and Helms, Gray had called Helms on June 22, 1972, to inquire about possible CIA involvement in the Watergate operation. Helms simply told him that although the CIA knew the people who had been arrested, it was not involved in the operation.

On June 23, 1972, Helms and Lt. General Vernon A. Walters, the Agency's Deputy Director, were called to the White House to meet with Ehrlichman and H. R. Haldeman, the President's Chief of Staff. At this meeting, Haldeman suggested that the CIA ask the FBI to limit its investigation on the grounds that it might jeopardize the security of CIA operations. Helms, however, stated that he knew of no CIA operations that might be affected, and that he had so informed Gray on the preceding day. Haldeman, nevertheless, directed Walters to call on Gray with the suggestion that further investigation of activities in Mexico involving moneys found on the Watergate burglars would endanger CIA operations. Walters then saw Gray and, after referring to Helms' call to him of the preceding day, passed on that suggestion. Walters has testified that he considered this to have been a reasonable request, assuming, in the light of his own past experience, that it must have been intended to protect highly sensitive operations presumably known only to the White House. Walters was not asked at the meeting to have the FBI restrict its investigation in other ways.

During the following days, Walters had several meetings with John Dean, Counsel to the President, who, at the direction of Ehrlichman and Haldeman, suggested the possibility that the FBI investigation might expose CIA operations and asked what could be done about it. He also asked whether the CIA could pay the salaries and bail of the jailed burglars. Walters firmly rebuffed the suggestions implied in the questions. Helms had a further telephone conversation with Gray in which he advised him that the CIA had no interest in the Mexicans the FBI was then investigating.

On June 28 Helms left on a three week trip out of the country,

leaving the memorandum previously quoted. During his absence, information continued to be transmitted to the FBI through Walters. William E. Colby, then the Executive Director, handled the in-house coordination of the responses to the investigation.

During October and November 1972, the United States Attorney requested information concerning the CIA's connection with various activities of the Watergate defendants in order to prepare for the coming trial. Inquiries on this subject had earlier been made by the FBI. The United States Attorney was particularly concerned that the defendants might claim that they were acting on orders of the CIA. The Agency provided information in response to specific inquiries but sought to restrict it to the Attorney General and the Assistant Attorney General. Eventually, information respecting Hunt's request for support in July and August 1971 and the Agency's response was supplied to the United States Attorney.

The Agency, however, volunteered no information and withheld some appearing to have a bearing on these matters. For example, in July 1972 and again in December 1972 and January 1973, the Agency received letters from McCord relating to the attempts to involve the CIA in the defense of the Watergate burglars at their forthcoming trial. The letters reflected McCord's efforts to resist proposals that the Watergate burglars should implicate the CIA in order to bolster their defense. Helms obtained advice from the CIA's General Counsel that he was under no obligation voluntarily to turn the letters over to the FBI (which did not know of them) and on the strength of that advice, retained them in the Agency's files.

In July 1972, xerox copies of Hunt's pictures of Fielding's office, as well as of the alias identification given Hunt (contained in TSD's "Mr. Edward" file) were turned over to Helms and Colby. In spite of the well publicized fact that the originals of some of these alias materials had been found on the arrested Watergate burglars, and in spite of requests from the Assistant Attorney General for information about Agency support to Hunt, the Agency apparently did not deliver these materials to the Department of Justice until January 1973. Other material held by the Agency's management and not disclosed or delivered until 1973 included the tape of the Cushman-Hunt conversation of July 22, 1971.

Not only did the Agency continue to hold material relevant to the investigation, but it undertook no comprehensive in-house investigation of its own into its connections with the activities of the men who were coming to trial. No general effort was made until May, 1973, to collect all relevant information and documents from Agency employees.

On December 15, 1972, Helms and Colby went to the White House to

report to Ehrlichman and Dean on the status of the FBI and Department of Justice investigations. Colby's memorandum of the meeting records the CIA's efforts "to respond [to inquiries] at the highest level only". It also reports on the United States Attorney's efforts to learn the name of the person who authorized Hunt's request for support in July 1971, and states that Colby sought to avoid answering these questions but was eventually compelled to disclose Ehrlichman's name. Colby and Helms also showed Dean the package of information (possibly containing the xerox copies of the Hunt photos and alias materials) which had been prepared for delivery to the Assistant Attorney General. The memorandum states: "It was agreed that these would be held up." It was also agreed that Cushman would be asked to call Ehrlichman to discuss his recollection of who had made the July 1971 phone call to him.

In January 1973, this package of information was finally turned over to the Department of Justice.

### *Conclusions*

While the Agency has a legitimate concern to protect sensitive information against disclosure, its response to the investigation of the Watergate burglary cannot be justified by any requirements for secrecy. The Agency failed to turn over to the Department of Justice information in its possession which it should have known could be relevant to the ongoing investigation and preparation for the first Watergate trial in January 1973. Much of the information requested could have been provided with little, if any, risk to the security of Agency activities. Some of it was eventually provided, but only after some delay. The Agency is subject to serious criticism for this conduct.

The basis for the Agency's action appears to have been the Director's opinion that since the Agency was not involved in Watergate, it should not become involved in the Watergate investigation. The Commission considers this to be no justification for the Agency's failure to aid an investigation of possible violations of law by employees or ex-employees with whom it had had recent contacts. The provision of the Agency's charter barring it from exercising "police, subpoena [and] law enforcement powers" does not excuse that failure.

The Commission has found no evidence, however, that leads it to believe that officers of the Agency actively joined in the cover-up conspiracy formed by the White House staff in June 1972. There is no evidence that the Agency sought to block the FBI investigation. General Walters' statement to Gray concerned only the investigation in Mexico, and he has stated that it was based on his belief, supported

by prior experience, that the White House had knowledge of some highly classified activity in Mexico not known to others. Subsequent cover-up overtures by the White House were firmly rejected by him. Later reluctance of Agency management to disclose the identity of White House personnel and provide materials to the Department of Justice are subject to the criticism previously made. The evidence does not indicate, however, that Agency personnel ever knew of or participated in a plan of the White House staff to abort or impede investigation into possible violations of law by members of that staff.

## ***2. Destruction of Helms' Tapes and Transcripts***

About January 17, 1973, seven months after the Watergate break-in Director Helms received a letter from Senator Mansfield, dated January 16, 1973, requesting that the Agency retain "any records or documents which have a bearing on the Senate's forthcoming investigation into the Watergate break-in, political sabotage and espionage, and practices of agencies in investigating such activities." At the time the letter arrived, Helms and his secretary were in the process of cleaning out his files preparatory to his departure from the Agency.

Approximately a week after receipt of this letter, Helms' secretary asked him what should be done about the voluminous tapes and transcripts which were then in storage. The tapes were produced by a recording system installed in the offices of the Director, the Deputy Director and what was then an adjoining conference room (the French Room). This system had been installed some ten years earlier. It was removed from the Deputy Director's office in February 1972 and from the office of the Director in January and February 1973.

The taping system permitted the recording of telephone calls and of room conversations on activation by the occupant of the office. Helms used it occasionally, apparently considering it as an efficient way to prepare a memorandum to assist his recollection. Cushman used it only rarely and Walters, who followed him, not at all.

The tapes were transcribed routinely and the transcripts were retained by the respective secretary. Prior to January 1973, tapes were from time to time erased or, if worn out, destroyed.

About January 24, 1973, Helms, in response to his secretary's question, told her to destroy his remaining tapes and transcripts and she so instructed the technicians in charge of the system. At that time there were approximately three file drawers of transcripts covering his years as Director. Both Helms and his secretary made a cursory review of them and recalled none to have related to Watergate. They were then destroyed. Along with the tapes and transcripts the logs identifying them were also destroyed. No tapes were erased.

Director Helms has testified that he considered this destruction of what he regarded as his personal notes to be a routine part of vacating his office. He said that he felt that the Agency had produced whatever Watergate-related materials it had and that these tapes and transcripts had nothing to do with anything he considered relevant to Watergate. He also stated that he assumed that anything of permanent value had been transferred from the tapes to the Agency's records, and he felt obligated that records of confidential conversations between him and others should not become part of Agency files.

### *Conclusions*

It must be recalled that in January 1973 the Watergate affair had not yet assumed the dimensions which subsequent revelations gave it. Neither the activities of the Plumbers nor the extent of the White House involvement in the cover-up had come to light. Accordingly, destruction of Helms' personal office records cannot be judged with the benefit of hindsight, derived from subsequent revelations.

For the same reasons, however, Helms stated interpretation of what was Watergate-related presumably was narrower than it would have been after all the facts disclosed to the Watergate Grand Jury in April, 1973, and other information had come to light. Hence, no comfort can be derived from Helms' assurances that no Watergate-related material was destroyed, since what was destroyed had not been reviewed for relevance in light of the later disclosures.

The destruction of the tapes and transcripts, coming immediately after Senator Mansfield's request not to destroy materials bearing on the Watergate investigation, reflected poor judgment. It cannot be justified on the ground that the Agency produced its Watergate-related papers from other files; there is no way in which it can ever be established whether relevant evidence has been destroyed. When taken together with the Agency's general non-responsiveness to the ongoing investigation, it reflects a serious lack of comprehension of the obligation of any citizen to produce for investigating authorities evidence in his possession of possible relevance to criminal conduct.

### *3. Miscellaneous Matters Concerning the Investigation*

#### *a. Pennington*

In the foregoing sections we have discussed the response to the Watergate investigation at the level of the Director's office. A separate failure to respond properly occurred within the Office of Security.

In August 1972, the FBI's Alexandria field office, in the course of



its Watergate investigation, asked for information about one Pennington, said to have been an employee who may have been McCord's supervisor a number of years ago. The inquiry was received by an officer of the Office of Security who customarily dealt with the FBI. The officer had personnel files checked and furnished the FBI with information concerning one Cecil B. Pennington, a retired employee of the Office of Security who had had no connection with McCord. The FBI shortly thereafter advised that this was not the person in whom it had an interest.

Meanwhile, officers in the Office of Security knew that one Lee Pennington was a long-time friend of the McCords who, shortly after the Watergate arrests, had helped Mrs. McCord burn some of McCord's papers and effects at his house, probably including McCord's retirement records which showed his past Agency employment.

In addition, some members of the Security Research Staff within the Office of Security also knew that Lee Pennington had for years been a secret informer of that staff who was paid \$250 per month to supply clippings, legislative developments and other miscellaneous information. Whether this fact was then known to the Director of Security or his Deputy is disputed.

The undisputed fact, however, is that information in the Office of Security on Lee Pennington was treated as "sensitive" and was deliberately withheld from the FBI when the inquiry about Pennington was received. That information did not come to light until January, 1974, when a proposed response to a Senate inquiry was passed through the Office of Security. That response stated that all information concerning Watergate had been disclosed. Officers who had handled the prior Watergate investigation advised the Inspector General's office of the Pennington file and the facts were then disclosed to the Senate Select Committee.

Investigation has not disclosed any link between Pennington's burning of McCord's papers and the Agency. So far as can be determined, no one at the Agency either directed this action or knew of it in advance. Pennington was not acting for the Agency or with its knowledge or consent but rather seems to have acted simply to help Mrs. McCord dispose of papers which McCord said he considered to be both personal and a fire hazard. McCord had received several bomb threats and was also concerned about his papers and effects falling into the hands of newspapers. The Commission has found no evidence to justify inferring from these events that the CIA was involved in the destruction of files of McCord having possible relevance to Watergate.

*b. Payment of Bennett's Attorney's Fees*

About June 1973, Robert Bennett, President of the Mullen Company, was again called before the grand jury in connection with questions raised by the recent revelations. Bennett felt that the security problems raised by the Mullen-CIA cover relationship made it necessary for him to obtain the assistance of counsel. When he received a bill for some \$800, he asked the Agency to pay half of it, and it agreed.

The investigation has disclosed no evidence of any motive or purpose by the Agency in this connection to withhold information from the grand jury. Nor does the evidence of this transaction indicate any involvement of the CIA or Bennett in Watergate.

*Conclusions*

The failure to provide information about Pennington to the FBI was in this case the responsibility of officers at the operational level, apparently acting without direction from above. For the reasons discussed in connection with the preceding sections, their conduct was unjustified and subject to criticism.

At the same time, however, there is no evidence that this decision was intended to cover-up any possible connection between the CIA and Watergate—no evidence of such connection has been found.

The Commission concludes that there is no evidence indicating that the CIA either had advance knowledge of or participated in the break-ins into Dr. Fielding's office or the Democratic National Committee at the Watergate.

The Commission also concludes that in providing the disguise and alias materials, tape recorder, and camera to Hunt, as well as in providing the Ellsberg profile, the Agency acted in excess of its authorized foreign intelligence functions and failed to comply with its own internal control procedures.

The Agency provided these materials in response to demands from highly-placed members of the White House staff and, except in the case of the Ellsberg profile, without knowledge that they were intended for improper purposes. Those demands reflect a pattern of actual and attempted misuse to which the CIA was subjected by the Nixon administration.

Finally, the Commission concludes that the Agency was delinquent when it failed, after public disclosure of the improper White House activities, to undertake a thorough investigation of its own and to



respond promptly and fully to the investigations conducted by other departments of the government.

***Recommendation (26)***

**a. A single and exclusive high-level channel should be established for transmission of all White House staff requests to the CIA. This channel should run between an officer of the National Security Council staff designated by the President and the office of the Director or his Deputy.**

**b. All Agency officers and employees should be instructed that any direction or request reaching them directly and outside of regularly established channels should be immediately reported to the Director of Central Intelligence.**

## Chapter 15

### *Domestic Activities of the Directorate of Operations*

The Directorate of Operations is the CIA component with primary responsibility for the collection of foreign intelligence overseas and for the conduct of other covert operations outside of the United States.

In support of these missions, the Directorate engages in a variety of activities within the United States. The major domestic activities of the Directorate, including those which raise questions of compliance with the Agency's legislative authority, are discussed in the following sections.

This chapter does not describe all of the Directorate's domestic activities which the Commission has investigated. The national interest in the continued effectiveness of the CIA in the foreign intelligence field requires that a number of those activities be protected from disclosure. Our investigation of these activities has produced no evidence (other than that described in this report) that these activities exceeded the Agency's authority. Very few of these activities continue. To the extent that they do, the Commission is satisfied that they are subject to adequate controls.

Nor does the Commission report include detailed information on the activities of the CIA's Miami Station which, commencing in the early 1960's, conducted a broad range of clandestine foreign intelligence, counterintelligence and operational activities directed at areas outside the United States. Many such activities were conducted with the United States as a base, but the CIA contends, and the Commission has found no evidence to the contrary, that these activities were not directed against American citizens. Since 1966, the scope of the station's activities and the number of its personnel have been gradually reduced and by 1972, except for some collection of foreign intelligence, these activities had been discontinued. Since the Miami operations were the result of a particular series of events not likely to be repeated, and since they have been largely discontinued, the Commission con-

cluded that its resources were better utilized in investigating and analyzing other activities.

### **A. Overt Collection of Foreign Intelligence within the United States**

While the importance of clandestine collection should not be underestimated, many of the pieces of the jigsaw puzzle which is "finished foreign intelligence" can be overtly collected by a well-organized information gathering system. Analysis of intelligence failures during World War II demonstrated that a significant volume of this information was available from the American public and could have been collected by overt methods within the United States. At that time, however, numerous agencies were engaged in domestic collection of foreign intelligence. Their activities were largely uncoordinated.

With the formation of the CIA in 1947, responsibility for the overt collection of foreign intelligence within the United States was centralized in the Agency as a service of common concern to the entire intelligence community. This responsibility is presently discharged by a separate division of the Agency. Through officers stationed in various locations throughout the United States, this division collects foreign intelligence information from United States residents, business firms and other organizations willing to assist the Agency. Contacts with potential sources of foreign intelligence information are overt and officers identify themselves by true name as CIA employees. Only in a few instances have officers of the division used alias credentials for personal protection when responding to unsolicited offers of assistance from foreign nationals or other unknown persons.

Although its collection activities are openly conducted, this division attempts to operate discreetly. Each of its facilities is listed in the local telephone directory, but the offices themselves often do not bear a CIA designation. In addition, the division goes to substantial lengths to protect the fact that an individual or organization is contributing intelligence to the CIA and to protect proprietary interests in any information which is provided.

Generally, the division's procedure consists of contacting United States residents with whom it has an established relationship to seek out available information on specific subjects for which the division has had requests from other components of the Agency. A typical example is the debriefing of an American citizen who has traveled abroad and who, because of a particular expertise or itinerary, could have acquired significant foreign intelligence information.

Most of the United States residents contacted by this component of the Agency are American citizens. Division regulations prohibit contacts with certain categories of individuals including Fulbright Scholars, past or present Peace Corps (ACTION) members, United Nations employees or contractors or representatives of foreign governments. Although not prohibited from doing so, the division will not approach American or foreign students but will interview them if they initiate the contact.

The success of the CIA in collecting such information is entirely dependent upon the voluntary cooperation of the American public. The CIA contends, and the Commission has found no evidence to the contrary, that it neither exerts any pressure to elicit cooperation nor promises or grants favors in return for information. Sources of information are not compensated, but on rare occasions the Agency will pay a portion of a proven source's travel expenses to an area where his presence might fulfill intelligence requirements.

The collection of intelligence within the United States requires that the CIA maintain various records with respect to the individuals and organizations that have provided information or are promising sources. In addition to a master index of approximately 150,000 names, division headquarters presently maintains approximately 50,000 active files. Many of these files reflect relationships with prominent Americans who have voluntarily assisted the Agency, including past and present Members of Congress. A substantial sampling of these files indicates that their contents are limited to: (1) copies of correspondence relating to the individual or organizational source's relationship with the division; (2) intelligence reports contributed by the source; (3) in the case of an organization, a summary of its relationship with the division including any stipulations or limitations imposed by the organization's committing official; and (4) the results of a federal agency name check obtained through the CIA's Office of Security in the event CIA representatives wish to discuss classified matters or contemplate a continuing relationship with a contact. If such a name check produces derogatory information, the Agency may terminate the relationship but it takes no further action. However, a copy of the report in such a case is retained in the individual's contact file.

The CIA asserts that this division's domestic collection efforts are devoted entirely to the collection of foreign economic, political, military and operational information, directly related to the United States foreign intelligence effort. In general, this appears to be true. However, this investigation has disclosed several instances in the past where the division provided other components of the CIA with information about activities of American citizens within the United States.

### *1. American Dissidents*

The first and most significant instance began in March 1969, when the division established a new file or "case" entitled "Activities of United States Black Militants." Field offices were instructed to forward to headquarters, by memorandum, information which came to their attention "concerning the activities of United States Black Militants either in the United States or abroad."

A contemporaneous CIA memorandum indicates that this case was opened to establish a formal procedure for processing and transmitting to the FBI the increasing volume of unsolicited information received by the field offices with respect to militant activities. In written instructions, the Director of the division informed all field offices that he did not intend that such information be actively collected, "since this is primarily an FBI responsibility." Investigation indicates that field offices did not actively seek such information. The very few reports which were filed contained information received primarily from "call-ins" who found the division's offices in local telephone directories.

Initially, the case with respect to militant activities had no relationship to Operation CHAOS, which had already been initiated by the Counterintelligence Staff's Special Operations Group. However, the division's reports were disseminated to an Operation CHAOS representative who quickly recognized the division's capacity to provide useful information with respect to a broader range of dissident or militant groups. Accordingly, in December 1969, the Special Operations Group requested that the division broaden its base to include the activities of "radical student and youth groups, radical underground press and draft evasion/deserter support movements and groups." An Operation CHAOS officer briefed division field chiefs on the Special Operations Group's interest on this information. A memorandum of that meeting explained that:

CI's interest is primarily to ascertain the details of foreign involvement/support/guidance/training/funding or exploitation of the above groups or movements, particularly through coverage of the foreign travel, contacts and activities of the Americans involved.

Although the emphasis was clearly on information establishing a foreign link with these groups, the division's field officers were also requested to report—for background purposes—on the purely domestic activities of these groups and their members. The Operation CHAOS representative explained that this purely domestic information was necessary to compile a data base essential to full understanding of possible connections between these groups and hostile elements abroad.

Shortly after the briefing, the Director of the division again cau-

tioned all field chiefs that collection of this type of information is an FBI responsibility and should be undertaken only "when these subjects are surfaced . . . during the course of your other activities." This admonition was repeated in virtually all of the Director's memoranda to field offices with respect to this case. The reports made available for the Commission's examination appear to have been obtained by field officers primarily in the course of fulfilling other intelligence requirements. However, there are some indications to the contrary.

During 1970, officers of the Special Operations Group and the division conferred on a number of occasions to discuss what one memorandum described as "over-aggressive positive actions" by the division's personnel in the collection of CHAOS information. The possibility of active collection of CHAOS information was succinctly stated by a field officer in a memorandum dated June 26, 1970:

To be sure, this case, as originally conceived, was to be only a passive effort on the part of the field, but there is a natural tendency when an interesting report is received to request additional details, then the actions begin. At that point, we are put in the position of investigating or reporting, if you like, the activities of United States citizens in the United States that are inimical to the national security interests of this Country. But that is clearly the function of the Federal Bureau of Investigation, not of CIA.

A number of other officers began to question the propriety of the division's efforts with respect to dissident groups—particularly the collection of purely domestic information about United States citizens. These expressions of concern prompted the Director of the division to prepare a memorandum for the field officers in which he described the dilemma this requirement posed—and the division's rationalization for its collection of purely domestic information. That draft memorandum dated June 6, 1971, reads in part as follows:

The second type of information concerns the activities of United States radical groups, but *does not* contain any obvious foreign implications. Such information is considered of primary interest to the FBI under its domestic security charter. However, the division has been directed to collect both types of information, with the emphasis on that pertaining to foreign involvement.

We also *accept* the second type of information when it is offered, because its acquisition is essential to our understanding of the entire radical movement (including the involvement of foreign governments). We do not actively solicit this information, however, since active collection against United States citizens is incompatible with CIA's charter. In addition, information of a purely domestic nature is of secondary interest to our consumers in CI Staff.

We recognize that CIA's deliberate acceptance and use of such information (even for background purposes) may seriously be questioned. Several thoughtful . . . [division] officers in the field and in Headquarters have already voiced uneasiness over this aspect of the case. We have concluded, however, that our activity is logically justified in that it provides essential support to the Agency's legitimate mission of overseas counterintelligence.

Before the memorandum was distributed, a copy was provided for review by Operation CHAOS personnel who objected to a written discussion of their oral requests for this type of information. Unable to obtain the Special Operations Group's approval of such a memorandum, the division informed all field officers on March 23, 1971, that thereafter collection of information was to be "focused exclusively upon the collection of information suggesting foreign involvement in United States radical "activities" as well as the identification of persons who could be enlisted by the Operation CHAOS group for penetration of related dissident groups overseas. Field officers were instructed to refer information or sources with information which is "*purely domestic* in its implications" to the local FBI office and not to forward such information to CIA headquarters.

The division's collection efforts with respect to dissidents ceased for all practical purposes in 1973 and the case was formally closed in August 1974. The Commission was provided access to files which, according to the division, contain all of its reports with respect to dissidents. In all, these files contain approximately 400 reports, copies of which were furnished to the Special Operations Group. Many of the reports merely transmit a newspaper clipping or other publication.

## **2. Foreign Telephone Call Information**

The Commission's investigation has disclosed only one other instance where the division has collected information on activities of American citizens for use by the CIA. During 1972 and 1973, the division obtained and transmitted to other components of the Agency certain information about telephone calls between the Western Hemisphere (including the United States) and two other foreign countries. Some of the calls involved American citizens within the United States. The information obtained by the division was limited to the names, telephone numbers and locations of the caller and the recipient. The contents of the calls were not indicated. Shortly after the program commenced, the Office of the General Counsel issued a brief memorandum stating that receipt of this information did not appear to violate applicable statutory provisions.

The Commission could not determine any specific purpose for the initiation or continuance of the program. Although the Agency contends that no use was ever made of the data, a March 25, 1972, memorandum indicates that the names of the Americans participating in such calls were at least checked against other CIA records to determine if they were of "possible operational interest." The memorandum states:

A review of the parties in the United States involved in these calls discloses that those of possible operational interest are primarily in the CHAOS field,

i.e., persons connected with such groups as Black Panthers, Revolutionary Union, Committee for Concerned Asian Scholars, Committee for a New China Policy, etc.

Collection of this material by the division was terminated in May 1973, and the CIA claims that all information obtained by the Agency has been destroyed.

The Commission has discovered no other evidence that the division attempts to collect intelligence information with respect to United States citizens or their activities, through surveillance or otherwise. However, such information is occasionally reported to field officers in the course of normal collection activities. For example, established sources or one of numerous "call-ins" periodically report the identities of United States citizens allegedly involved in espionage, drug trafficking or other criminal activity. Written regulations require that the source or a report of the information be promptly referred to the FBI, or other appropriate law enforcement agency. No further action is taken by the division or other components of CIA. Nor is a copy of the information retained in Agency files unless directly related to the function of the Office of Security, in which case it is transmitted to that Office.

### *Conclusions*

The CIA's efforts to collect foreign intelligence from residents of the United States willing to assist CIA are a valid and necessary element of its responsibility. Not only do these persons provide a large reservoir of foreign intelligence; they are by far the most accessible source of such information.

The division's files on American citizens and firms representing actual or potential sources of information constitute a necessary part of its legitimate intelligence activities. They do not appear to be vehicles for the collection or communication of derogatory, embarrassing or sensitive information about American citizens.

The division's efforts, with few exceptions, have been confined to legitimate topics. The collection of information with respect to American dissident groups exceeded legitimate foreign intelligence collection and was beyond the proper scope of CIA activity. This impropriety was recognized in some of the division's own internal memoranda.

The Commission was unable to discover any specific purpose for the collection of telephone toll call information, or any use of that information by the Agency. In the absence of a valid purpose, such collection is improper.

## B. Provision and Control of Cover for CIA Personnel

Many CIA activities—like those of every foreign intelligence service—are clandestine in nature. Involved CIA personnel cannot travel, live, or perform their duties openly as CIA employees. Even in countries where the CIA works closely with cooperative foreign intelligence services, Agency personnel are often required by their hosts to conceal their CIA status.

Accordingly, virtually all CIA personnel serving abroad and many of the Agency's professional personnel in the United States assume a "cover." Their employment by the CIA is disguised and, to persons other than their families and coworkers, they are held out as employees of another government agency or of a commercial enterprise.

Cover arrangements frequently have substantial domestic aspects. These include the participation of other United States government agencies, business firms, and private citizens and creation and management of a variety of domestic commercial entities. Most CIA employees in need of cover are assigned "official cover" with another component of the federal government pursuant to formal agreements between the CIA and the "covering" departments or agencies. Where official cover is unavailable or otherwise inappropriate, CIA officers or contract employees are assigned "nonofficial" cover, which usually consists of an ostensible position with CIA-created and controlled business entities known as "proprietary companies" or "devised facilities." On occasion, nonofficial cover is provided for a CIA officer by a bona fide privately owned American business firm.

So-called "proprietary companies" and "devised facilities" are legally constituted corporations, partnerships, or sole proprietorships, owned by the Agency and operated by CIA personnel or contract employees.

Proprietary companies generally are commercial entities with actual assets. These not only provide cover for employees but also for activities or operations required to be performed by the Agency.

Devised facilities are created for cover purposes only, involve no investment of operating funds, and engage in no substantial economic activity.

A separate office of the Agency is charged with responsibility for ensuring that proprietaries and devised facilities comply in all respects with the laws of the state, county, or other jurisdiction under which they are organized.

The CIA utilizes the services of United States citizens with security clearances who are willing to assist with the necessary paperwork and serve as officers and directors of proprietaries and devised facilities. Citizens rendering professional services are paid their ordinary

fees, and all cooperating citizens are fully aware that their assistance is being rendered to the CIA.

Other than administrative activities necessary to maintain cover and the activities of the operating proprietaries discussed below, United States commercial entities formed by the Agency engage in no significant domestic activities. They do not engage in any meaningful economic activity in competition with privately-owned United States firms. Most CIA officers under nonofficial cover are stationed abroad.

Another aspect of the Agency's cover activities involves arrangements by which activities of the Agency are attributed to some commercial entity wholly unrelated to the Agency. Activities of this kind are funded and carried out in the same manner as many other Agency activities, and a high degree of security is maintained. The Commission's investigation in this area has disclosed no improper activities by the Agency.<sup>1</sup>

The functions of the office responsible for all CIA cover arrangements were substantially enlarged in 1973, in order to provide effective centralized control and supervision. That office operates pursuant to written regulations which restrict the use of certain agencies, departments or other organizations for operational purposes; these restrictions are applied also to the use of those organizations for "cover" purposes.

Among other restrictions are prohibitions on "cover" arrangements with the FBI, Secret Service, Drug Enforcement Administration (DEA), state and local police and other law enforcement bodies.

The Agency also is bound by restrictions on the operational use of members of ACTION, Fulbright Scholars and employees of certain foundations and of private detective agencies. The Agency interprets these as generally prohibiting the use of foundations and charitable and student organizations. In addition, approval of the Deputy Director for Operations is required for the use of certain other categories of individuals deemed sensitive.

One salutary effect of the recent enlargement of responsibilities has been the centralization and tightening of control over the issuance and use of alias documentation of the type provided by the Agency to

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<sup>1</sup> Among the suspected cover operations investigated by the Commission was the alleged operation by the Agency of the vessel, *Glomar Explorer*. A number of allegations have been published concerning this matter, including allegations of possible violations of Federal securities and tax laws. Since these matters are currently under investigation by appropriate regulatory bodies, the Commission has not investigated them.

E. Howard Hunt. Use of U.S. alias documentation, such as driver's licenses and credit cards, has been severely limited and requires approval of senior officers under the overall control of the Agency. Alias documentation may be issued to other agencies only with approval of the Deputy Director of Operations. All such documentation must be accounted for every six months.

In 1969 the statement of functions of the office responsible for cover arrangements was revised to eliminate the authority, formerly held, to use charitable organizations and individuals for inserting funds into organizations and programs supported by the Agency.

Finally, the occasional provision of cover to other agencies has been terminated.

Growing public familiarity with the Agency's use of cover has led to a tendency to identify many government and some private activities with the CIA—frequently without justification.

This has had an unfortunate tendency to impair the usefulness of some non-Agency related government activities. In addition, it has progressively tended to narrow available cover arrangements for the Agency.

### *Conclusions*

CIA's cover arrangements are essential to the CIA's performance of its foreign intelligence mission. The investigation has disclosed no instances in which domestic aspects of the CIA's cover arrangements involved any violations of law.

By definition, however, cover necessitates an element of deception which must be practiced within the United States as well as within foreign countries. This creates a risk of conflict with various regulatory statutes and other legal requirements. The Agency recognizes this risk. It has installed controls under which cover arrangements are closely supervised to attempt to ensure compliance with applicable laws.

### **C. Operating Proprietary Companies**

In addition to the proprietary companies created solely to provide cover for individual CIA officers, CIA has used proprietary companies for a variety of operational purposes. These include "cover" and support for covert operations and the performance of administrative tasks without attribution to the Agency.

It has been charged that certain of these Agency-owned business entities have used government funds to engage in large-scale com-

mercial operations, often in competition with American private enterprise. There was a limited factual basis for these allegations in the past, but the investigation has disclosed that the Agency has liquidated or sold most of its large operating proprietaries. The remainder engage in activities of limited economic significance, providing little if any competition to private enterprise.

By far the largest part of the Agency's proprietary activity consisted of a complex of aviation companies, including Air America, Southern Air Transport, and Intermountain Aviation, Inc. These companies, which at one time owned assets in excess of \$50 million, provided operational and logistic support as well as "cover" for the Agency's foreign covert operations, primarily in Southeast Asia.

The investigation has disclosed that some of the services provided by the air proprietaries were competitive with services of privately owned firms, both at home and abroad. However, most of the aviation companies have been liquidated or sold and the rest are expected to be disposed of shortly. This will end the Agency's commercial involvement in the aviation field. Proceeds of these liquidations and sales are not used by the Agency; they are returned to the United States Treasury as miscellaneous receipts.

Another major proprietary activity consisted of the operation of Radio Free Europe and Radio Liberty, which beamed broadcasts to Eastern Europe. These stations, originally owned and operated by the CIA, provided both facilities and "cover" for the CIA's educational and cultural activities.

Although these stations were funded by the CIA, they appealed for contributions to the public without disclosing their CIA connection.

However, ownership and control of these stations was turned over to the State Department, which operates them today without concealing the government connection.

The major remaining proprietary activity of the Agency involves a complex of financial companies. These companies enable the Agency to administer certain sensitive trusts, annuities, escrows, insurance arrangements, and other benefits and payments provided to officers or contract employees without attribution to the CIA. Their assets presently total approximately \$20 million, but the financial holdings of the companies are being reduced.

Most of these funds are invested abroad in time deposits and other interest-bearing securities. Less than 5 percent of these funds are invested in securities publicly traded in the United States, but these investments are being liquidated and the proceeds returned to the Treasury. At no time has one or any combination of these companies owned a controlling interest in any firm with publicly traded securi-

ties. The investigation has disclosed no evidence of any violations of law by the CIA in connection with the making or management of these investments.

The Agency continues to maintain a limited number of small proprietaries as well. Their purpose is primarily to provide cover for the activities of certain officers, agents, and contractors and to make nonattributable purchases of equipment and services. These companies are distinct from the so-called devised facilities in that they are engaged in actual commercial or professional activities, although of modest proportions. Generally, they have fewer than 10 employees.

The Agency also provides small amounts of subsidies and operational investments to firms engaged in activities abroad useful to its missions.

With few exceptions, the CIA's operating proprietaries have been unprofitable and have required continuing budgetary support. Revenues derived from operations have been offset against operating costs. Only two proprietaries are reported to have generated significant profits: Air America in the performance of United States government contracts in Southeast Asia, and several of the financial companies in return on investment. In both cases, profits were, in the past, retained for use by the proprietary companies pursuant to the General Counsel's opinion that these funds need not be returned to the Treasury.

The creation, operation and liquidation of operating proprietaries is closely controlled by high Agency officials. All such projects must have the approval of the Deputy Director of Operations or his assistant. Sensitive or substantial cases must be approved by the Director of Central Intelligence. Each requires an administrative plan which must have the concurrence of the Deputy Director of Operations, the Office of General Counsel, the Office of Finance and certain other senior officers. Expenditures or reimbursements must be approved by responsible senior operating and finance officers. All projects are subject to annual review as a part of the budget process and regular audits are made.

A related activity of the Agency has been to support foundations, principally the Asia Foundation, which also served as both a vehicle and cover for educational and cultural activities abroad. The Agency's connection with that foundation has been terminated.

The Agency in the past has also provided a lesser measure of support to other foundations and associations thought to be helpful to its mission. A prime example was the National Student Association, which sponsored American students who participated in international meetings and activities. Until 1967, when *Ramparts* magazine revealed the fact, CIA offered some support to that activity. A resulting

report by a committee under then Deputy Attorney General Nicholas DeB. Katzenbach led to directions to CIA to terminate support of American foundations and voluntary associations. So far as the Commission has been able to determine, the Agency has complied.

### *Conclusions*

Except as discussed in connection with the Office of Security (see Chapters 12 and 13), the Commission has found no evidence that any proprietaries have been used for operations against American citizens or investigation of their activities. All of them appear to be subject to close supervision and multiple financial controls within the Agency.

#### **D. Development of Contacts With Foreign Nationals**

Another significant domestic activity of the CIA consists of efforts to develop contacts with foreign nationals who are temporarily within the United States. This activity is within the United States, and its primary purpose is to develop sources of information. As far as the Commission can determine, coercive methods, such as blackmail or compromise, have not been used.

The CIA enlists the voluntary assistance of American citizens in its efforts to meet and develop contacts with foreign nationals. These citizens are not compensated for their services, but may be reimbursed for any expenses they incur. They are fully aware that they are assisting or contributing information to the CIA. At all times, they are free to refuse or terminate their cooperation.

Prior to requesting the aid of an American citizen in this manner, the Agency occasionally obtains a name check through its Office of Security, but does not otherwise investigate such persons. In most cases it will maintain a file on such an individual containing biographical information and a brief history of the person's cooperation with the division. No records are kept by this division with respect to persons who decline to assist the Agency.

Under a written agreement with the FBI, any information of an internal security or counterintelligence nature which comes to the division's attention in the course of these activities is immediately referred to the Bureau.

The Commission's investigation has disclosed no evidence that the division in question has been used to collect information about American citizens or their activities at home or abroad.

Until recently, the Agency component with responsibility for developing contacts with foreign nationals was known as the Domestic Operations Division. The Commission has made an investigation of recent press allegations that, during the late 1960's, the New York office of the Domestic Operations Division conducted covert activities against emigré and dissident groups, including wiretapping, break-ins, surveillance, infiltration and preparation of psychological profiles. The investigation has disclosed no evidence to support these allegations nor any evidence that the division engaged in such activities elsewhere.

### ***Conclusions***

These activities appear to be directed entirely to the production of foreign intelligence and to be within the authority of the CIA. We found no evidence that any of these activities have been directed against American citizens.

### **E. Assistance in Narcotics Control**

Through the Directorate of Operations, CIA provides foreign intelligence support to the government's effort to control the flow of narcotics and other dangerous drugs into this country.

Inasmuch as arrest and prosecution of traffickers, including American citizens, is a necessary element of narcotics control, concern has been expressed that CIA's participation in the control effort involves the Agency in domestic enforcement activities expressly excluded from the CIA's authority.

The Commission's investigation has disclosed that the CIA has attempted to insure that it does not thus become involved in the exercise of police or law enforcement powers or in other activities directed against American citizens, either within the United States or overseas.

CIA's involvement in the narcotics field began in October 1969 with President Nixon's formation of the White House Task Force on Narcotics Control. The Task Force was given the mission of formulating and implementing a program to stem the increasing flow of heroin and opium into the United States. The Director of Central Intelligence was appointed to the Task Force and CIA was requested to use its existing intelligence gathering apparatus—to the maximum extent possible—to provide narcotics-related intelligence to other agencies who in turn were involved in diplomatic, enforcement and treatment initiatives coordinated by the Task Force.

In September 1971, President Nixon elevated narcotics control to a

higher priority, establishing the Cabinet Committee on International Narcotics Control (CCINC) to succeed the Task Force. The CCINC was charged with responsibility for properly coordinating all United States diplomatic, intelligence and enforcement activities aimed at curtailing the flow of illegal narcotics and dangerous drugs into the country. The Director of Central Intelligence was appointed as a member, and the Agency was promptly delegated responsibility for coordinating all United States clandestine foreign intelligence gathering with respect to narcotics.

In addition to coordinating clandestine collection, the CIA provided the other components of the CCINC with a wide range of foreign intelligence information directed at two basic objectives:

- To convince foreign nations to curtail production and trafficking; and
- To provide foreign and domestic law enforcement agencies with the identities and methods of operation of the major foreign drug traffickers.

To this end, the CIA cooperated with the Drug Enforcement Administration in the establishment of the Major International Narcotics Traffickers (MINT) Register, a list of major foreign traffickers, and a related system for collating intelligence information about them.

The Commission's investigation disclosed that, from the outset of the Agency's involvement in the narcotics control program, the Director and other CIA officials instructed involved personnel to collect only foreign intelligence and to make no attempt—either within the United States or abroad—to gather information on American citizens allegedly trafficking in narcotics.

These instructions appear to have been respected. Indeed, at CIA insistence, the names of American citizens are excluded from the MINT Register. However, the identities of Americans allegedly trafficking in narcotics or information with domestic law enforcement implications is unavoidably obtained by CIA in the course of its foreign intelligence activities. The Agency has established written procedures for the prompt dissemination of this information to the appropriate law enforcement agencies at the local level. The information is not retained in CIA files.

For a period of approximately six months, commencing in the fall of 1973, the Directorate monitored telephone conversations between the United States and Latin America in an effort to identify foreign drug traffickers.

The intercept was undertaken at the request of the National Security Agency and was not conducted by the CIA component with responsibility for narcotics intelligence collection.

A CIA intercept crew stationed at an East Coast site monitored calls to and from certain Latin American telephone numbers con-

tained on a "watch-list" provided by NSA. Magnetic tapes of narcotics-related conversations were then furnished to NSA. While the intercept was focused on foreign nationals, it is clear that American citizens were parties to many of the monitored calls.

The General Counsel of CIA was not consulted until approximately three months after the program was commenced. He promptly issued an opinion that CIA's conducting the monitoring program was illegal, and the program was immediately terminated.

All of the CIA's clandestine collection with respect to narcotics is conducted overseas. A limited amount of overt collection of this information is conducted within the United States, focusing primarily on economic, agricultural and scientific information, most of which is obtained from legal drug manufacturers.

In addition to the gathering of foreign intelligence, the CIA has provided a limited amount of technical or other operational assistance to the Drug Enforcement Administration (DEA). On frequent occasions, and in response to requests from this agency, the CIA has provided various types of electronic and photographic equipment, alias documentation, and loans of "flash money" for use by enforcement agents to establish bona fides with narcotics dealers. The CIA has also conducted a very limited number of training sessions for federal narcotics agents covering such subjects as the use of intelligence and operational techniques for clandestine collection.

The Agency has adopted and apparently adhered to strict controls on the rendering of technical assistance or issuance of alias documentation to DEA. Such materials are issued only for use in investigation of illicit narcotics activities overseas, and DEA is required to conform to all CIA regulations governing requests for and use of such items. All requests for alias documentation must be approved by the Deputy Director for Operations and both DEA headquarters and the user of the documents must sign receipts. The CIA requires that both equipment and alias documentation be promptly returned. In most cases, DEA requests for assistance have been made and honored overseas where DEA has lacked the necessary facilities and technical expertise. The number of these requests has decreased sharply as DEA has developed its own technical capabilities.

### *Conclusions*

Concerns that the CIA's narcotics-related intelligence activities may involve the Agency in law enforcement or other actions directed against American citizens appear unwarranted.

The monitoring of telephone calls, while a source of valuable in-

formation for enforcement officials, was a violation of a statute of the United States. The fact that before the operation was halted it was conducted for over three months without the knowledge of the Office of the General Counsel demonstrates the need for improved internal consultation. (See Recommendation 10).