Included in this folder are miscellaneous items, including the following:

Chuck Briggs' submission, including support of the Committee on narcotics

Review of Minutes of Morning Meetings

Agency funding of heroin study.

Tom Parrott's involvement with David Young

Cary's memo on briefing of Special Subcommittee on Intelligence Of House Armed Services Committee (this relates to the McCord letters to the Agency)

Broe's report of his and Colby's meeting with Nedzi
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MEMORANDUM FOR: Inspector General

SUBJECT : Use of Disguise Materials and Alias Documentation Within the U.S.

REFERENCE : Memo dtd 30 May 73 to DTR fm [_____] Subj: Issuance of Disguise Materials for Probable Use Within U.S. or It's Territories

1. The Associate Deputy Director for Operations has asked that we give you a detailed report of the actual use that the Office of Training has made within the U.S. of all disguise materials and alias documentation we have obtained for our staff members and students.

2. **Disguise Materials**

   OTR has obtained from OTS disguise materials - including glasses, wigs, mustaches, and special shoes to increase height - for 12 staff instructors at the Domestic Training Station. The purpose of these materials is to increase the difficulty that students in the Basic Operations Course and Advanced Operations Course will have in recognizing instructors during problems and exercises conducted [_____] near DTS. Exercises include surveillance, countersurveillance, brush passes, and dead drop problems in which instructors monitor student activity. These exercises are run under carefully controlled conditions only in areas where adequate liaison exists with local authorities to avoid any flap should difficulty arise during an exercise.
3. Alias Documents

U.S. alias documents consisting primarily of business and social cards, but also including drivers' licenses and social security cards, have been used for more than a year by students such use is limited to establishing bona fides, if required, during the human assessment problem that is a part of the comprehensive exercise.

At the conclusion of the course, the alias documents are collected from the students and returned to OTS. Again, these documents are used only under carefully controlled conditions in an environment where adequate liaison with local authorities exists to contain any fap; and the documents are used only for the purposes stated.

4. A thorough canvass of all elements of OIR discloses no other instance in recent years in which we have used disguise materials or alias documentation within the U.S. or obtained such materials for that purpose.

Director of Training

cc: ADDO
MANDUM FOR:

HAS

Sewer 512

00315 (DATE)
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<th>Deputy Chief, WH Division</th>
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MEMORANDUM FOR THE RECORD

SUBJECT: John Dean Allegations to Newsweek Magazine

1. Mr. William Jorden, the Latin American referent on Dr. Kissinger's Staff, called today in reference to State cable No. 112189, dated 11 June (attached). He said that he had specific reference to paragraph 2 of that cable and would like to have "everything and anything we know" on that subject in the Agency.

2. The undersigned indicated to Mr. Jorden that he had checked out the allegation that some low level White House officials had considered assassinating Torrijos when the story first appeared in Newsweek and despite checking outside WH Division also, could find no one in the Agency who could recollect or find anything relating to such a plan on the part of any portion of U.S. officialdom. I told him that I felt sure that nothing of this nature had come to WH Division's attention because for the period in question I had been Deputy Chief of WH Division and had heard nothing about any such plan. Mr. Jorden asked if the Agency knew anything about Howard Hunt having had a team in Mexico "before the mission was aborted" and I indicated that as far as I knew, the Agency had no information on Hunt being in Mexico on such a mission. I also indicated, however, they could have been and the Agency might well not know it simply because he could have used an alias and he is an American citizen, which is outside the Agency's province and really the FBI's business. I suggested that it might be best if he checked the FBI on that particular angle. Subsequently I checked with Mr. William V. Broe, the IG, and Mr. John Horton, recently returned
and both indicated that they had not run across any information concerning this latter allegation of Hunt and a team in Mexico on a mission related to Panama.

3. It was apparent that Mr. Jorden was under some pressure to refute these allegations and was casting about in all directions to make as certain of his ground as he possibly could before he tried to do so.

Attachment:
As Stated Above
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RUEHC 2189, 162132
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1113212 JUN 73
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LPAU SSOUTHCOM IMMEDIATE
CLAS STATE 112189

O. 11652; N/A
GS: PFOR, PN
SJECT: ALLEGATIONS MADE BY JOHN DEAN TO NEWSHEEK MAGAZINE

THE FOLLOWING IS EXCERPTED FROM A FRONT PAGE ARTICLE ON TODAY'S NEW YORK TIMES WHICH REPORTS ON ALLEGATIONS DE BY JOHN DEAN TO NEWSHEEK MAGAZINE.

"SOME "LOW-LEVEL" WHITE HOUSE OFFICIALS CONSIDERED ASSASSINATING PANAMA'S RULER OMAH TORRILLOS, BECAUSE THEY SUSPECTED THE INVOLVEMENT OF HIGH PANAMANIAN AUTHORITIES IN ROIN TRAFFIC AND BECAUSE THEY FELT THE GOVERNMENT HAD BEEN UNCOOPERATIVE ABOUT RENEGOTIATING THE PANAMA CANAL TATY. E. HOWARD HUNT JR., A LEADER OF THE WATERGATE RQLARS, HAD A TEAM IN MEXICO "BEFORE THE MISSION WAS ORTED," NEWSHEEK SAID."

RUSH

DOCUMENT AS REFERRED TO

00319
OFFICIAL ROUTING SLIP

TO: NAME AND ADDRESS
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4. "Jewels" - where
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DIRECT REPLY
PREPARE REPLY
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Remarks:

Cy to

00320

FROM: NAME, ADDRESS AND PHONE NO. DATE
O/E S/MC 6/7/73

UNCLASSIFIED
CONFIDENTIAL
SECRET

FORM NO. 237 Use previous editions
MEMORANDUM FOR: L G

For the record -

1/7/73

(DATE)

00321

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.
Chilean Break-Ins Puzzle

By MICHAEL C. JENSEN

One unsolved puzzle that Watergate investigators are wrestling with is the identity of intruders who broke into the offices and residences of Chilean diplomats in Washington and New York at least four times from April, 1971 to May, 1972.

Four break-ins against Chileans took place in the 14 months immediately preceding the break-in at the Democrats' Watergate headquarters last June. They also occurred at a time when the Chilean Government was negotiating with the International Telephone and Telegraph Corporation over compensation for Chile's takeover of ITT's telephone subsidiary.

Because of far more sensational disclosures, Watergate investigators have not actively pursued the Chilean case in recent weeks, beyond asking a question or two about the breaking and entering of the Watergate burglars.

However, Senate investigators have informed both the Senate Watergate committee and the Watergate prosecutors in Washington about the details of the four break-ins at the offices and residences of the Chileans.

Occurred in New York

Furthermore, a member of the special intelligence unit of the New York Police Department has reported told the official that the three break-ins that occurred in Manhattan were no routine burglaries. And investigators in Washington said that the four break-ins had followed similar patterns.

They were apparently done by professionals, with a few items taken to make the break-ins appear to be burglaries, investigators said. Other valuable items were left behind, however, and sensitive papers were disturbed, possibly in the course of being photographed. Investigators reconstructed the break-ins as follows:

Then, a first known break-in occurred on the afternoon of April 5, 1971 at the Manhattan residence of Humberto Diaz-Casas-Casas in New York, the Chilean ambassador to the United Nations. The ambassador reportedly told the police that the intruders had stolen such items as a hairdryer and a pair of books and disturbed

The next break-in was said to have taken place six days later at the East 38th Street apartment in Manhattan of Javier Urrutia, president of the Chilean Development Corporation and a close economic adviser to Chile's president, Dr. Salvador Allende Gossens.

Pistol Stolen

Mr. Urrutia told the police that a 25-caliber Beretta pistol had been stolen. However, a fur coat in a closet was reportedly untouched. Government papers were said to have been disturbed, and chewing gum was dropped into the apartment's lock, a familiar practice of professional intruders that gives them time to escape if they are surprised during the course of an entry.

The third reported break-in took place on Feb. 10, 1972. Investigators said, at the New York residence of Victor Rincon, former Chilean official at the United Nations. A radio and a television set were reportedly stolen and papers disturbed.

The fourth and most publicized break-in took place over the weekend of May 13, 1972, at the Chilean Embassy in Washington, D.C. Mr. Urrutia and his first secretary, Fernando Bachelet, were reportedly rifled and two radios taken.

Chilean officials have been ordered by their Government not to discuss the matter, but sources close to the case said that the former Chilean ambassador, Orlando Letelier, had confirmed that the Washington intruders apparently were seeking sensitive Government documents.

Speculation by Investigators

Capitol Hill investigators have speculated that the intruders might have been seeking evidence of links between Cuba and Chile, or looking for politically sensitive documents relating to the takeover by Chile of I.T.T. properties.

No evidence has turned up that members of the team that broke into the Watergate were involved in the entries, although hints that they may have participated have come from the authorities in Florida.

First reports about a break-in at the Chilean Embassy began to circulate in Miami a week or so after the Watergate break-in of June 17, 1972, and there was speculation that the two might have been related. That link, however, has never been proved, and some investigators doubt that it exists.

One explanation offered for the Chilean break-in was that if any Cuban-Americans participated, as was the case at the Watergate, they might have been looking for documents that would indicate collusion between the Chilean and Castro governments.

Shortly after the speculation began in Miami, Chilean officials acknowledged that some of the break-in and reported it to the city police, who started an investigation that has been inconclusive.

Earlier this month, a Cuban named Felipe de Diego was interrogated by State Attorney Richard E. Gerstein in Florida regarding participation in the break-in at the offices of Dr. Daniel Ellsberg's psychiatrist, in Los Angeles.

He and his attorney indicated that, if granted immunity, Mr. de Diego might shed new light on other surreptitious operations in Washington. Investigators in Miami later indicated that these operations might include the Chilean break-in or break-ins.
25 May 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Disposal of Classified Trash for the National Security Council (NSC)

1. A memorandum for the record by the Executive Officer of the Office of Logistics points out that this Agency is disposing of classified trash for the NSC. The material contains documents from the White House Situation Room, "codeword and other" documents from the intelligence community. This practice began in December 1971 and is still in effect. Pick-up of 30 bags of trash is made each Thursday.

2. Under normal times and circumstances such a routine matter would not be raised, but given the recent furor caused by the destruction of documents by the Acting FBI Director Patrick Gray it is felt that the matter should at least be highlighted for further consideration.
TOP SECRET

IN CONSIDERATION when blank. TOP SECRET when attached to Top Secret Document. Automatically downgraded.

CONTROL AND COVER SHEET FOR TOP SECRET DOCUMENT

O/IG

DOC. NO. 1

DOC. DATE 30 May 1973

COPY NO. 1

NUMBER OF PAGES 1

(TS 185228/72/2 & TS 185228/72/3)

ATTENTION: This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, destroyed, or declassified. Access to Top Secret materials is limited to Top Secret Control personnel and those individuals whose official duties relate to the matter. Top Secret Control Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

REFERRED TO: Mr. Colby

RECEIVED: By HAND

RELEASED: 6/17/73

SEEN BY: w. e. cove. inc. 6/17

6/17/73

(copies of

version, revised

to eu.f. af)

6/17/73

OFFICE: DISPATCHED (OUTSIDE CIA)

DEGRADED: 6/17/73

SIGNATURE: (Signature)

DATE: 6/17/73

OFFICE: D. W. E. C. 6/17

SIGNATURE: (Signature)

DATE: 6/17/73

OFFICE: D. W. E. C. 6/17

SIGNATURE: (Signature)

DATE: 6/17/73

TO: S. J. M. C. 6/17
MEMORANDUM FOR: Mr. William E. Colby

SUBJECT: MUCHAOS and

I call to your attention the attached sensitive annexes to our 1972 report of survey of SUR Division. You have seen them before, but a fresh look at them might be in order in the light of current developments. The recent revelations about the activities of the Intelligence Evaluation Committee are getting close to our MUCHAOS program. We are particularly concerned about MUCHAOS because of the high degree of resentment we found among many Agency employees at their being expected to participate in it.

William V. Broe
Inspector General

Attachments (SEE GREEN FOLDER)
TS 185228/72/2, 9 Nov 72
TS 185228/72/3, 9 Nov 72
### PD/MS Requirements - Kidnapping Incident

**FROM:** Howard J. Osborn  
Director of Security  
Room 4-E-50  
Headquarters

**TO:** (Office designation, room number, and building)

**DATE**

**OFFICER'S INITIALS**

**COMMENTS** (Number each column to show from wh. to whom. Draw a line across column after each comment)

| 1. | Deputy Director for Mgmt. & Services | 1/23/67 |
| 2. |  |
| 3. |  |
| 4. |  |
| 5. |  |
| 6. |  |

1. **For Your Information**

   Harold - This is supplemental. We may have more as our dope goes. We need to clear this up. Let me know when we can meet.

   OZ

2. Clear P.

   Let me have a burg copy.
MEMORANDUM FOR: Deputy Director for Management and Services

FROM: Director of Security

SUBJECT: DD/M&GS Requirements - Watergate Incident

1. This memorandum is for information only.

2. In July 1971, the New York Times featured an article under the by-line of William Beecher which contained an exposition of the then current status of the Strategic Arms Limitation Talks (SALT). It was evident from this delineation of these talks that William Beecher had obtained the information from highly classified U.S. Government documents or from a person or persons having had access to such documents.

3. In this regard, Mr. Egil E. Krogh, Jr of the White House telephonically contacted the Director of Security of this Agency and requested that this Agency provide a polygraph examiner to conduct polygraph tests on four Department of State employees. In conjunction with Mr. G. Marvin Gentile, Deputy Assistant Secretary for Security, Department of State, this Office arranged for a polygraph examiner to conduct these examinations but with no CIA involvement to be acknowledged. In other words, this Office loaned the polygraph examiner to the Department of State and the polygraph examinations were conducted for Mr. G. Marvin Gentile.

4. This Office in 1970, requested approval to have disguise kits issued to approximately fourteen people. The disguise kits were never issued for operational
purposes, but they were issued for practice surveillance to train local field office personnel in their use. Of these fourteen disguise kits, four were returned to the Office of Technical Services.

5. In regard to other activities that this Office has conducted domestically, the following two projects are submitted:

A. Project WESTPOINTER: In September 1969, February 1970, May 1970, and October 1971, a project, similar to Project SRPOINTER, was conducted by the Office of Security, East Asia Division, and the Office of Technical Services in the San Francisco, California, area. The target was mail to the United States from Mainland China.

6. ___________________________ an Office of Security employee, who will retire effective 29 June 1973, had a chance meeting with Mr. James W. McCord, Jr. on 24 May 1973 near the Senate Office Building. According to Mr. ___________________________ the substance of the chance meeting was an exchange of pleasantries.

Howard J. Osborn
Director of Security

00329
SDS and other student activist groups

CCI produced in December 1967 at Walt Rostow's request a 30-page typescript study of the SDS and its foreign ties.

In the summer of 1968 CCI produced—again at Rostow's request—a paper on Restless Youth. The first, and most sensitive section, was a philosophical treatment of student unrest, its motivation, history, and tactics. It drew heavily on overt literature and FBI reporting on SDS and affiliated groups. The second section comprised 19 chapters on foreign student dissidence.

Pages 11 & 12 Black radicalism

CCI began following Caribbean black radicalism in earnest in 1968. Two papers were produced on the subject; one in August 1969 and the other in June 1970.

CCI was asked in June 1970 to write a memo with special attention to links between black radicalism in the Caribbean and advocates of black power in the US. The memo was produced in typescript and given to the DCI.

CCI in 1968 wrote periodic typescript memos on Stokely Carmichael's travels abroad during a period when he had dropped from public view.
Prohibition against COMINT vs. US citizens

In September 1972, the United States conducted a number of trials to test the capabilities of COMINT to intercept certain HF long-distance commercial telephone circuits between the US and South America. The circuits carried drug-related traffic. The tests were successful. The activity was terminated on 30 Jan 73 following GSC determination that they were illegal.

We conduct an intercept operation in targeted on radio telephone conversations these intercepts contain a large number of unrelated conversations often involving US citizens.

Testing in the US of GRO-developed electronic collection systems occasionally result in the collection of domestic telephone conversations. When the tests are complete, the intercepted material is destroyed.

CIA technicians conducted tests in the Miami area in August 1971 of DF gear intended for use against a Soviet agent in South Vietnam. While wholly innocuous, the tests provoked the holding of the conventions there and could be construed as being somehow related to them.

In February 1972 CIA asked an official of AT&T for copies of telephone call slips relating to US-China calls. The operation lasted for three or four months and then dried up. GSC stated its belief that the collection of these slips did not violate the Communications Act since eavesdropping was not involved.

Mail coverage

Since 1953, CIA has operated a mail intercept program of incoming and outgoing Russian mail and, at various times, other selected mail at Kennedy Airport in New York City. This program is now dormant pending decision on whether to continue or to abolish it.
TSD has had a close working relationship with the FBI over the past few years. The FBI is the only organization that has been fully briefed on TSD audio techniques and equipment. The following are situations where TSD equipment and guidance were involved in operations:
(G) TSD has furnished equipment items which constitute an on-the-shelf capability to engage in photo and audio surveillance operations which might not be known to the Agency. In one case it is known that a relatively unsophisticated device was used against a domestic target.
A paper produced in December 1967 at Jolt Factor's request. It is the first draft of a comprehensive study of the SDS and its foreign ties.

The study of 1967, also produced in December, is a paper on Black Radicalism. This paper included a sensitive section that was edited before being published. It focused on the internal operations of SDS and its affiliated groups. The second section comprised chapters on foreign student dissidence.

Pages 11 and 12: Black Radicalism

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ATTACHMENT

FEDERAL BUREAU OF INVESTIGATION

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10 July 1973

I talked with Ben Evans after the morning meeting today, about the skeleton assignment, mentioned yesterday morning by Mr. Colby. We and I both understood it to be a status report on where these items stand. I had spoken with Mr. Colby yesterday afternoon and gathered that it was based on the Nezai briefing.

I proposed, and he agreed, that we prepare a status report on where the items covered in the Nezai briefing stand now. A separate section would cover those things not included in the Nezai briefing. He got the rough notes dictated by Mr. Colby on tape and transcribed. I had xeror copes made and returned the originals to

When reviewed the Colby noted, it became apparent that he was issuing instructions on what to do with the various items. This, in effect, pre-empted the status report we were preparing. I phoned Evans, saying that this was the case and that we proposed simply to edit the material for Colby (Colby had told me he planned to send it to us for editing after reviewing it himself). Evans said he would put a note on the papers telling Colby of this.

SDB
MEMORANDUM FOR:

Pls find out where
the two notes
refer to - Maybe
DDO files will show

23 MAY 1973

(DATE)

00342
W. E. Covy

5/23

Remarks:

See second sheet of notes in your copy only. Do not know if this was related in any way. We have no details in OP-3 or DCF- approved expenditure.

00343

FROM: Charles A. Briggs, D/PPB

DATE: 5/23/73

UNCLASSIFIED

CONFIDENTIAL

SECRET
MEMORANDUM FOR: Deputy Director for Management and Services

SUBJECT: Watergate Principals - Direct or Indirect Involvement

1. This memorandum responds to the Director's request for a report of any involvement in any capacity since 1 January 1969 with Messrs. Hunt, McCord, Liddy, Young, or Krogh.

2. I have had none with Hunt, Liddy or Young.

3. My McCord contact was indirect and occurred sometime during the late 1960's when I was Director, Office of Computer Services. I opposed plans for Technical Division, Office of Security (under Mr. McCord) to acquire a separate computer for its In-Place Monitoring System. Of DD/S&T (then ORD) was the computer individual working with ID and, I think, would have details.

4. The Krogh contact also was indirect and involved his request, first through OMB, that CIA fund foreign travel on behalf of the Cabinet Committee on International Narcotics Control. Individual phone discussions are noted in the attached. The Agency focal points were [redacted] and [redacted]. I understand [redacted] has forwarded relevant documentation. Copies of memoranda from Messrs. Krogh, [redacted] and Colby are attached also.

5. I held a staff meeting yesterday to pass the request to all OPPB employees. One officer who was attending a funeral will not be available until tomorrow.

\[signature\]

/s/ Charles A. Briggs
Director of Planning, Programming, and Budgeting

Attachment
As stated

SECRET
Attachment
23 May 1973

4 Feb 72 Call from Jim Taylor, OMB re "Bill" Krogh and his deputy, Walter Minnich, of the Domestic Council who plan foreign travel in connection with their narcotics interests. Jim was alerting us to their intention to ask us for funds for the travel.

7 Feb 72 Follow-up from Taylor: Plan 3-5 trips for 3 individuals—all in FY 72. Cost probably $10K. Minnich ready to make first trip. is plugged in. ExDir said OK re Tehran visit.

7 Feb 72 See attached memo from Egil Krogh, Jr. to Bill Colby and follow-on memos from (21 Jul 72) and Colby (2 Aug 72).

12(?) May 72 John Hurley, OMB called, mentioning possible Krogh/Minnich attendance at a Latin American (Station Chief?) conference on narcotics. He also said Jeff Shepherd, White House, was laying on a tip with for himself, Shepherd and Mark Alger, OMB to Europe.

23 Jun 72 commented on Krogh/Minnich interest in getting CA activities, including large-scale PM, on narcotics front.

6 Jul 72 called. Notes say only: "Minnich-Hurley film. We will send."

2 Aug 72 called re Colby letter (attached). Said travel orders ready; need money this PM (No record in my notes as to who was traveling when, but have faint recollection of its being to Mexico City). and Ben Evans contacted by

1 Nov 72 Related? call. Again notes are cryptic:
Survey ENDD problems/ Mexico.
On Mr. Colby's copy only:

13 Jan 72    ExDir (Colby) said DCI had approved $30K for sensitive CS project - no details.

20 Jan 72    Reminded ExDir re $32K he said DCI OK'd.
MEMORANDUM FOR BILL COLBY

SUBJECT: BUDGETARY SUPPORT FOR THE CABINET COMMITTEE ON INTERNATIONAL NARCOTICS CONTROL

The Cabinet Committee on International Narcotics Control was created September 7, 1971, by the President to centralize his attack on the international drug traffic.

The Committee does not have a separate budget.

Salary and administrative support for its small, full-time staff has been provided by the Executive Office of the President. Other expenses are being charged to the constituent agencies and departments.

The Bureau of Customs, BNDD, and AID/Office of Public Safety have provided support to date.

The CIA should be prepared to defray not more than fifteen thousand dollars in overseas travel expenses for Cabinet Committee staff during the remainder of FY-1972.

Walter C. Minnick, the Committee's Staff Coordinator, can be contacted for further details.

Thank you for your assistance.

Egil Krogh, Jr.
Egil Krogh, Jr.
Executive Director
Cabinet Committee on
International Narcotics Control

CC: John Ehrlichman
    Assistant to the President for Domestic Affairs
Mark Alger
    OMB, Chief, General Government Programs Division
    CIA Representative, CGINC Working Group
MEMORANDUM FOR: Deputy Director for Plans

SUBJECT: Fiscal Year 1973 Budgetary Support for the Cabinet Committee on International Narcotics Control (CCINC)

REFERENCE: Memo to ExDir frm C/DDP/NARCOG std 21 July 1972; same subject

1. This is in response to the referenced memo regarding use of CIA funds to cover travel expenses for the White House Cabinet Committee Staff for Fiscal Year 1973.

2. You are authorized to obligate up to $15,000 for the use of the White House Cabinet Committee Staff for travel expenses during FY 1973. Obligation should be recorded against the O/DDP allotment and travel orders issued against your own appropriate fund number.

3. To the extent that you are unable to absorb this requirement within your present allotment, we will have to arrange some reprogramming later in the year to cover this unbudgeted item.

/2/

W. E. Colby
Executive Director-Comptroller

O/PPB/ [Redacted] 00348
Distribution: Orig & 1 - addressee
1 - ExDir
1 - ER
1 - PPB Subj (BMS)
1 - O/F
1 - Reading
2 - Chrono
21 July 1972

MEMORANDUM FOR: Executive Director - Controller

VIA: Deputy Director for Plans

SUBJECT: Fiscal Year 1973 Budgetary Support for the Cabinet Committee on International Narcotics Control (CCNC)

1. At our invitation, Mr. Walter C. Minnick, Staff Member of the CCNC, is scheduled to attend and participate in the Regional Narcotics Seminar sponsored by WH Division on 27-28 July 1972.

2. In accordance with procedures adopted for travel of White House Cabinet Committee Staff in FY 1972, it is requested that funds to cover the cost of Mr. Minnick's trip be released. Attached herewith is a copy of a formal request from Mr. Egil Krogh dated 7 February 1972 to Mr. William Colby requesting travel funds for the balance of FY 1972. Mr. Krogh is now preparing a formal request for $15,000.00 to cover travel expenses for White House Cabinet Committee staff for FY 1973. I will forward this request to your office as soon as it arrives.

Attachment: A/S

C/DDP/MARCOG
MEMORANDUM FOR: Mr. Colby

SUBJECT: Review of Minutes of Morning Meetings

Per your request relayed through Ben Evans, we have read the minutes of the Director's morning meetings covering the period from 1 July 1970 through 31 March 1973 looking for items appearing to relate in any way to Watergate, the "plumbers," Agency involvement in the nominating conventions, or any other sensitive matters surfaced in the course of our present inquiries. We sifted rather finely and ended up with some 25-30 pages of material that we have in rough typescript. I doubt that it is worth while typing them in final, since you would be little enlightened by wading through them. We gave Ben Evans a copy at his request. The following are highlights:

There are about 25 entries during July and August 1971 relating to the Pentagon papers.

3 September 1970

The Director noted a 1 September memorandum from John Bross on Daniel Elsberg (sic). He asked the DDS to lift his clearances and to make this fact known in security channels.

23 December 1970 (DDCI in the chair)

Executive Director called attention to the President's 21 December memorandum on "Disclosures of Classified Information and Coordination and Clearance of Official Statements," which is believed to be the result of representations by the Director and Admiral Anderson. Executive Director said that he will meet with selected Executive Committee Members next week to discuss the memorandum's implications and to develop recommendations for action by the Director in view of the special responsibilities placed on him by the President.
8 July 1971

DDCI reported that John Ehrlichman had telephoned to advise us that the White House is appointing former CIA employee Howard Hunt as a security consultant.

Another account of the Morning Meeting of this date reads:

It was also announced that Howard Hunt has been named security consultant to the White House. General Cushman told Ehrlichman that Mr. Hunt would have full cooperation from CIA.

16 July 1971

Carver said that was most appreciative of the time which Houston spent with him yesterday.

22 July 1971 (the day Howard Hunt came to see General Cushman)

Carver highlighted his session yesterday with NSC staffer David Young, who is assisting John Ehrlichman in reviewing the secret Pentagon papers.

18 August 1971

A-DDP noted that he has reported to White House staffer David Young on the results of the Deputy Director of Security's survey of those who saw the classified assessment upon which Tad Szulc based his 13 August article.

11 November 1971

In response to the Director's question Carver said that some work requested by John Ehrlichman is pending. The Director asked to be filled in later on the details.

18 January 1972

DDI called attention to the article in today's New York Times, "Nixon Acts to End Security Leaks." (Except from the article; "Last July, two members of the White House staff, David R. Young of the National Security Council and Egil Krogh, Jr., of the Domestic Council, were asked to investigate earlier leaks and prevent recurrences.")
8 February 1972

DDI noted the article by Michael Getler in today's Washington Post, "New Spy Satellites Planned for Clearer, Instant Pictures." Later in the meeting the Director asked the DDS to advise the Director of Security to undertake an investigation of this leak of EOI-related information and to convene the USIB Security Committee.

11 February 1972

The Director reminded Executive Committee members of Dr. Kissinger's request that any inquiries from elements of the White House staff be referred to his staff for conveyance to the Agency.

16 February 1972

Lehman noted plans to continue briefing Attorney General Mitchell, whose resignation is effective 1 March.

6 March 1972

The Director noted his memorandum to the Deputies and Independent Office Hearings, subject: "Allegations of Assassinations." He asked that it be mentioned at Staff Meetings.

21 March 1972

The Director said that the President has seen his February memorandum on reducing disclosures of classified intelligence and directed the White House staff to prepare a memorandum urging that all agencies comply with proper disclosure procedures.

8 June 1972

Houston said that he will be attending a meeting called by DOD General Counsel Buzhardt, who is recommending that Justice drop the case against Daniel Ellsberg.
19 June 1972

The Director noted the 17 June arrest of James W. McCord and four others who were apprehended at the Democratic National Committee headquarters at the Watergate. With the Director of Security present to provide biographic details, the Director made it perfectly clear that responses to any inquiry with respect to McCord or Howard Hunt, who may be implicated, are to be limited to a statement that they are former employees who retired in August and April 1970 respectively. The Director asked that this guidance be disseminated via staff meetings. The Director asked that any inquiry from other elements of the government be referred to the Director of Security who is to be the focal point. Inquiries from the press are to be referred to Mr. Unumb who may say that McCord worked in the Office of Security. The Director noted that we have no responsibility with respect to an investigation except to be responsive to the FBI's request for name traces. It was noted that Howard Hunt may have done some work since retirement in connection with the preparation of supporting material for some awards. The Executive Director was asked to review this topic and report to the Director.

20 June 1972

In response to the Director's request, the Director of Security highlighted developments over the past twenty-four hours with respect to the McCord/Hunt, et al., situation. He noted that the late edition of the New York Times carries a different story by Tad Szulc than that which appeared in the edition received here. The Director of Security anticipates some inquiries on Bernard L. Barker's situation, and it was noted that Mr. Barker was hired by the Agency in 1960 and terminated in 1966. The Director complimented Unumb on his handling of inquiries and asked that future inquiries be met with a response confined to the fact that, now that we have acknowledged that both McCord and Hunt are former Agency employees, we know nothing more about the case and the caller should be referred to the FBI as appropriate.

20 June 1972

The Director noted receipt of a paper on a safehouse in Miami which is being made available to the Secret Service in support of its work in connection with the Republican and Democratic National Conventions. He asked the ADDP and the DDS to make it absolutely
clear that our cooperation is undertaking is to be confined to provision of the safehouse and that it is not to be used as a site for investigations, interrogations, or "walk-ins", etc. The Director added that we will not loan people to the FBI or Secret Service in connection with their responsibilities at the Conventions nor will we provide equipment unique to the Agency.

21 June 1972

In view of the coverage in today's New York Times and Washington Post, Maury recommended that Chairman Nedzi be briefed on the McCord affair and that this briefing include all our information about the others involved. The Director asked Maury to touch base with the Director of Security and prepare a briefing paper on this topic for his review. Citing the number of distorted rumors about this matter, the Executive Director said that during the course of the day he hopes to provide a suggested Headquarters Bulletin for all employees for the Director's review.

Unumb noted a number of inquiries from the press with respect to the Cuban-Americans involved in the bugging attempt at the Democratic National Committee headquarters and their alleged involvement in the Bay of Pigs, etc. The Director asked that such inquiries be met with an explanation that we are not prepared to be helpful on this matter.

23 June 1972

Maury noted that he briefed Chairman Nedzi on the McCord/Hunt situation.

21 August 1972

Houston noted a telephone call from Howard Hunt who explained that his attorney was with him and had a question about a friend's past affiliation with the Agency. DD/Sec. has reviewed the employment, and Houston reported that he replied directly to Hunt's friend, Mr. that this old affiliation should create no problems in connection with his appearance before a grand jury.

18 October 1972

Maury noted his response to a request from CSC General Counsel Anthony Mondello, who was reacting to a request for the personnel files of those former Agency officers involved in the
Watergate incident from Senator Kennedy's Subcommittee on Administrative Practices and Procedures. He added that we are exempted from related CSC regulations, and the Director endorsed his plan to provide only the dates of their departure from the Agency in the event the Senator's office calls us on this matter.

3 November 1972

Houston recalled that last August he reported on a call from Howard Hunt and his subsequent guidance to

   on how to handle affiliation with the Agency,

   The Director highlighted his conversation with David Kraslow of the Washington Star News and his flat denial of a proposed story that the Agency was asked to report on the Democratic Party which led to the Watergate incident and others. The Director noted his plans to issue a statement of denial if such a story were to appear and suggested that Thuerner consider drafting one for contingency use.

15 November 1972

DDP noted a report from Chief, WH Division that on 9 October a Mr. Harper of the New York Times was working on a story which tries to link the Agency with Cuban emigres, the break-in at the Chilean Embassy, action against Daniel Ellsberg, and the Watergate case. Thuerner observed that this is the first he has heard about this topic, and the DDP concluded that such a story would have no basis in fact and it would be inadvisable to try to straighten out Mr. Harper.

22 November 1972

Warner related that according to Assistant Attorney General Henry Peterson, U. S. Attorney Earl Silbert has several questions on the Watergate case. The Director indicated he will review this matter later.
13 December 1972

The Director noted the article by Thomas B. Ross in yesterday's Evening Star-News, "New Watergate Dimension?" and the impression left therein that the Agency was involved in the Watergate incident because a passport bearing the name Edward Hamilton was found on Frank Sturgis. Any inquiries from the press or elsewhere are to be met with a "this is nonsense" reply. The Executive Director noted work under way to identify the genesis of the passport story.

15 January 1973

Maury noted press stories that Watergate defendant Martinez was on the Agency payroll until 17 June and anticipated some inquiry on this topic. The DDP endorsed his view that, whereas Martinez was intermittently used as a source to report on Cuban exile matters, this relationship should cause no serious difficulty.

18 January 1973

Maury reported that when he and Dave Blee, Chief/SB, saw Chairman Nedzi with respect to the Chairman's forthcoming trip to Finland, Leningrad, Sofia, and Athens, Chairman Nedzi briefed on his November conversation with New York Times correspondent Seymour Hersh. Maury went on to highlight the several topics and allegations Hersh claims he has with respect to Agency activities, particularly allegations that we are engaged in extensive domestic operations. Maury will circulate a memorandum on the information Hersh claims he has. The Director explained that we should assemble a senior team to meet with Chairman Nedzi and clearly outline what we do and do not do in the United States.

19 January 1973

Maury reported that Chairman Nedzi would like the full Subcommittee on Intelligence Operations to hear a presentation by us on Agency activity in the United States sometime in mid-February. The Director noted that his decision of yesterday to turn out a senior team for this briefing stands.
22 January 1973

General Walters noted Howard Hunt's appearance on television last night. Thuemler will obtain a transcript of the program, and the Executive Director noted his concern over Hunt's suggestion that he is no longer bound by his secrecy agreement.

23 January 1973

Executive Director noted that the terminal secrecy agreement which Howard Hunt signed said that he will be acknowledged as an Agency employee. His assertion that he is not bound by the agreement because we did in fact acknowledge his employment here is therefore ill-advised.

7 February 1973

Maury noted that Mr. Helms is appearing before the Senate Foreign Relations Committee this morning on police training, ITT, and the Watergate incident. He also noted that he has solicited the support of Senators Humphrey, McGee, and Scott to make appropriate public statements following Mr. Helms appearance.

8 February 1973

Maury recalled that we are obligated to sit down with Chairman Nedzi and review what we do and don't do in the U.S. The Director concurred. The DDI suggested that we undertake an in-house review of what it is we are doing in the U.S. and identify and eliminate the marginal.

14 February 1973

Thuemler noted advice from Nicholas Horrock of Newsweek that a "soft story" is floating around Newsweek on the general topic of political espionage and ex-CIA agents.
1 March 1973

Maury related that former Director Richard Helms has been asked by Senator Fulbright to reappear before the Senate Foreign Relations Committee. Maury said that Mr. Helms would probably be queried on the Watergate incident, Agency training of police, and ITT and went on to describe Mr. Helms' anticipated response.

2 March 1973

Maury highlighted yesterday's LIG meeting at the White House and his recommendation that we not provide examples of Congressional leaks of classified information for White House use in reacting to Congressional criticism of the Administration's "indiscretions." The DDS advised that the Office of Security is keeping a reasonably complete record of obvious leaks of intelligence information in the press and elsewhere.

6 March 1973

The Director noted advice that Hugh Sidey of Time magazine plans to write a story alleging that Howard Hunt was employed by a cover organization, i.e., Robert R. Mullen Company, when he left the Agency. Colby noted that this company is a completely private concern but has provided cover for one or two officers overseas. The Director asked Thuemer to be prepared to cope with any inquiries when the story appears.

(Signed) William V. Broe
William V. Broe
Inspector General

1100: ______ called WVB; to bring to his attention the fact that Kissinger has asked for some papers he'd received in summer of 1970; now wants to see them again. One, Restless Youth (June 1970). OCI wrote a whole set of country chapters; and ______ of the GS (since left CIA) wrote a more sensitive piece drawing on US and other countries for examples to make its point. OCI balked--didn't want to do anything on the US side. The whole project eventually was turned over to CA. ______ worked under ______ supervision ______ (also left--in Boston).

Thereafter ______, in August 1970, because we had done so much work we published a separate paper "Student Unrest Abroad"--a compilation of the country studies.

WVB: There was a 3rd---on the Caribbean--black aspects.

WVB is familiar with the 3---but didn't know about the ______ aspects.

Per ______ Kissinger had told Latimer "You guys sent me a paper; I sent it back with some nice words on it--would like to see again" (not a direct quote). WVB said he had the DDI's copy. Whitman says Latimer has copies of both reports. His records suggest that ______ paper was carried to San Clemente perhaps by Gen. ______ Cushman, but gathered Cushman had been unable to deliver it to Kissinger. Could be that Kissinger didn't see-____ only the others. Records do not confirm this in detail. Latimer is struggling with Kissinger's request.

WVB said he'd check with ______ who has all that stuff....

cm/30 May 73
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MORI DocID: 1451843
A federal investigation has unearthed a diary that was being written by one of the Watergate defendants, according to a source close to the investigation. The source, who is well-acquainted with the activities of the Watergate defendants, says the information available on the condition that his name not be used.

Among the senators whose activities were in some way allegedly mentioned were Senate Majority Leader Mike Mansfield (D-Mont.), Senate Foreign Relations Committee Chairman J. William Fulbright (D-Ark.), and Sen. Frank Church (D-Idaho). This source also said that Sen. Edward M. Kennedy was being kept under surveillance.

While Newday was able to confirm some of the source’s statements through officials close to the investigation, allegations concerning the surveillance of senators neither could be confirmed nor denied.

The seven defendants in the Watergate case go on trial Monday in the U.S. District Court here.

It also has been learned that FBI authorities have tracked down and questioned two men who had been involved in the Watergate with the Watergate group, but who had not been caught at the Democratic headquarters scene.

While de Diego said he had knowledge of any sub rosa activities by the group while he was in Washington last May, other defense sources said the group was quite busy during that period.

De Diego, 43, is a real estate salesman who was employed in Miami real estate office of Bernard L. Barker, one of the Watergate defendants.

De Diego, who was granted immunity by the grand jury investigating the case, said he told the grand jury and the FBI that he had come to Washington last May with Pizzo and the four Watergate defendants from the Miami area (Barker, Martinez, Frank Burchill and Virgilio R. Gonzales). He said that he believed he and his friends were waiting to see someone from the government.
ATTACHMENT FOR: Deputy Director for Operations

SUBJECT: WH Comments on Jack Anderson Column

REFERENCE: Jack Anderson's Washington Post-Around Column of 8 March 1978: "Chilean Break-Ins Reflect Intergate"

1. WH Division has reviewed the referenced column (copy attached) by Jack Anderson and finds that it contains no new information. To the best knowledge of the Division, there is no foundation to the allegation that E. Howard Hunt was engaged on behalf of ITT in breaking into Chilean diplomatic installations in Washington and New York.

2. Any connection between ITT and these break-ins is purely conjectural and the column takes care to point this out.

[Redacted]

was told us that he had no relationship with Hunt on this or any ITT matter. He had anticipated that Anderson might imply such a relationship in his column and had assured us that this was not true.

Theodore G. Shackley

Theodore G. Shackley
Chief
Western Hemisphere Division

Attachment: As Stated

SECRET/SENSITIVE
D/OS

4168

A /FO

Field

ACTION
DIRECT REPLY
PREPARE REPLY
APPROVAL
DISPATCH
RECOMMENDATION
DOCUMENT
FILE
RETURN
CONCURRENCE
INFORMATION
SIGNATURE

Remarks:
This is of interest me
Watergate and also
Seagram here.

00374

FROM: NAME, ADDR

EXECUTIVE OFFICER
UNCLASSIFIED

DATE
12 MAR 1975

CONFIDENTIAL
SECRETS

FOLD HERE

SENDER

FORM NO. 237 Use previous editions
Chilean Brokers Reflect Watergate

By Jack Anderson

In recent weeks, the question of the Watergate complex has been gravitating to the Chilean Embassy. It seems that a number of Chilean officials have been involved in the Watergate scandal.

In a memo intended for the eyes of senators investigating the Watergate hearings in Chile, staff director Jerry Levinson reported: "A source with excellent contacts in the Cuban community told the subcommittee staff that Frank Sturgis had told other people that he and Martinez and Gonzales, the leaders of the Watergate defendants, had broken into the embassy to photograph documents." Levinson was cautious, however, about implicating ITT in the alleged Chilean caper. The staff of the subcommittee, he reported, "has developed a number of leads suggesting a relationship between ITT and the team which was arrested at the Watergate." But he stressed that the case outlined in this memorandum is circumstantial and that there is no hard evidence of ITT involvement.

Suspicious Case

Here, however, is the circumstantial case, which the subcommittee staff has placed before the House of Representatives. The government wants to establish a "Communist" government in Chile.

"ITT is the only likely contractor for operations against the Chilenos." ITT claims to have invested $183 million in the Chilean Telephone Company. It knew that documents were being used against it in the Cuban government's attempts to信息技术 and Watergate.

We reported last week on other strange links between the ITT and Watergate scandal. We noted, for example, that acting FBI chief L. Patrick Gray and convicted Watergate felon E. Howard Hunt had been involved in an abortive effort to discredit the famous Ditz Board memo, which tied a $200,000 political pledge from ITT with a settlement of its antitrust troubles.

The Washington Post reported that Hunt, apparently disguised as an unknown Regret, went to Denver to talk to Mrs. Beard about the Ditz Board memo. We reported that Gray, meanwhile, turned the original version of it to ITT for its experts to try to discredit. Gray refused to comment when we called the FBI for his response. Questioned by members of the House under oath, however, he testified that he had not turned the memo over to ITT directly but had delivered it to "White House aide John Dean."

The White House, via James H. "Jimmie" Mitchell, working closely with the巨大阴谋论, is discrediting the Ditz Board memo.

ITT and Watergate

The Chilean Embassy burglary was investigated by the FBI, which dismissed it as routine. But Senate investigators disagree. "Careful investigation of the circumstances leads us to the conclusion," Levinson wrote, "that it was not routine."

"Valuable office equipment and cash were left untouched. The ambassador's office and the office of the First Secretary were both searched and files were inspected. The thieves walked past several more attractive offices to get to the First Secretary's office, suggesting they knew where they were going." The burglarizing of the New York apartments of Chilean diplomats were described in the memo as "similar clean breaks.

Footnote: Jerry Levinson refused to comment on his memo, which he said wasn't intended for publication. An ITT spokesman called the allegations about Hunt "absolutely and totally untrue." He said ITT had never hired E. Howard Hunt in any purpose.
At approximately 1330 hours, Monday, May 16, 1972, Foreign Missions Division Control Center was advised by M.P.D.C. that a burglary had taken place at the Chancery of Chile, 1735 Massachusetts Avenue, N.W., sometime between 1600 hours on Friday, May 13, 1972, and on 0600 hours this date.

Sergeant Riley M. Richardson and the undersigned were dispatched at approximately 1335 hours in Cruiser # 23.

The undersigned was advised by Mr. Navarro, Administrative Counselor of the Embassy of Chile, that the Chancery of Chile was entered and all the offices were ransacked. At this time the method of entry or items taken is unknown. Mr. Navarro advises that he will contact the Foreign Missions Division-Watch Center when determination of missing articles is made. (continued)
The following were previously on the scene: Sergeant Clinton O. Gill, Badge #187, M.P.D.C., 3D, and Officer Michael S. Hendricks, Badge #5710, M.P.D.C., 3D, also M.P. Plant Officer #135.

S/A

SUSPECT AND/OR ARRESTED PERSONS. IDENTIFY BY NAME, ADDRESS, SEX, RACE, SOCIAL SECURITY NUMBER, DOB, EYES, ETC.

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9. ARREST PD

10. ARREST NO.

11. ARREST OFFICER (NAME & BADGE NO.)

12. DATE

13. HOUR

14. CURRENT CASE DISPOSITION

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15. USSS-ID CASE NO.

16. FINAL CASE DISPOSITION

OPEN

17. RECOMMENDING OFFICER (SIGNATURE)

Sergeant Stevens E. Butler

18. DATE

05-15-72

19. APPROVED (SIGNATURE & TITLE)

Captain Pete N. Panthos

20. DATE

05-15
At approximately 2:00 A.M., Tuesday, May 16, 1972, Mr. Martinez contacted Officer
Alvarez-Ramos-Cobos at 1310 E. Street, P.H., and stated the following items missing:
(1) Portable Radios, (1) Sony AM/FM Radio/Receivers, two (2) Panasonic AM/FM Radios,
and one (1) Panasonic AM/FM Radio. Also taken was one (1) Braun Electric Shaver,
and one (1) Women's pull-over sweater, and an unknown number of books.

SUSPECT OR ARRESTED PERSONS.
IDENTIFY BY NAME, ADDRESS, SEX, RACE, SOCIAL SECURITY NUMBER, DOB, EYES, ETC.

N/A

LAST NAME | FIRST | MIDDLE | ADDRESS |
RACE | SEX | WEIGHT | HEIGHT | HAIR | EYES | DATE OF BIRTH | SOCIAL SECURITY NO. | NATIONALITY |

LAST NAME | FIRST | MIDDLE | ADDRESS |
RACE | SEX | WEIGHT | HEIGHT | HAIR | EYES | DATE OF BIRTH | SOCIAL SECURITY NO. | NATIONALITY |

ARREST PD | ARREST NO. | ARREST OFFICER (NAME & BADGE NO.) | 12. DATE | 13. HOUR

CURRENT CASE DISPOSITION | 15. U.S.110 CASE NO.
A. OPEN | B. CLOSED | C. DISMISSED | D. DISCLOSED BY ARREST | N/A

16. FINAL CASE DISPOSITION
OPEN

REPORTING OFFICER (SIGNATURE) | APPROVED (SIGNATURE & TITLE) | DATE
Sergeant Stevens E. Butler | Captain Pete N. Manthos | 05-15-72 | 05-15-
25. IDENTIFY SUSPECTS BY NUMBER: N/A
   (Include name, address, sex, race, age, weight, height, eyes, hair, clothing etc.)
   IF ARRESTED GIVE ARREST NUMBER AND CHARGE (omit description if arrested)

26. NATURE OF INJURIES AND LOCATION ON BODY: UNK

28. TRANSPORTED BY: N/A

30. TYPE OF PROPERTY TAKEN: UNK

33. EXACT LOCATION OF PROPERTY: INSIDE EMBASSY

36. NARRATIVE:
   (1) CONTINUATIONS OF ABOVE ITEMS INDICATE THE NUMBER INCLUDE ADDITIONAL SUSPECTS AS CITED ABOVE.
   (2) BRIEFLY DESCRIBE INCIDENT AND ACTION TAKEN.
   (3) DESCRIBE EVIDENCE AT PROPERTY INDICATE DISPOSITION AND DESCRIBE ALL PROPERTY INVOLVED.
   USE CONTINUATION PORT IF MORE SPACE IS NEEDED. RECORD VALUE OF LOSS ESTIMATED BY VICTIM.

   ITEM NO.
   R-1 Reports between the hours of 1600, 5-15-72 and 0300, 5-15-72, the Embassy of Chile was entered.
   All 70 employees, who were working, were unsighted.
   An investigation was initiated.
   OFF LEITZ OF F.I.S. notified at 1330 hrs.

   OFFICE USE ONLY

   7591
   T.T. NUMBER
   5-15-72 - 1800

   37. DATE/TIME TYPE NO.

   40. STATUS (Check One)
   41. UNIT REFERRED TO
   UNFOUNDED
   OPEN
   CLOSED
   SUSPENDED

   42. UCR DISPOSITION

   43. SECOND OFFICER UNIT & BADGE NO.

   44. SUPERVISOR APPROVING

   45. REVIEWER
SUBJ: UNAUTHORIZED ENTRY INTO CHILEAN EMBASSY; FONMIN STATEMENT

1. FOLLOWING IS OUR INFORMAL TRANSLATION OF STATEMENT (UNNECESSARY WORDS OMITTED) FONMIN UNDERSECRETARY PALMA GAVE PRESS EVENING MAY 15: "QUOTE: CHILEAN AMBASSADOR IN US HAS INFORMED THIS MINISTRY THAT OVER WEEKEND CHANCERY OF EMBASSY IN WASHINGTON WAS ENTERED ILLEGALLY (VIOLADA) BY UNKNOWN INDIVIDUALS WHO PROCEEDED TO FORCE OPEN DESKS AND KARDEXES OF EMBASSY'S POLITICAL AFFAIRS OFFICE. "OTHER CHANCERY OFFICES, IN ADDITION, WERE ENTERED ILLEGALLY ALBEIT ON LESSER SCALE. PRELIMINARY INVESTIGATION DISCLOSED REMOVAL OF DOCUMENTS, BOOKS, RADIOS, ETC. AS RESULT THESE SERIOUS ACTS CHILEAN AMB TO US ADVISED STATE DEPT WHICH EXpressed ITS DEEP REGRET AT WHAT HAD OCCURRED. "THIS AFTERNOON UNDERSECRETARY CALLED IN US AMBASSADOR TO EXPRESS GOC'S CONERN ABOUT SECURITY OF ITS DIPLOMATIC MISSION IN US; REQUESTING RAPID AND RIGOROUS INVESTIGATION AS WELL AS ESTABLISHMENT OF POLICE GUARD TO PREVENT REALIZATION OF THESE LAMENTABLE ABUSES (DES MANES). "FOR ITS PART OUR GOV'T HAS ADOPTED MEASURES TO SAFEGUARD THESEcurity OF OUR COMMUNICATIONS AND OBLIGATORY INVESTIGATION (SUMARIO) HAS BEEN ORDERED. UNQUOTE.

2. VIRTUALLY ALL SANTIAGO DAILIES THIS MORNING CARRY TEXT OR FAITHFUL SUMMARIES PALMA STATEMENT WITHOUT COMMENT OR FANCIFUL
HEADLINES. STORY BANNERED ACROSS FRONT PAGE, HOWEVER, BY COMMUNIST EL SIGLO AND INDEPENDIENTE LA TERCERA. GOVT TV NETWORK NEWS LAST EVENING RAN ANNOUNCEMENT AGAINST BACKDROP OF ITT EXPOSE POSTER.
DAVIS
71
ACTION ARA-16
INFO OCT-71 CPR-22 SY-03 USSS-22 CIAF-02 DODE-08 INR-26
ASA-02 P-03 PSC-31 USIA-12 PRS-31 SS-14 NSC-10 RSR-21

R 152306Z MAY 72
FM A=EMBASSY SANTIAGO
TO SECSTATE ASHOC 1218

C O F I D E N T I A L SANTIAGO P 450

SUBJECT: UNAUTHORIZED ENTRY INTO CHILEAN EMBASSY

1. FOREIGN MINISTRY SRA-SERVENTY PALMA ASKED ME TO CALL ON
HIM TODAY AT 5:30 P.M. I JUST READ AP STORY FROM WASHINGTON
ABOUT UNAUTHORIZED ENTRY INTO CHILEAN EMBASSY - AND KNEW WHAT TO
EXPECT. PALMA EMPHASIZED THAT AMBASSADOR'S OFFICE SHOWED SIGNS
OF HAVING BEEN CAREFULLY SEARCHED FOR PAPERS WHILE VALUABLES HAD
NOT BEEN TOUCHED. HE SAID CHILEAN GOVERNMENT ASSUMED MOTIVE
HAD BEEN POLITICAL - FROM HIS OWN RECENT EXPERIENCE IN WASHINGTON,
PALMA SAID, HE KNEW PROTECTION GIVEN CHILEAN EMBASSY WAS LESS
EFFECTIVE THAN IT MIGHT BE. HE SAID CHILEAN GOVERNMENT MADE
SPECIAL EFFORTS TO PROTECT U.S. OFFICES AND RESIDENCES IN SANTIAGO
IN PART BECAUSE OF DELICACY OF OUR RELATIONS - AND HE THOUGHT USG
SHOULD ALSO STRIVE TO GIVE CHILEAN OFFICES AND HOMES BETTER THAN
RUN-OF-THE-MILL PROTECTION. PALMA ASSURED ME THAT GOC HAS NO
DESPITE THAT THIS INCIDENT BE MAGNIFIED. IN FACT, HE APPEARED
SLIGHTLY TAKEN ABACK WHEN I MENTIONED THAT INCIDENT WAS ALREADY
ON PRESS SERVICE Wires.

2. I EXPRESSED REGRET THAT INCIDENT HAD OCCURRED AND THANKED
PALMA FOR PROTECTION U.S. OFFICES ARE RECEIVING. CARABINEROS
BROKE UP DEMONSTRATION IN FRONT OF CONSULATE A FEW HOURS AGO. I
SAID I WOULD PASS ON GOC REQUEST FOR INCREASED PROTECTION.

3. STATE R4655 ARRIVED A FEW MOMENTS AGO. PALMA MADE NO
MENTION OF PROPERTY DAMAGE OR THEFT OF RADIO.

DAVIS

00382
Form: DS 322 (OCR)  08465  151903Z MAY 72  ROGERS

Limited Official Use

ARA/2C/C: LGIRDLER
5/15/72 EXT. 22575
ARA/BC: JUFISHER

S/CPR: HDAVIS

Immediate  SANTIAGO

Subj: BREAK-IN AT CHILEAN CHANCERY

1. CHILEAN MINCOUNS VALDES PHONED DEPT (FISHER) MORNING MAY 15 TO REPORT THAT UPON ARRIVAL SAME MORNING THEY DISCOVERED PERSON OR PERSONS UNKNOWN HAD ENTERED CHANCERY (APPEARANTLY SATURDAY NIGHT OR SUNDAY NIGHT) AND HAD SEARCHED SEVERAL OFFICES AND TAKEN SOME RADIOS AND BOOKS. DEPT IMMEDIATELY NOTIFIED APPROPRIATE AUTHORITIES THROUGH PROTOCOL AND SY CHANNELS, AND DEPT OFF (GIRDLER) VISITED CHANCERY TO EXPRESS CONCERN AND REGRET.

2. DURING VISIT, AMB LETELIER AND EMBOFFS DISMISSED ROBBERY AS POSSIBLE MOTIVE, STATING IT IMPOSSIBLE CONCEIVE THAT FOREIGN CHANCERY LOGICAL TARGET FOR STRAIGHT ROBBERY AND CONCLUDING THAT REAL PURPOSE WAS SEARCH FOR [UNSPECIFIED] DOCUMENTS, WHILE TERNING INCIDENT "DISAGREEABLE" THEY MADE NO HINT OF, OR REFERENCE TO, POSSIBLE PROTEST OR CLAIM FOR PROPERTY DAMAGE. YV

Document as referred to STATE DEP'T.
MEMORANDUM FOR THE RECORD

SUBJECT: Chilean Embassy Break In on 15 May 1972

1. On 24 May 1973 I telephoned Mr. James Robinson, General Crime Section, Department of Justice and asked if he had any information as to criminal prosecution of persons involved in a break in at the Chilean Embassy in Washington, D.C. on 15 May 1972. Mr. Robinson stated he had no knowledge of this but suggested that it would be better to check with Mr. G. Marvin Gentile, Deputy Assistant Secretary for Security, Department of State, and the Secret Service since they had responsibilities for the Executive Protective Service (EPS). I telephoned Mr. Gentile and he identified two State Department cables relative to the incident; one from the embassy in Santiago to the Department, No. 2450, dated 15 May 1972, Subject: Unauthorized Entry Outlining the Protest of the Chilean Government presented to the American Embassy, and the State Department reply to Santiago, No. 084655, dated 15 May 1972. Mr. Gentile also identified the EPS report of investigation and suggested that I get a copy from the Secret Service. I then called [Redacted] at Secret Service and he had his liaison man deliver me a copy of the EPS report of investigation.

2. On 25 May 1973 I received a call from FBI Agent [Redacted] stating that he had received a telephone call from Mr. James Robinson relative to my inquiry about prosecution. [Redacted] indicated that the FBI Washington Field Office had recontacted the Metropolitan Police Department (MPD) on 24 May and reviewed the report No. 248-424 filed with the 3rd District, MPD which states that a break in occurred at the Chilean Embassy between 5:00 and 8:00 a.m. on 15 May 1972.
Reported loss at that time consisted of four AM/FM radios and one electric razor. The police investigation identified some latent fingerprints but no identification of those prints was made. Since the reported loss was under $5,000 and there was no evidence of a crossing of state boundaries, the FBI did not make an investigation of the incident. The MPD reported that there had been no prosecution and no suspect was identified.

cc: Legislative Counsel
    Inspector General

[Signature]
Assistant General Counsel
23 May 1973

To: 273, 411

Names to be interviewed:

Mentioned at meeting of 16, 173, and Rock -

Valt Eldar

Left over from SDB's 1SD (now OTS) interviews.

Names revealed in Office of Security report -

- Retiring June 1973, referred to McCord for job
- McCord offered part time work (still employed)
- Lectured for McCord at Mt. Jun Coll. Planned to work.
- Wanted to raise bond for McCord

Where do we stand with:

Steve Kuhn
Bruce Solie (were to have been interviewed)
Paul Gaynor

I think WVE has interviewed following:

John Hart

Whose names appear in my notes to see

Ed Ryan
Cord Meyer

SDB 00386
MEMORANDUM FOR THE RECORD

26 May 1973

SUBJECT: DDI "Trap" on Leaks of Narcotics Intelligence

1. In material provided by the DDI on contacts with certain persons on the White House Staff, there is a 9 September 1972 memorandum from Mr. Helms to Dr. Kissinger relating the identification of a leak to the press as having been in the BNDD. The memorandum states in part:

"After noting that Jack Anderson had a continuing source for classified documents on narcotics, we arranged a trap so that recipient organizations of CIA Intelligence Memoranda (IM) on narcotics could be identified."

2.

3. This course of action was at the initiative of the Directorate of Intelligence, without consultation with persons elsewhere in the government, except in reporting the results to Dr. Kissinger. It represents a well-conceived attempt to target on a possible source of leaks. We doubt that it would be susceptible to misunderstanding if exposed to public view, but the fact is that it was something of an attempt to trap someone, and it was a part of the general attempt to seal off a leak similar to those leading to the "plumbing" operation. Because of the latter consideration it is noted for the record.

SIGNED:

S. D. Breckinridge
25 May 1973

MESSAGE FOR: Mr. Colby

SUBJECT: Follow-up on Potential Flag Activities

We have now completed the follow-up requested by you and by Congressman Nedzi on our original submission regarding potential flag activities. To the follow-ups given you on the afternoon of 24 May, we added the following on the afternoon of 25 May:

Tab 4: A second paragraph on the personal locators (beacons) to make it more responsive to Congressman Nedzi's question.

Tab 15: An explanation of the magnetometer used for making cardiographs.

Tab 17: An IG-initiated follow-up on [ ] which was merely noted on page 17 of the original sensitive summary.

Tab 18: Two IG-initiated follow-ups on items that were included in the initial Directorate submissions but were too fragmentary for inclusion in our original summary.

Tab 19: One completely new item that surfaced in the course of our inquiries.

The tabs are not arranged in any logical order, because we chose to place the bulkier items on the bottom of the file to make for easier handling of it. The following is a breakdown of the tabs by initiator of follow-up. (Both you and Nedzi asked for a follow-up on the item in Tab 2.)

<table>
<thead>
<tr>
<th>Dolby-initiated</th>
<th>Nedzi-initiated</th>
<th>IG-initiated</th>
<th>New submission</th>
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<tbody>
<tr>
<td>1</td>
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<td>9, 10, 11, 12, 13, 14</td>
<td>15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

William V. Broe
Inspector General

00388
All material is to be read by COB today.

It is requested that material be carded on 3 x 5 cards for future possible use. It should show (1) the name of the employee in upper left hand corner, (2) name of person being reported on (e.g. Hunt, McCord, etc.) and (3) event reported, if significant, and the word "routine" if not significant, (4) identifying reference to memo in which information is recorded.

If an event reported in this material is significant, please report it immediately for handling (either a "jewell" or something connected with Watergate and associated events)

Please raise any questions that occur as you get into the material. Especially, as you get ideas as work progresses, please put them forward.

SDB

(5) Add office hours to employes chart

---INTERNAL AS STAFF PAPER---

00389
25 May 1973

MEMORANDUM FOR: Mr. Broe

SUBJECT: Reported Agency Funding of Heroin Study

1. ORD, in reporting association of employees with Egil Krogh in connection with the government narcotics program, referred to an Agency funding action on 30 June 1972 whereby $37,500 was transferred to OST (the Office of Science and Technology under the Executive) from ORD's budget. The money was to fund a study proposed by IDA (I am told this is the Institute for Defense Analysis), and was approved by the DDI, ADD/S&T, acting for the DDS, and Mr. Colby as Executive Director-Comptroller.

2. I judge this to be a proper and normal expenditure within the government in connection with a high priority government program on narcotics. I recommend that this not be reported as an action subject to external criticism.

S. D. Breckinridge
WASHINGTON (UPI) -- CIA OFFICIALS TESTIFIED WEDNESDAY THEY FORGOT
TO TELL CONGRESS OR THE AGENCY'S DIRECTOR, JAMES SCHLESINGER, ABOUT
ANONYMOUS WARNINGS THEY RECEIVED THAT THE WHITE HOUSE WAS TRYING TO
PIN BLAME ON THE AGENCY FOR THE WATERGATE SCANDAL.

REP. LUCIEN NEDZI, D-N.D., CALLED THREE OFFICIALS OF THE CIA TO
EXPLAIN WHY THE LETTERS -- WHICH HAVE BEEN TRACED TO WATERGATE
CONSPIRATOR JAMES MCCORD -- DID NOT SURFACE UNTIL TWO DAYS AGO.

Said, "They also said it was a matter of turning it over to someone
else and assuming he would pass it on."

THE SIX LETTERS -- ONE OF THEM SIGNED "JIM" AND THE OTHERS
ANONYMOUS -- WERE SENT TO FORMER CIA DIRECTOR RICHARD HELMS BETWEEN
JULY 1972 AND LAST JANUARY.

NEDZI SAID IT HAD BEEN "PRETTY DEFINITELY ESTABLISHED" THAT
MCCORD, A FORMER CIA AGENT, WAS THE AUTHOR OF ALL THE LETTERS. NEDZI
DECLINED TO SAY WHAT WAS IN THEM, BUT REP. WILLIAM BRAY, R-IND., SAI
THEY WERE "CONFUSED" AND "DISJOINTED" WARNINGS THAT THE WHITE HOUSE
WAS TRYING TO MAKE THE WATERGATE BREAK-IN AS A CIA PLOT.

BOTH NEDZI AND BRAY SAID THERE WAS NO EVIDENCE THAT CIA WAS IN ANY
WAY RESPONSIBLE FOR THE WATERGATE BREAK-IN.

TESTIFYING AT THE SESSION WERE PAUL GAYNOR, HOWARD OSBORNE AND
WILLIAM BRAUX, TOP CIA OFFICIALS WHO HAD CUSTODY OF THE MCCORD
LETTERS AT VARIOUS STAGES AFTER THEY WERE SENT.

NEDZI INITIALLY SPelled BRAUX'S NAME AS BROE AND SAID HE DID NOT
KNOW IF IT WAS THE SAME MAN WHO TOLD THE SENATE COMMITTEE ABOUT
MEETINGS HE HAD WITH IITI PRESIDENT HAROLD GENEEN TO DISCUSS THE
CREATION OF INTERNAL ECONOMIC STRIFE IN CHILE.

UPI 05-24 05:12 PED

Comment:

These comments represent the initial and tentative reaction of the Office of Current Intelligence to the attached item from the news services.
24 May 1973

MEMORANDUM FOR THE RECORD

SUBJECT: General: Watergate
Specific: Tom Parrott's Involvement with David Young

We met with Tom Latimer this morning to get from him the only existing copy of the sensitive attachment to our family jewels report in order that we might make a temporary stayback burn copy. At that time, Latimer said he had a call in to Broe to report that when Tom Parrott was DCI duty officer some time in September 1972 he received some calls from David Young.

I called Parrott's home (FE 7-3512) at 0925. The person answering, presumably Mrs. Parrott, gave me his telephone number at the Environmental Protection Agency (755-0533). I called Parrott there and told him that I would like to meet with him to debrief him on the substance of calls he received from the White House when he was DCI duty officer in September 1972. Tom said he would be happy to meet with me but that he saw no reason why he could not give me the information over the telephone.

Tom received a call from David Young at about midday on a Saturday. Young was calling about that morning's program by Dan Rather in which Rather included material from a classified report. Young wanted to come out to the headquarters building to see Parrott. Parrott started chasing it down. He spoke with Bruce Clarke who had the DDI duty. It turned out that Rather's comment was made on his program of the previous day and that it was based on a report that came out of George Carver's shop. The report was distributed in only seven or eight copies, and only two of them had gone outside the Agency--both to Kissinger.

Young got lost trying to find the building and did not arrive until about one. By then, Parrott had identified the Carver report and had a copy of the distribution list. Young was shaken upon discovering that the only external distribution was to Kissinger. He was extremely
arrogant, wanting to know who each of the Agency recipients was and why he had received a copy. He wanted to know if any of the Agency recipients had talked with Rather. Parrott called Thuemer at home and found that no reports had been made of contacts with Rather. Young remarked to the effect "that's what they say" and asked if each of these people had been interrogated. Upon learning that the Agency had done nothing about the alleged leak, Young left in Huff saying that he would be back in touch.

Sometime later Parrott got the transcript of the Rather broadcast. Rather's comments bore only a remote connection to the content of the Carver report. Parrott cannot now recall specifically what the Carver report concerned. Rather did imply criticism of the President in his broadcast, and this may have been the basis of Young's concern. On Monday, Parrott got in touch with Carver, and the two of them met with Helms and briefed him on the episode. This is the last Parrott heard of it. Parrott commented that he had no other contacts with anyone remotely involved with Watergate or related matters. He thinks he may have written a memo for the record of the Young episode but is not sure. His duty secretary may remember. This would have been either It is also possible that Carver made a 

I called Carver. He said that he then had a memo in the mill, which will reach us during the course of the day.

reports that she had traded the duty with that weekend. thinks that Parrott wrote a memo on the episode, but he would have kept only a chrono copy, and his chrono files were destroyed when he left. She has no idea what might have happened to the original.
MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of the Special Subcommittee on Intelligence of House Armed Services Committee

1. This morning Messrs. Lawrence Houston, General Counsel; William Broe, Inspector General; Howard Osborn, Director of Security; Paul Gaynor, Chief, Security Research Staff; and Secretary to General Walters, appeared before the above Subcommittee about Agency action taken on letters received from James McCord. The meeting lasted from 1000 hours to 1245 hours. There was no technical sweep of the room, 2216 Rayburn House Office Building, and the room was not kept under technical monitoring. Discussions were on a Secret level. A transcript was taken and is on file in the Office of Legislative Counsel.

2. Present for the session were:

   Lucien N. Nedzi (D., Mich.), Chairman
   F. Edward Hebert (D., La.)
   Melvin Price (D., Ill.)
   William G. Bray (R., Ind.)
   Leslie C. Arends (R., Ill.)
   Bob Wilson (R., Calif.)

3. Present from the staff were:

   Frank Slatinshek, Chief Counsel
   William Hogan
4. During the hearing, Chairman Nedzi and Mr. Slatinshek criticized Mr. Houston rather severely for the Agency's not reporting the existence of the McCord letters to the FBI at the time they were received. In this connection, Representative Wilson said he wondered if the Agency had actually gone along with "McCord's game plan." He said this would explain why these letters were just now being surfaced. Mr. Houston had a conversation with Nedzi and Slatinshek at the conclusion of the hearing and it seemed he was able to dispel some of their concern.

5. Followup action:

   a. The Committee asked [name] to provide copies of her shorthand notes of the memorandum which she prepared for General Walters and copies of the Xerox copy which she made of each of these.

   b. They asked for the exact date when Mr. Osborn was called [date].

   [Signature]
   Acting Legislative Counsel
MEMORANDUM FOR THE RECORD

23 May 1973

On this date Mr. William E. Colby and the writer held a meeting with Congressman Lucien N. Nedzi. The reason for the meeting was to review with the Congressman material sent us by the Directorates describing the Agency activities that had flap potential.

At the outset, Mr. Colby advised that the Director had issued instructions to each directorate to come forward with descriptions of activities (especially involved in the domestic scene) that had flap potential. In addition, in a memorandum to all employees of the CIA, the Director had instructed all employees to report to him any activities the Agency was conducting that they construed as outside the Agency charter. Congressman Nedzi requested a copy of this Agency notice be furnished to him.

The full report, including the sensitive section, was discussed with the Congressman item-by-item and in most cases he actually read the text. This took two hours and the Congressman followed the material with great care.

With regard to the item concerning Mr. McCord's letters to the Agency in July and December 1972 and January 1973, he expressed astonishment that the material took so long to be surfaced and when surfaced took so long to get to the Director. He was very outspoken in his criticism of the people involved.

I will not try to set forth all his reactions to the material, which I believe he found sobering, but I will set out hereinafter the items in which he showed special interest:

a. Alien documentation furnished to the Secret Service. He desired more information concerning the reason why issued, the use, and how controlled.
b. Financial support to the White House in connection with the replies to letters and telegrams as a result of the President's speech on Cambodia in 1970. He requested more information on this subject.

c. Beacons furnished Ambassadors. He was interested in the number issued to Ambassadors and the position the State Department took on the use of these beacons. He was interested if the Department of State was pushing this program, as he believed they should be.

d. Logistics' acquisition of police equipment. He questioned whether LEAA, Department of Justice, should not be doing this rather than the Agency.

e. He noted Logistics furnished telephone analyzers, and desired to know what they were and how used.

f. 

g. OER's crash project concerning Robert L. Vesco requested by the DCI. The Congressman was interested in who outside the Agency instigated the project and why was it stopped.

h. Several ORD projects indicated research done without knowledge of the host system or on unwitting subjects. He was of the opinion that this was risky and recommended it be terminated. He stated he would like to see a directive go out to the researchers concerning these practices.

i. John Dean's request re Investors Overseas Service. He reviewed the six reports that had been furnished. He noted, however, that the item stated "there were multiple channels to the Agency from the White House" and requested information concerning these channels.

j. Alien passports. Mr. Colby advised that he planned to review this whole subject and the Congressman agreed with the need to do so.
The Congressman noted that in connection with John McCones's consultative role with the Agency the Director had stated some time in the past that he planned to take action regarding individuals in this category. The Congressman requested a report on what had been done.

Mr. Nedzi asked Mr. Colby if the Agency had considered how much of the information just reviewed with him could be made public. Mr. Colby stated this had not been done yet, and spoke to the question of sources, methods, and the impact on the institution. The Congressman stated that in the current climate he felt it was necessary to open up more information to help clear the air. Mr. Colby stated the Agency would give the matter deep consideration, and added he had been thinking of a general statement along these lines to be used at his confirmation hearing.

The meeting ended at 12 o'clock noon.

(Signed) William V. Broe
William V. Broe
Inspector General

Distribution:
Director of Central Intelligence
Mr. Colby
Office of Legislative Counsel

NOTE: The above listed items, except for item j, are being pursued by the Office of the Inspector General.
For our records here is this date.

Howard
Director

00404

23 May 1973

(DATE)
STATE OF VIRGINIA
COUNTY OF FAIRFAX, to-wit:

HOWARD J. OSBORN who, being first duly sworn, deposes and says as follows:

1. I am the Director of Security of the Central Intelligence Agency.

2. The purpose of this statement is to record, to the best of my knowledge and recollection, circumstances involved in the receipt of a series of unsigned correspondence received by the Agency during the period from 1 August 1972 to 7 January 1973. The significance of these letters is that by their content and by the handwriting on two of them, they are believed to have been written by James W. McCord, Jr., one of the defendants in the Watergate trial.

3. My first involvement in this matter occurred on the 2nd or 3rd of August 1972 when an envelope addressed to Mr. Helms, then Director of the Central Intelligence Agency, with no return address, and postmarked 30 July 1972 was routed to my desk from the Director's office as a routine piece of "crank mail". The envelope contained a carbon copy of a typewritten letter signed "Jim" with the name in the salutary address excised - "Dear ____". After dismissing the letter as a piece of crank mail, I had second thoughts and recognized the handwriting on the envelope and the signature "Jim" on the letter as being similar to that of Mr. McCord, who formerly worked for me as a security officer before his retirement from the Agency.
4. On that same day, I showed the letter to
Mr. Helms and told him that although I was not positive
I was very sure that the letter had been sent by
Mr. McCord. Mr. Helms agreed that it was a strong probability
that the envelope had been sent to him by Mr. McCord. I told
him that I felt very strongly that the letter should be turned
over to the Federal Bureau of Investigation. Mr. Helms, after
some reflection, decided that he would like to have a legal
opinion on the matter and summoned Mr. Lawrence Houston,
General Counsel of the Agency, to his office and had him
read the letter. After he had finished reading the letter
the ensuing discussion, to the best of my recollection,
centered about whether the Agency had any legal obligation
to forward the letter to the Justice Department or the Federal
Bureau of Investigation. Both Mr. Helms and Mr. Houston
decided that there was no such obligation and I was told to
hold the letter in a secure file in my office and take no
further action on it. Mr. Helms instructed me to restrict
knowledge of the existence of the letter to an absolute
minimum number of people.

5. The next envelope received was addressed to
Mr. Paul Gwynor, a staff chief in my office and a former
close friend of Mr. McCord's, on or about the 23rd of
December 1972. The next envelope received was addressed
to Mr. Gwynor's residence and was undated but postmarked
27 December 1972. The two envelopes contained one or more
unsigned typewritten pieces of correspondence which appeared
to relate to Mr. McCord's involvement in the Watergate "affair".
Both of these letters were hand carried by me to Mrs. Elizabeth
6. Subsequently, on 29 December 1972 and on 4 January 1973 and 6 January 1973, three additional envelopes containing assigned typewritten correspondence were received by Mr. Gwyer at his residence and promptly delivered to me for review and subsequent inclusion in the secure file. I did not bring these to the immediate attention of Mr. Helms but a week or so later delivered to him a folder with all copies of the letters we had received. As I recall, my request to him was for guidance as to what action should be taken with regard to them in the light of his departure from the Agency incident to his nomination as United States Ambassador-designate to Iran. After reviewing them, he informed me that he did not see any reason to take any action at that time, but asked that I show them to Mr. Houston and if Mr. Houston had no objection, I was to retain them in a secure file and take no action with regard to them. As I recall, Mr. Houston was out of town at the time and it was several days before I had an opportunity to give him the folder with the copies of the letters in it for review. After reviewing them, he informed me that he had no objection to the instructions Mr. Helms had given me and I so informed Mrs. Elizabeth Dunlevy, secretary to Mr. Helms.

7. On 14 May 1973, Mr. William Broe, Inspector General of the Agency, and his Deputy, Mr. Kenneth Greer, met with me in my office in connection with an investigation they were undertaking at the direction of Mr. Schlesinger to determine if anyone in the Agency had any contact with
Mr. McCord called the Acting Assistant Director on 5 May 1973. McCord stated that he had been in the \textit{Lee case} and that he had been in the Agency for some time with Mr. McCord ever since it had come to the attention of my office. I told them that Mr. Paul Gaynor had been a close friend of Mr. McCord's but that I was satisfied, after interviewing him, that he had not been or talked to Mr. McCord since the Watergate incident. (I subsequently determined from Mr. Gaynor that he has not seen or talked to Mr. McCord since his retirement from the Agency on 31 August 1970.) I also told them that a Mr. Leo Rosenbaum, an employee of the Agency, had requested an appointment with me to discuss the feasibility of contributing to Mr. McCord's defense fund and that I thought I had convinced him that this would be inimical to the best interests of himself, the Agency and Mr. McCord. I also stated that Mr. Rosenbaum had called me several weeks ago to say that he was well known as a close friend of Mr. McCord's and might be called to testify at the current Senate Hearings. I advised him to seek guidance in this regard from the Office of General Counsel. I do not know that he did so. I then remembered the envelopes and correspondence purportedly originated by Mr. McCord. I briefed Mr. Broe and Mr. Greer on the circumstances involved in the receipt and subsequent handling of them and made a copy of each of them and delivered them to Mr. Broe the next day.

I also gave a copy, at the same time, to my immediate supervisor, Mr. Harold Brownman.

8. A few days after this, I was contacted by Mr. John Greaney, Office of the General Counsel of the Agency, who asked me about any official or unofficial contacts anyone in the Agency had had with Mr. McCord. I mentioned
Mr. G. Osborn, and myself, I had no information about
Mr. Houston in this regard. Subsequently,
with Mr. Treyger on June 3, Mr. G. Osborn's office
sent me the original file containing the five letters.
Mr. G. Osborn indicated that he would recommend to Mr. Houston
that they be made accessible to the public.
On 22 May 1973 Mr. Houston asked for a copy of the letters.
On this same date, I was instructed by Mr. James R. Schlesinger,
Director of the Central Intelligence Agency, to participate
in certain Congressional briefings on this matter and to
prepare this affidavit.

9. Up to the 14th of May 1973 when I informed
Mr. Broe and Mr. Greer of the envelopes and their contents,
the only persons knowledgeable of the existence of them,
in addition to me, were: Mr. Helms, Mrs. Elizabeth Dunley,
his secretary, Mr. Houston, Mr. Paul Gaynor of my staff,
Miss Kathryn Aldridge, my secretary who prepared the file,
Mr. Leo J. Dunn, my Executive Officer, knew of the first
envelope and correspondence but not of subsequent envelopes.

10. The only other matter pertinent to this
particular matter was the fact that an intermittent source
of this Office, who was a close personal friend of Mr. McCord's
has relayed to Mr. Gaynor and his staff certain information
concerning the personal situation of Mr. and Mrs. McCord during
and after the time he was in jail and since he has been
released on bond. This source has been utilized by this office
for many years and by my direction, no effort was made to solicit
information from him about Mr. McCord and the information provided
was done so purely gratuitously.

[Signature]

Howard G. Osborn

Subscribed and sworn to before me, a Notary Public, in and for the
County of Fairfax, State of Virginia, this 23 day of
My commission expires [Signature]
73 May 1973

MEMORANDUM FOR THE RECORD

Bill Nelson failed this date to advise that [redacted] at the time he was in charge of narcotics matters for the DDP, knew Liddy and was probably involved with Hunt. At that same time Lou Conein was working at the White House and [redacted] wanted to meet Conein. It is understood that Hunt may have introduced [redacted] to Conein.

[redacted] queried as to what would be the best procedure. The writer advised that we should interview [redacted] concerning his relations with Liddy, Hunt, and Conein, and that this office would do so.

Will Broe
Inspector General
MEMORANDUM FOR: All Employees

SUBJECT: Agency Involvement in the Watergate Case

1. The leadership of the Agency continues to make a determined effort to investigate all aspects of Agency involvement with the "Watergate" case or any of those persons connected with it. The results of these investigations have been given to the appropriate legislative, executive, and judicial elements of the Government investigating these matters. Each employee has been asked and is directed to report to the Director any knowledge he or she has of the Watergate affair and related matters, any persons connected with it, or any other illegal activity in which they believe the Agency was involved in any way.

2. In consonance with the foregoing, anyone who has had any connection or contact with individuals on the attached list, or anyone in their offices or anyone purporting to act for them or acting pursuant to their authority, should report these contacts fully. Activities of these and other individuals include not only the Watergate affair, but any investigative work on the Pentagon Papers/Ellsberg case and any contacts relating to the Executive Branch and White House efforts to locate and stem leaks of classified information to the press starting as early as July 1970.

3. Any work done by anyone in the Agency on any of these subjects, or any knowledge related thereto, should be reported to the IG through the appropriate Deputy Director, or directly and personally to the Director.
4. It is imperative that every piece of information bearing on these matters be reported immediately for evaluation by the senior management of the Agency. The public interest requires that all information be produced and reported to our oversight committees (on a classified basis if necessary) so that the Agency's actual role will be clarified with respect to various charges and speculation.

W. E. Colby  
Executive Secretary  
CIA Management Committee

Attachment

APPROVED

James R. Schlesinger  
Director
Attachment.

H. R. Haldeman
John D. Ehrlichman
John Dean
Egil Krogh
David Young
E. Howard Hunt
G. Gordon Liddy
James W. McCord
Charles W. Colson
John J. Caulfield
Eugenio Rolando Martinez Careaga
Juan Rigoberto Ruiz Villegas
Bernard L. Barker
Virgilio Gonzales
Frank Anthony Sturgis
MEMORANDUM TO: Executive Secretary
CIA Management Committee

SUBJECT: Loan of Television System to Secret Service for Use at Democratic and Republican National Conventions in 1972

1. The attached summary reports the loan of television equipment by the Agency to the Secret Service for use during the Democratic and Republican National Conventions last year. The equipment was for use in helicopter aerial surveillance, primarily for crowd control. The assumption is that it was used for that purpose. The equipment was recovered in November 1972.

2. The transaction seems a straightforward arrangement, related to the legal responsibility of the Secret Service. However, the fact that the Agency provided the equipment for use in a domestic political situation could be presented in a different light.

WDB
MEMORANDUM TO: Executive Secretary
CIA Management Committee

SUBJECT: Drug Testing Program

1. The attached summary from ORD describes research into a behavioral drug. Conversations with Carl Duckett indicate that the reported drug was part of a larger program in which the Agency had relations with commercial drug manufacturers, whereby they passed on drugs rejected because of unfavorable side effects. The drugs were screened with the use of ADP equipment, and those selected for experimentation were tested at [ ] using monkeys and mice. Materials having further interest, as demonstrated by this testing, were then tested at Edgewood, using volunteer members of the Armed Forces.

2. The program was terminated last fall. The computer program remains in the machine, its final disposition not yet having been decided.

3. Carl Duckett emphasizes that the program was considered as defensive, in the sense that we would be able to recognize certain behavior if similar materials were used against Americans.

WVB
ORD-2550-73
23 May 1973

MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT: ORD Involvement in Domestic Affairs

In surveying all of the people within the Office of Research and Development in search of specific contact or knowledge of Messrs. Hunt, Krogh, Young, and Liddy, an additional incident in which ORD supplied equipment for domestic use was uncovered. It is attached. I have also provided the additional information you requested on Project [ ] and Project [ ].

Sayre Stevens
Director of Research and Development

Attachments:
As stated
MEMORANDUM FOR THE RECORD

22 May 1973

SUBJECT:  General: The Family Jewels Exercise
Specific: Meeting with Colby This Date

Broe and [redacted] met with Mr. Colby at 11:15 hours today. Colby asked that we provide him with fuller information on the following items:

DO: An ED DIVISION project. What do these agents do in the States? What sort of reporting and to whom?

PDE: Get copies of OCI's reports on "Restless Youth" and Black Radicalism.

DOIT: Get details on the cryogenic magnetometer that is used on unwitting subjects.

DDO: Get from OI Staff copies of the six reports sent to WASHINGTON holding for John Dean on TOS.

UDI: For whom? For what purpose?

DPF: Give Colby a rundown on

Give Colby a copy of PR Division's contribution.
DDCI STATEMENT ABOUT THE WATERGATE CASE

The following statement was made by Lieutenant General Vernon A. Walters during a recent appearance before a Congressional Committee.

On 23 June 1972 I was ordered by a phone message from my office to be at the White House at about 1300 with Director Helms. I had lunch with Mr. Helms and we went to Mr. Ehrlichman's office at the White House. Present were Mr. Ehrlichman, Mr. Haldeman, Mr. Helms and myself. As I recall it, Mr. Haldeman said that the Watergate incident was causing trouble and was being exploited by the opposition. It had been decided at the White House that I would go to Acting FBI Director Gray and tell him that now that the five suspects were arrested, further enquiries into the Mexican aspects of this matter might jeopardize some of the CIA's covert activities in that area. An appointment was made for me to see Mr. Gray at 1430 that same day. I went over and told him that I had been directed by top White House officials to tell him that further investigation into the Mexican aspects of the Watergate episode might jeopardize some of the Agency's covert actions in that area. He said that he understood the agreement between the FBI and the Agency regarding their sources but that this was a complicated case. He would not violate the agreement with CIA regarding sources. On my return to the Agency I checked to see whether there was any danger in the Agency's covert sources if the Mexican part of the investigation continued and ascertained that no one believed that this was the case. No one had any knowledge of the plan to bug the Democratic National Committee.

On June 28 the Counsel to the President John Dean called me and asked me to come and see him about the matter I had discussed with Haldeman and Ehrlichman. He said I could check with Ehrlichman and I did. He said I could talk to Dean so I went to Dean's office at 1145 on June 26.

I informed Dean that I had checked carefully to see whether there was any jeopardy to the Agency's sources by a further investigation of the Mexican sources of this matter and had found there was none. Dean then asked whether the CIA might have taken part in the Watergate episode without my knowing it. I said that this was not
possible. I knew that the Agency had no part in the operation against the Democratic National Committee. I therefore could not say that further investigation would jeopardize Agency sources. I felt that someone had bungled badly and that the responsible parties should be fired. He asked whether there was not some way in which the Agency might have been involved. I said that I had checked with Director Helms and was convinced it was not. Any attempt to stifle this investigation would destroy the effectiveness of the Agency and the FBI and would be a grave disservice to the President. He would have to act on that basis. He asked whether I had any ideas as to what should be done and I replied that those responsible should be fired. He seemed discouraged and I left.

The following day I saw Dean again in his office at his request. He again reviewed the Watergate Case saying that some witnesses were getting scared and were "wobbling". I said that no matter how scared they got, they could not involve CIA because it was not involved in the bugging of the Watergate. He then asked if the CIA could not furnish bail and pay the suspects' salaries while they were in jail, using covert action funds for this purpose.

I replied that this was out of the question. It would implicate the Agency in something in which it was not implicated. Any such action by the Agency would imply an order from the highest level and I could not be a party to any such action. It would be a grave disservice to the President and the country and would destroy the CIA's credibility with the Congress and the people. I would resign rather than do this and, if ordered to do it, I would ask the President to explain the reasons for my refusal. Furthermore, when the Agency expended funds in the U.S., we had to report this to the Oversight Committees of the Agency in Congress. He was much taken aback by this and agreed that risks of implicating the CIA and FBI in this matter would be enormous. I said that what was now a "mortal wound" could become a mortal one. What was now a "conventional explosion" could be turned into a multi-megaton explosion. I again advised him to fire the responsible parties.

Again Dean sent for me on the 28th of June and I saw him at his office at 1130 that day. He enquired whether I had learned anything more about CIA involvement. I replied that there was no involvement of the Agency in the bugging of the Watergate. He then asked whether I had any ideas and I said that I had none which could be helpful. Perhaps the Cubans who were anti-Castro might have had a hand in it but the CIA did not.

On July 5 I received a call from Acting Director of the FBI Gray saying that he could not stop further investigation of the massive aspects of this matter unless he had a formal letter from the Director of CIA ordering him to do so. I went to his office and I saw him at 1030 the following morning.
I told him that I could not tell him that further investigation would jeopardize the Agency's covert sources. I had checked on this and it was not so. I had ascertained that General Cushman had initially authorized the issuance of some equipment to Howard Hunt without knowing its purpose other than it was, as I understood it, to shut off "leaks". This was long before the Watergate bugging. Since then I had carefully checked and there was no other involvement of any sort by the CIA in the operation against the Watergate. I said that I felt that attempts to cover this up or to involve the CIA or FBI would be disastrous to their integrity and a disservice to the President and the country. I would have no part in this and was quite prepared to resign on this issue. He said that he shared my views regarding the protection of the integrity of our agencies and he too was prepared to resign on this issue. I gave Gray a list of the equipment the Agency had given Hunt and the account of our dealings with the former CIA employees up to the termination of their employment with the Agency long before the Watergate episode.

I saw Gray again on the 12th of July and gave him one additional memorandum regarding the contact furnished Hunt. We reviewed the matter, reiterating the position we had taken previously. I said that I had told Dean that the best solution would be to fire those responsible. Gray said he had made the same recommendation. Once again we agreed that anything that might damage the integrity of the FBI and CIA would be a grave disservice to the President and the Government.

In February 1973 shortly after Dr. Schlesinger became Director I told him of my conversations with Haldeman, Ehrlichman and Dean. In February Dean called Dr. Schlesinger to see if the Agency could get back from the FBI the material it had sent to the Justice Department concerning our contact with Hunt. Dr. Schlesinger and I agreed that this could not be done. I attempted to contact Dean but he was in Florida. On his return I saw Dean at his office on February 21 and told him that we could not ask the FBI for the material back. That would only serve to implicate the CIA and I could not and would not do it. I had seen Acting FBI Director Gray that morning and told him of Dean's request and our refusal. He agreed saying that he could not do such a thing.

Since that date I have had no further contact with Dean. The above represents my recollection of what occurred and the dates are checked in my appointment book.
MEMORANDUM FOR ALL CIA EMPLOYEES

1. Recent press reports outline in detail certain alleged CIA activities with respect to Mr. Howard Hunt and other parties. The presently known facts behind these stories are those stated in the attached draft of a statement I will be making to the Senate Committee on Appropriations on 9 May. As can be seen, the Agency provided limited assistance in response to a request by senior officials. The Agency has cooperated with and made available to the appropriate law enforcement bodies information about these activities and will continue to do so.

2. All CIA employees should understand my attitude on this type of issue. I shall do everything in my power to confine CIA activities to those which fall within a strict interpretation of its legislative charter. I take this position because I am determined that the law shall be respected and because this is the best way to foster the legitimate and necessary contributions we in CIA can make to the national security of the United States.

3. I am taking several actions to implement this objective:

- I have ordered all the senior operating officials of this Agency to report to me immediately on any activities now going on, or that have gone on in the past, which might be construed to be outside the legislative charter of this Agency.

- I hereby direct every person presently employed by CIA to report to me on any such activities of which he has knowledge. I invite all ex-employees to do the same. Anyone who has such information should call my secretary (extension 6363) and say that he wishes to talk to me about "activities outside CIA's charter."
4. To ensure that Agency activities are proper in the future, I hereby promulgate the following standing order for all CIA employees:

Any CIA employee who believes that he has received instructions which in any way appear inconsistent with the CIA legislative charter shall inform the Director of Central Intelligence immediately.

James R. Schlesinger  
Director
DCI STATEMENT

BEFORE

SENATE APPROPRIATIONS SUBCOMMITTEE
ON INTELLIGENCE OPERATIONS

9 MAY 1973
OPENING STATEMENT

Mr. Chairman, I am here to discuss the questions which have arisen over CIA's real and alleged role in events that occurred in 1971 and 1972. I have opened a detailed investigation into the precise nature of that role. I can report to you on what Agency records, now being intensively reviewed, reveal at this juncture. However I do not yet know that I have all the facts in the matter. Nonetheless, I am pleased to present to you such facts as are now available, and I will certainly provide you with any further details as they come to my attention.

Let me start with the Agency's relationship with Mr. Howard Hunt, whose testimony has recently been made public. Mr. Hunt was a staff employee of the Agency from 8 November 1949 to 30 April 1970. At that time he retired from the Agency. He performed one editorial job of writing up a recommendation for an award for one of our officers in November 1970. He was not paid for these services, although the Agency placed the sums of $200.00 and $50.00 in two charitable organizations for the service performed.

In early July 1971, General Cushman, then the Deputy Director of Central Intelligence, received a telephone call from the White House. He was informed that Mr. Hunt had become a consultant on security affairs for the White House, and a request was made that Mr. Hunt receive assistance from the Agency. The minutes of the Agency Morning Meeting of 8 July 1971 indicate that the DDCI (General Cushman) reported a call by John Ehrlichman stating that Howard Hunt had been appointed a White House security consultant.

On 22 July 1971 Mr. Hunt visited General Cushman at the CIA building. According to the records, Mr. Hunt stated that he had been charged with a highly sensitive mission by the White House to visit and elicit information
from an individual whose ideology he was not entirely sure of, and for that purpose he said he was asked to come to the Agency to see if he could get two things: identification documents in alias and some degree of physical disguise, for a one-time operation. He stressed that he wanted the matter to be held as closely as possible and that he would like to meet the Agency people in an Agency safehouse. Agency records indicate that, in the course of the conversation, Mr. Hunt referred to Mr. Ehrlichman by name and General Cushman acknowledged an earlier call from Mr. Ehrlichman to him. The Committee may desire to query General Cushman whose knowledge would not come from such secondary sources.

General Cushman directed the appropriate technical service of the Agency to be of assistance to Mr. Hunt, based on the above request. On 23 July 1971 Mr. Hunt was given alias documents, including a Social Security card, driver's license, and several association membership cards, in the name of "Edward Joseph Warren" similar to material he had been furnished for operational use while he had been an Agency employee, under the name of "Edward V. Hamilton." The same day Mr. Hunt was also given disguise materials (a wig, glasses, and a speech alteration device).

By calling an unlisted telephone number given him, Mr. Hunt arranged several additional meetings with Agency technical officers, the dates of which cannot be provided with precision. In these, he requested and was provided a commercial tape recorder (in a typewriter case) and a commercial Tessina camera disguised in a tobacco pouch. He also brought in a then-unidentified associate (later identified from press photos as Mr. G. Gordon Liddy) and secured for him a disguise (wig and glasses) and alias documents in the name of "George F. Leonard."
The Agency technical officers met these requests despite the absence of the procedural steps and approvals normally required by Agency regulations. However, they became increasingly concerned at the escalation of Mr. Hunt's requests for assistance. These finally included a request from Mr. Hunt to be met on the morning of 27 August 1971, upon his return from California, to have a film developed and returned to him. This was done the same day. He also asked for a New York mail address and telephone-answering service for operational use.

The technical officers raised their concern with senior officers, who noted the possibility that these activities could involve the Agency in operations outside its proper functions. As a result, again according to Agency records, General Cushman telephoned Mr. Ehrlichman at the White House on 27 August 1971 and explained that further such assistance could not be given. Mr. Ehrlichman agreed. The request for mail address and telephone answering service was not honored. On 31 August 1971, Mr. Hunt contacted the technical officers again, requesting a credit card, but this was refused. Mr. Hunt had also made a request on 18 August 1971 for the assignment of a secretary he had known during his Agency career. This was also refused. The earlier-furnished alias documents and other material were not recovered, however, except for the Tessina camera which was returned on 27 August as unsuitable. Since the end of August 1971, the Technical Services Division has had no further association with Mr. Hunt. As a point of reference, I would note that the break-in of the office of Mr. Ellsberg's psychiatrist took place on or about 3 September 1971.
The Agency outlined the above events to Mr. Patrick Gray, Acting Director of the FBI, in letters dated 5 and 7 July 1972, and a meeting on 28 July 1972. A series of questions were asked the Agency on 11 October 1972 by Mr. Earl Silbert, Principal Assistant United States Attorney for the District of Columbia. On 24 October 1972, Attorney General Kleindienst and Assistant Attorney General Petersen reviewed the 5 and 7 July transmittals together with additional, more detailed but undated materials, that had been provided to Acting FBI Director Gray on 18 October 1972. The Agency is aware that this material was reviewed on 27 November 1972 by Mr. Silbert, who asked additional questions on that date as well as on 29 November 1972. Written responses to the foregoing questions were provided on 13 December 1972. An additional submission was made to the Assistant Attorney General Petersen on 21 December 1972. This material was discussed at a meeting held with Assistant Attorney General Petersen and Mr. Silbert on 22 December 1972.

All of the foregoing materials can be made available to the Committee if it so desires.

As a separate matter, which was not known by those who prepared the material for the Department of Justice in the fall of last year, the Office of Medical Services of the Agency prepared and forwarded to the White House two indirect personality assessments of Mr. Daniel Ellsberg. The Agency has had a program of producing, on a selective basis, such assessments or studies on foreign leaders for many years. In July 1971 Mr. Helms, then Director, instructed Agency officers to work with Mr. David Young of the White House Staff relative to security leaks in the intelligence community.
Mr. Young requested a study on Mr. Ellsberg in the latter part of July 1971, which Agency activity was apparently approved by Mr. Helms. At that time, Mr. Young supplied raw material consisting principally of newspaper and magazine articles together with some State Department and Justice Department papers. The first assessment delivered to the White House dated 9 August 1971, was judged insufficient. As a result, there were several meetings between Dr. Malloy, Mr. Hunt, and Mr. Liddy, in which classified information of the Justice and State Departments was introduced. One such meeting occurred on 12 August 1971. Additional material was transmitted by Mr. Hunt on 12 October, and another meeting was held on 27 October. These meetings led to a second version of the assessment, dated 9 November 1971. This document was delivered to the Executive Office by Dr. Malloy on 12 November 1971. Agency records indicate that Mr. Helms had previously communicated with Mr. Young indicating he had read both reports.

In another contact "about October 1971," an Agency officer arranged to provide Mr. Hunt certain unclassified materials from CIA files relative to a 1954 French case of leakage of Government documents. These were delivered to his office at the White House.

In closing, I would like to stress several conclusions of my investigation so far:

a. CIA had no awareness of the details of Mr. Hunt's activities. The Agency's impression was that Mr. Hunt was engaged in an activity related to identifying and closing off the security leaks that were so much a preoccupation of the Government at the time.
b. The Agency clearly was insufficiently cautious in the initiation of its assistance to Mr. Hunt. Later, when the nature of Mr. Hunt's requests for assistance began to indicate a possible active involvement by the Agency in activities beyond its charter, the Agency terminated the relationship and refused further assistance.

c. The preparation of a profile on an American citizen under these circumstances lies beyond the normal activity of the Agency. It shall not be repeated -- and I have so instructed the staff. This shall be made a part of the regulations governing such activities.

d. As Director, I have called for a review of all Agency activities and the termination of any which might be considered outside its legitimate charter. In addition to requesting this review from my subordinates, I have directed each employee and invited each ex-employee to submit to me any cases which they may question. I am determined that the Agency will not engage in activities outside of its charter but will concentrate its energies on its important intelligence mission.
8 May 1973

DCI:

Sy Hersh's provocative teaser for the day:

"I have information that Cushman knew exactly what he was okaying when he gave approval to assist Hunt..."

I again mentioned Sy to the statement he had given to the Times already, and told him I "noted" what he had to say today.

He has calls in for you, Houston, and Colby.

AMT

cc: OGC
    OIC
    Mr. Colby
RESPONSE TO PRESS INQUIRIES CONCERNING MR. HUNT'S
GRAND JURY TESTIMONY

THE CENTRAL INTELLIGENCE AGENCY HAD NO
ADVANCE NOTICE OF ANY SORT WHATSOEVER OF THE
BREAK IN BY MR. HUNT OF THE OFFICE OF MR.
ELLSBERG'S PSYCHIATRIST OR OF THE WATERGATE
INCIDENT. THE NEWSPAPER REPORTS OF THESE TWO
EVENTS WERE THE FIRST NOTICE TO ANYONE IN THE
AGENCY. ALL AGENCY INFORMATION ON OUR CONTACTS
WITH ANY PERSONS INVOLVED IN THESE INCIDENTS HAS
BEEN REPORTED FULLY TO THE DEPARTMENT OF JUSTICE,
AND AS INVESTIGATION OF THESE MATTERS IS IN THE HANDS
OF THE COURTS AND THE GRAND JURY, ALL INQUIRIES
SHOULD BE DIRECTED TO THE DEPARTMENT OF JUSTICE.
8 May 1973

MEMORANDUM FOR: Executive Secretary, CIA Management Committee
SUBJECT: Potentially Embarrassing Agency Activities

The Office of the Inspector General has records on the following sensitive subjects that either have been or might in the future be the source of embarrassment to the Agency.

The report of the Board of Inquiry in the case of Hans Tofto. The Tofto affair was fully exposed in public, of course, but the report itself is closely held within the Agency. This office was designated as the custodian of the report, and we have the only surviving copy.

An annex to the Inspector General's report of survey of the Technical Services Division done in 1953. The annex deals with experiments in influencing human behavior through the administration of mind or personality altering drugs to unwitting subjects.

An Inspector General report of investigation of allegations that the Agency was instrumental in bringing about the assassination of President Diem. The allegations were determined to be without foundation.

An Inspector General report of investigation of allegations that the Agency was instrumental in bringing about the assassination of President Trujillo. The investigation disclosed quite extensive Agency involvement with the plotters.

An Inspector General report of investigation of allegations that the Agency conspired to assassinate Fidel Castro. The story first appeared in Drew Pearson's column and has since appeared in Jack Anderson's column. While the columns contained many factual errors, the allegations are basically true.
SDS and other student activist groups

OCI produced in December 1967 at Walt Rostow's request a 30-page typescript study of the SDS and its foreign ties.

In the summer of 1968 OCI produced--again at Rostow's request--a paper on Restless Youth. The first, and most sensitive section, was a philosophical treatment of student unrest, its motivation, history, and tactics. It drew heavily on overt literature and FBI reporting on SDS and affiliated groups. The second section comprised 19 chapters on foreign student disidence.

Pages 11 & 12 Black radicalism

OCI began following Caribbean black radicalism in earnest in 1968. Two papers were produced on the subject, one in August 1969 and the other in June 1970.

OCI was asked in June 1970 to write a memo with special attention to links between black radicalism in the Caribbean and advocates of black power in the US. The memo was produced in typescript and given to the DCI.

OCI in 1968 wrote periodic typescript memos on Stokely Carmichael's travels abroad during a period when he had dropped from public view.
Prohibition against COMINT vs. US citizens

In September 1972, COMINT was conducted to conduct hearability tests of certain HF long-distance commercial telephone circuits between the US and South America. The circuits carried drug-related traffic. The tests were successful. The activity was terminated on 30 Jan 73 following OCG determination that they were illegal.

We conduct an intercept operation in targeted on radio telephone conversations these intercepts contain a large number of unrelated conversations often involving US citizens.

Testing in the US of ORD-developed electronic collection systems occasionally result in the collection of domestic telephone conversations. When the tests are complete, the intercepted material is destroyed.

CIA technicians conducted tests in the Miami area in August 1971 of DF gear intended for use against a Soviet agent in South Vietnam. While wholly innocuous, the tests preceded the holding of the conventions there and could be construed as being somehow related to them.

In February 1972 CIA asked an official of AT&T for copies of telephone call slips relating to US-China calls. The operation lasted for three or four months and then dried up. OCG stated its belief that the collection of these slips did not violate the Communications' Act since eavesdropping was not involved.

Mail coverage

Since 1953, CIA has operated a mail intercept program of incoming and outgoing Russian mail and, at various times, other selected mail at Kennedy Airport in New York City. This program is now dormant pending decision on whether to continue or to abolish it.
8 May 1973

MEMORANDUM FOR: Mr. W. E. Colby
Executive Secretary, CIA Management Committee

FROM: Director, National Estimates

SUBJECT: Comments on Proposed DCI Statement (Hunt Case)

Since you are aware that I have no facts bearing on the case, I take it that you asked for comment from the following point of view: will the proposed statement be well received by the committee?

The main questions in the committee's mind will be: Did CIA cooperate willingly in activities which were both illegal and outside its charter? Or did it only respond supinely to higher authority even though it had some reason for suspecting illegal conduct?

Tactically, I think there would be advantage in coming to grips frankly with these questions in the statement itself. The text in its present form could be taken as a minimum factual response which doesn't quite get at the heart of the matter. I think it preferable, in the interest of the Agency's reputation on the Hill, to proceed to candor directly rather than to be drawn to it by subsequent questioning.

Key follow-up questions which can be anticipated would include the following:

Why is there no record of the initial Ehrlichman-Cushman contact?

If Cushman recorded the conversation with Hunt, was he not already suspicious of the latter's purpose and why didn't he ask? At a minimum, could he not have inquired whether "the individual whose ideology we aren't entirely sure of" was an American citizen?
When Cushman told Ehrlichman on 27 August 1971 that CIA was suspending support to Hunt, was it only on the ground that the latter had become "too demanding"?

Why was the personality study on Ellsberg provided when it was obvious that this action transgressed the Agency's charter?

Obviously most questions which will be raised can only be answered by Helms and Cushman personally. Nevertheless, I think the DCI would be well advised to provide a candid evaluation of these proceedings in his initial statement. To do so voluntarily would make more persuasive the assurances the Committee will want that nothing of the sort will be done under his direction of the Agency.

John Hulsenberg
MEMORANDUM FOR ALL CIA EMPLOYEES

1. Recent press reports implicate CIA in certain illegal activities allegedly committed in the United States. Without going into the details of these allegations, I can assure you that I intend to cooperate fully with the various law enforcement and Congressional investigations of these matters.

2. All CIA employees should understand my attitude toward matters of this sort. I shall do everything in my power to confine CIA activities to those which fall within the strictest interpretation of its legislative charter. I take this position because I am determined that the law shall be respected and because this is the best way to foster the legitimate and necessary contributions we in CIA can make to the national security of the United States.

3. I am taking several actions to implement this objective:

   - I have ordered all the senior operating officials of this Agency to report to me immediately on any activities now going on, or that have gone on in the past, which might be construed by reasonable people to be outside the legislative charter of this Agency.
I hereby order every person presently employed by CIA to report to me directly on any such activities of which he has knowledge. I invite all ex-employees to do the same. Anyone who has such information shall call my secretary (extension 6383) and say that he wishes to talk to me about "questionable CIA activities".

I intend to name a highly respected person from outside the Government to review, investigate, and prepare reports for me on any apparent violations of the CIA legislative charter which are brought to his attention or may be uncovered on his own initiative. I shall give this person complete and unrestricted access to all records and persons in the Agency.

4. To insure that Agency activities are proper in the future, I hereby promulgate the following standing order for all CIA employees:

Any CIA employee who believes that he has received instructions which in any way appear inconsistent with the CIA legislative charter shall inform the Director of Central Intelligence immediately.

James R. Schlesinger
Director
Retirement Information - E. Howard Hunt

1. Date of retirement: 30 April 1970

2. System: CIA Retirement and Disability System

3. Grade and salary at time of retirement: GS-15, Step 8 - $28,226

4. Creditable civilian service used in computing annuity:
   - 17 May 1948 to 8 June 1948 - Economic Cooperation Administration
   - 9 June 1948 to 19 February 1949 - State (ECA)
   - 8 November 1949 to 30 April 1970 - CIA

5. Annuity:
   - At retirement - $1,020 per month
   - At present - $1,181 per month (which includes cost-of-living increases since date of retirement)

6. At the time of retirement Mr. Hunt did not elect survivorship benefits. This meant that upon his death, his wife would not draw a survivorship annuity. By letter of 5 April 1971 he raised the question of changing his election but was informed by the General Counsel on 6 May 1971 that this could not be done. By letter dated 5 May 1972 Mr. Hunt asked Mr. Houston to raise with the Director the possibility of being recalled to duty for a short period of time, after which he could retire again and elect survivorship benefits. By letter of 16 May 1972 Mr. Houston advised Mr. Hunt that to call him back to duty solely for the purpose of permitting him to change survivorship benefits would be in violation of the spirit of the CIA Retirement Act.
Attached in chronological order is that which MAG has produced and papers related to Management's reaction thereto on MAG's concern regarding domestic activities. It is provided for your review and comment to Mr. Colby. This is our file copy and I would hope it could be retrieved if required.
DIARY NOTES

Executive Director-Comptroller 4 January 1972

1. I met with the outgoing and incoming MAG Cochairmen. We discussed a number of topics but concentrated particularly on their two most recent memoranda concerning domestic activities. I expressed slight irritation with their second memorandum, which is a shotgun approach to the problem, and asked them to be specific if they have anything in mind. I said I understand they have heard that we sent a surveillance team to the Democratic National Convention. Mr. [ ] said that he made this statement because an Office of Security employee reported in his presence that he personally was a member of a team which went to the Convention. (I subsequently raised this with Howard Osborn, who after investigating reported back that the Secret Service asked us for two technicians during the Democratic National Convention. These technicians were formally detailed to the Secret Service and went to Chicago, where they did RF monitoring under the supervision of the Secret Service. The Secret Service apparently calls RF monitoring "audio surveillance," and it seems that, during the discussion which took place at the Senior Seminar, those who heard this assumed that "surveillance" meant actual surveillance of the candidates, when actually the meeting rooms were being checked to ensure they had not been bugged. I have reported all this to the Director and shall discuss it with MAG when I have dinner with them on 11 January.)
23 December 1971

MEMORANDUM FOR: The Executive Director-Comptroller

SUBJECT : CIA's Domestic Activities

REFERENCE : MAG Memoranda on same subject dated March 1971 and November 1971

As requested, MAG met with the DDP on 21 December and discussed with him the referenced memoranda on CIA's covert domestic activities. Our exchange consisted primarily of the DDP responding to the MAG memoranda as they related to activities of the Clandestine Service alone. The DDP made it clear that he spoke only for his Service. Since MAG's initial concern over covert domestic activities extended to, while not being restricted to, the Clandestine Service, it recommends that the referenced memoranda be also brought to the attention of appropriate senior officials in other Agency components.

The Management Advisory Group

SECRET

EYES ONLY SENSITIVE

00435
**ROUTING AND RECORD SHEET**

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DDP

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**NO.**

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**FORM 610 USE PREVIOUS EDITIONS **

SECRET □ CONFIDENTIAL □ INTERNAL USE ONLY □ UNCLASSIFIED
21 December 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT: Meeting with MAG Group

1. I met with the MAG group this morning for little over an hour, and I set forth as candidly as possible those counterintelligence and counterespionage responsibilities of ours overseas which make it mandatory for us occasionally to take an interest in American citizens overseas. I explained the requirements placed on us by the Department of Justice for overseas checks, and also the fact that our normal overseas operations against Soviets and others sometimes produce leads to Americans in conspiratorial contact with our Communist targets.

2. I was asked about our having sent Agency representatives to the Democratic National Convention in Chicago in 1968 and I explained that I never heard of such a thing and did not believe it. I pointed out that, as they knew, the press had reported fully on the Agency participation at the beginning of the sky marshalling program and I assumed they saw nothing wrong with this. They agreed. I also pointed out that, at President Kennedy's funeral, with scores of important foreign personalities here, the Agency lent some assistance to the Secret Service, and here again the group understood that this was a legitimate function.

3. The group made it clear that their concern was over the Agency image if the general public were aware that some of our activities, wherever they took place, were targeted against Blacks. I said that we did not target against Americans of any color in this country, and that the Clandestine Service was color blind when it came to carrying out its overseas CI responsibilities and it would continue to be so.
4. I agreed that the Director should be asked to speak a little more fully and clearly on whether we "target against American citizens" so that there is no ambiguity.

5. I told the group that we must expect all kinds of irresponsible accusations in the press, such as the one in the January 1972 issue of RAMPARTS magazine in which Bob Kiley and Drex Godfrey, it is suggested, are still in the employ of CIA working on a CIA plan to improve police organizations in this country. I said that this was palpably false as anyone who knows Kiley and Godfrey would understand. The group mentioned Dick Ober's unit and said that there was a lot of scuttlebutt that the purpose of this unit was to keep book on Black Power adherents. I denied this saying that our interest was as I had explained it previously.

6. I do not know whether this is a fair assumption, but Dick Ober's machine program is not handled in the Clandestine Service and it is possible that someone is misreading and misinterpreting the intent of Ober's program from fragmentary bits and pieces that may be discernible from the handling of the machine program. I do not state this as a fact because I have not examined it that closely.

7. I told the group that I had offered to enlighten it candidly on what we do so that they would at least have the facts and I said that I assume you would take it from here.

Thomas H. Karamessines
Deputy Director for Plans
MEMORANDUM FOR: The Director

THROUGH: The Executive Director-Comptroller

SUBJECT: CIA's Domestic Activities

REFERENCE: MAG Memorandum, "CIA's Domestic Activities,"
           March 1971

1. MAG is seriously concerned about possible repercussions which may arise as the result of CIA's covert domestic activities. Public revelation that CIA has become involved in collecting information on U.S. citizens would likely redound to the Agency's discredit and jeopardize overall Agency programs.

2. MAG first expressed its concern about CIA's covert domestic activities in a memo for the DCI, transmitted through the Executive Director-Comptroller in the Spring of 1971 (Attachment A). MAG's concern has increased recently because of such articles as Vic Marchetti's UPI interview (Attachment B) and the 10 October New York Times article concerning rupture of FBI-CIA relations (Attachment C). Both hint at extremely sensitive Agency involvement in domestic activities. Additionally, the DCI addresses to the American Society of Newspaper Editors (Attachment D) and to the CIA Annual Awards ceremony (Attachment E) make rather categorical denials of Agency covert targeting on U.S. citizens. Agency employees aware of the various sensitive operations in question know that there is qualifying language explaining CIA involvement. However, MAG believes that in the event of an expose, such esoteric qualifiers will be lost on the American public and that there is probably nothing the Agency could say to alleviate a negative reaction from Congress and the U.S. public. It is MAG's fear that such a negative reaction could seriously damage our Congressional relations, effect our work against priority foreign targets and have significant impact on the viability of CIA.

3. There are indications that the Agency, in responding to CE/CI requirements, is collecting information on selected
U.S. citizen; both at home and abroad. In operational areas which are highly sensitive and potentially explosive (e.g., domestic radical or racial groups) this Agency must carefully weigh the needs and pressures for collecting and maintaining this information against the risk and impact of revelation should the operation become compromised or public knowledge. We therefore urge that all domestic collection and action programs be severely reviewed so that only those be continued which are of the highest priority and which absolutely cannot be undertaken by domestic agencies. CIA should not take on requirements of this type by default.

4. Not all of the members of MAG are privy to CIA's direct or indirect involvement in domestic activities. Those who are aware probably know only parts of the whole picture. But our increasing concern and our intense interest in maximizing the Agency's ability to do its proper job, impel us to bring our serious apprehensions to your attention.

THE MANAGEMENT ADVISORY GROUP
Attachments B, C, D and E

Attachment B - Vic Marchetti's UPI Interview, from U.S. News and World Report, 11 October 1971:

"Fearing today that the CIA may already have begun 'going against the enemy within' the United States as they may conceive it—that is, dissident student groups and civil-rights organizations..."

"Because the men of the Agency are superpatriots, he said, it is only natural for them to view violent protest and dissidence as a major threat to the nation. The inbred CIA reaction, he said, would be to launch a clandestine operation to infiltrate dissident groups.

That, said Marchetti, may already have started to happen.

'I don't have very much to go on,' he said. 'Just bits and pieces that indicate the U.S. intelligence community is already targeting on groups in this country that they feel to be subversive.

'I know this was being discussed in the halls of the CIA, and that there were a lot of people who felt this should be done.'"

Attachment C - New York Times, 10 October, "FBI-CIA Relations:

"Information generally exchanged between the FBI and the CIA might concern such subjects as officers of the Black Panther party traveling overseas...and American youngsters cutting sugar cane in Cuba."

Attachment D - DCI Address to the American Society of Newspaper Editors:

"And may I emphasize at this point that the statute specifically forbids the Central Intelligence Agency to have any police, subpoena, or law-enforcement powers, or any domestic security functions. I can assure you that except for the normal responsibilities for protecting the physical security or our own personnel, our facilities, and our classified information, we do not have any such powers and function; we have never sought any; we do not exercise any. In short, we do not target on American citizens."
Attachment E - DCI Address to CIA Annual Awards Ceremony:

"I gave a talk to the American Society of Newspaper Editors last winter, as you know, and I did it for only one purpose. That was to try and put in the record a few of these denials that we've all wanted to see put in the public record for some time. And you can rely on those denials. They're true, and you can use that as any text that you may need to demonstrate that we're not in the drug traffic, and that we're not trying to do espionage on American citizens in the United States."