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B. Control by the Congress

1. *Congressional Committee Oversight*

The armed services committees of Congress have exclusive legislative jurisdiction over any bill, other than for appropriations, whose primary focus is on the CIA. These committees, therefore, exercise primary congressional policymaking control over the CIA. Each has delegated this authority over CIA matters to an intelligence subcommittee. The House subcommittee has seven members (and the approximate equivalent of one and one-half full-time professional staff members). The Senate subcommittee has five members (with a staff of similar size).

Although not involved in the appropriation process, these subcommittees also receive CIA budget information supplied to the appropriations subcommittees.

Since there has been no substantive CIA legislation since 1947, the role of these intelligence subcommittees has generally been to exert policy-making influence informally through personal discussions with the Director of Central Intelligence.

The appropriations committees also examine CIA activities in reviewing CIA budget requests. Both appropriations committees rely on subcommittees to perform this task. The information submitted to congressional oversight subcommittees on the CIA budget is identical to that submitted to OMB. It is considered in secret sessions of the subcommittees (whose chairmen are also chairmen of the parent committees) but is not revealed to the full committee membership or the Congress as a whole.

There has been little further discussion in Congress (outside of the oversight committees) of the CIA's budget or activities except when they otherwise become matters of public discussion. After the CIA appropriation is passed, the chairmen of the appropriations subcommittees retain limited de facto fiscal control over the CIA. Before any of its contingency reserve fund is spent, they are consulted. On the other hand, the CIA is not required to notify Congress before shifting appropriated funds from one program to another.

Neither the members of the oversight committees nor other members of Congress have generally received detailed information on CIA operations. Public hearings are not held. Although secret hearings are held, they are confined by the scope of the information made available. While it appears that the subcommittees or at least their leaders and the leaders of Congress have been informed of major



CIA activities,³ the amount of information provided does not always correspond with that available to Congress in other sensitive areas.

In sum, congressional oversight of the CIA has been curtailed by the secrecy shrouding its activities and budget. At least until quite recently, Congress has not sought substantial amounts of information of a sensitive nature. Correspondingly, the CIA has not generally volunteered additional information.

There have been occasional efforts to extend congressional oversight of CIA activities. Since 1967, three members of the Senate Foreign Relations Committee have been invited to attend intelligence briefings given to the Senate oversight subcommittees, but these briefings do not identify specific CIA operations.

In addition, certain members of Congress have proposed more intensive congressional oversight over the CIA. These proposals have usually been defeated.

In January 1955, Senator Mansfield (Democrat-Montana) introduced a resolution to establish a Joint Committee on Central Intelligence; it was defeated 50 to 27. In 1966, the Senate Foreign Relations Committee proposed a Senate Committee on Intelligence Operations; the proposal was defeated 61 to 28. However, the Hughes Amendment to the Foreign Assistance Act of 1974 prohibits CIA expenditure of funds "for operations in foreign countries, other than intelligence activities intended solely for obtaining necessary intelligence" unless the President determines that it is "important to the national security" and reports the operation to the "appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives." Both the Senate and House recently formed select committees with temporary charters to investigate the activities of all intelligence agencies.

2. General Accounting Office

The General Accounting Office (GAO) is responsible for making accounting and auditing reports to the Congress. It studies the efficiency, propriety, and legality of executive agency operations and conducts financial audits on its own initiative or at the request of a member or committee of Congress.

The CIA Act of 1949 authorizes the Director of Central Intelligence to make confidential (unvouchered) payments; these payments, constituting approximately one half of total CIA spending, are beyond

³ A compilation from CIA files of its contacts with Congress shows that over a five-year period (1967-1972) the CIA averaged 26 briefings of congressional committees or subcommittees per year and 81 briefings of individual members of Congress per year.



GAO's audit authority. The 1949 Act further protects CIA spend-
 from GAO challenge by providing that:

The sums made payable to the Agency may be expended without regard to
 the provisions of law and regulations relating to the expenditure of Government
 funds . . .

For a time, GAO audited the nonconfidential expenditures of the
 CIA; however, after adoption of the 1949 Act, no challenges to the
 legality of any payments were made. Any questions about the lawfulness
 of CIA expenditures were instead referred to the CIA's
 Comptroller.

When GAO broadened its activities in 1959 to include studies of
 agency efficiency, it included the CIA on a "trial basis." After two
 years, the Comptroller General (who heads GAO) decided that be-
 cause of statutory and security restrictions on GAO audits of CIA
 activities, GAO "did not have sufficient access to make comprehensive
 reviews on a continuing basis which would produce evaluations help-
 ful to the Congress."

GAO also concluded that it would not be worthwhile to continue
 its limited financial audits of the CIA. This decision to eliminate
 GAO audits of CIA activities was related to a CIA internal reorga-
 nization which increased the scope of its internal comptroller and
 audit operations. Since 1962, the GAO has not conducted any reviews
 at the CIA nor any reviews which focus specifically on CIA activities.

C. Control by the Courts

The CIA has only rarely been involved in litigation. In the CIA's
 history, there have been only seven judicial decisions relating to it.
 None operated as a substantial check on the CIA's activities.

The CIA's actions are not readily challenged in the courts. Most
 CIA activities relate to foreign intelligence and as a consequence are
 not reviewed by the courts. Moreover, since practically all of the CIA's
 operations are covered by secrecy, few potential challengers are even
 aware of activities that might otherwise be contested; nor can such
 activities be easily discovered.

The CIA is also specifically freed from statutory requirements
 which often constrain government activities and are enforced by
 courts. For instance, the 1947 Act authorizes the Director to discharge
 employees whenever he deems "such termination necessary or advisable
 in the interests of the United States." This discharge power has been
 held to be unreviewable. Accordingly, employees have rarely initiated
 suits against the Agency for wrongful termination and have never
 successfully done so.



D. The Effects of Publicity

Reports of CIA activities in newspapers and magazines and on television are another form of external control on its activities.

Until recently, the secrecy which protected the CIA's activities effectively limited the impact of this control. Recent events indicate that the CIA will be subject to more intensive scrutiny in the press, but as a practical matter the news media cannot effectively "police" CIA activities.

Publicity about the CIA tends to be an unrefined control mechanism. The press can examine only what is leaked; it cannot consider all relevant details; it may be inaccurate and incomplete; and it may have unintended results on CIA operations.

E. Control by Special Commissions and Panels

Since the creation of the CIA in 1947, it has been reviewed by a number of special panels, commissions and committees. Some were created in response to particular issues, most notably in 1961 after the Bay of Pigs and in 1967 after disclosure that nonprofit institutions had been used to assist the CIA. The primary studies were:

1. Dulles, Jackson, Correa Report to the NSC on the CIA and National Organization for Intelligence (January 1949): A study of the structure and organization of the CIA, existing CIA activities, and the relationship of those activities to those of other departments and agencies.
2. Jackson Report (President's Committee on International Information Activities) (June 1953): A survey and evaluation of the international policies and activities of the executive branch.
3. Doolittle Report (September 1954): A report on covert operations of the CIA.
4. Clark Report (Task Force on Government Intelligence Activities) (May 1955): A survey of the CIA and intelligence activities of the State and Defense Departments and the National Security Council.
5. Sprague Report (President's Committee on Information Activities Abroad) (December 1960): A review of the impact of international actions of the United States government on world public opinion and on other governments, with particular reference to the CIA.
6. Kirkpatrick Report (Joint Study Group Report on Foreign Intelligence Activities of the U.S. Government) (December 1960): A series of recommendations to assist the Director of Central Intelligence in coordinating foreign intelligence activities.



7. Kirkpatrick, Schuyler, Coyne Report (April 1962) : A study of the organization and activities of the CIA and its relationship with other agencies in the intelligence community.

8. Katzenbach Report (March 1967) : A review of the relationships between government agencies and educational and voluntary organizations which operate abroad.

9. Lindsay Report on Covert Operations of the U.S. Government (December 1968) : A study of supervision by Congress and within the CIA of covert operations.

10. OMB Report (Schlesinger Study of the Intelligence Community) (March 1971) : A study of the organization of the intelligence community and its cost-effectiveness.

Most recommendations have focused on the organization of the intelligence community and were preludes to a reorganization. The Katzenbach Report ended CIA funding of educational and voluntary organizations. The issue of CIA activities within the United States was not given major attention by any other of these review panels.

Conclusions

Some improvement in the congressional oversight system would be helpful. The problem of providing adequate oversight and control while maintaining essential security is not easily resolved. Several knowledgeable witnesses pointed to the Joint Committee on Atomic Energy as an appropriate model for congressional oversight of the Agency. That Committee has had an excellent record of providing effective oversight while avoiding security leaks in a highly sensitive area.

One of the underlying causes of the problems confronting the CIA arises out of the pervading atmosphere of secrecy in which its activities have been conducted in the past. One aspect of this has been the secrecy of the budget.

A new body is needed to provide oversight of CIA within the Executive Branch. Because of the need to preserve security, the CIA is not subject to the usual constraints of audit, judicial review, unrestricted publicity, or open congressional budget review and oversight. Consequently, its operations require additional external control. The authority assigned the job of supervising the CIA must be given sufficient power and significance to assure the public of effective supervision.

The situation whereby the Agency determined whether its own employees would be prosecuted must not be permitted to recur.



Recommendation (3)

The President should recommend to Congress the establishment of a Joint Committee on Intelligence to assume the oversight role currently played by the Armed Services Committees.³

Recommendation (4)

Congress should give careful consideration to the question whether the budget of the CIA should not, at least to some extent, be made public, particularly in view of the provisions of Article I, Section 9, Clause 7 of the Constitution.⁴

Recommendation (5)

The functions of the President's Foreign Intelligence Advisory Board should be expanded to include oversight of the CIA. This expanded oversight board should be composed of distinguished citizens with varying backgrounds and experience. It should be headed by a full-time chairman and should have a full-time staff appropriate to its role. Its functions related to the CIA should include:

1. Assessing compliance by the CIA with its statutory authority.
2. Assessing the quality of foreign intelligence collection.
3. Assessing the quality of foreign intelligence estimates.
4. Assessing the quality of the organization of the CIA.
5. Assessing the quality of the management of the CIA.
6. Making recommendations with respect to the above subjects to the President and the Director of Central Intelligence, and, where appropriate, the Attorney General.

³ Commissioner Griswold adds the following statement:

The assignment given to the Commission relates only to the domestic activities of the CIA. But the problems which have arisen in the domestic field cannot be fully understood and evaluated unless they are viewed against the role which the CIA has undertaken to play outside the United States. Because of the secret nature of its operations, legal and moral limitations may not always be kept in mind. In this situation, it should not be surprising that personnel, when working in the United States, should not always feel that they are subject to ordinary restraints.

Congress should, in my opinion, decide by law whether and to what extent the CIA should be an action organization, carrying out operations as distinguished from the gathering and evaluation of intelligence. If action operations were limited, there would be a lessened need for secrecy, and the adverse effect which the activities of the CIA sometimes have on the credibility of the United States would be modified.

One of the great strengths of this country is a deep and wide-flung capacity for goodwill. Those who represent us, both at home and abroad, should recognize the potentiality of that goodwill and take extreme care not to undermine it, lest their efforts be in fact counterproductive to the long-range security interests of the United States."

"No money shall be drawn from the Treasury, but in consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."



b. The Board should have access to all information in the CIA. It should be authorized to audit and investigate CIA expenditures and activities on its own initiative.

c. The Inspector General of the CIA should be authorized to report directly to the Board, after having notified the Director of Central Intelligence, in cases he deems appropriate.

Recommendation (6)

The Department of Justice and the CIA should establish written guidelines for the handling of reports of criminal violations by employees of the Agency or relating to its affairs. These guidelines should require that the criminal investigation and the decision whether to prosecute be made by the Department of Justice, after consideration of Agency views regarding the impact of prosecution on the national security. The Agency should be permitted to conduct such investigations as it requires to determine whether its operations have been jeopardized. The Agency should scrupulously avoid exercise of the prosecutorial function.



Chapter 8

Internal Controls

The CIA relies on internal controls to ensure that policy commands are followed, that resources are used properly and efficiently and that activities are consistent with statutory authority.

Seven major mechanisms, none of them peculiar to this intelligence agency, play a role: (1) The chain of authority; (2) requirements for coordination among various offices within the agency; (3) written internal regulations; (4) internal "watchdogs", including the legal counsel, inspector general, and auditors; (5) resource controllers of money, property, and personnel; (6) training courses; and (7) internal methods of communication.

A central feature of the CIA's organization is its "compartmentation." For reasons of security, persons in one office are not informed of activities in other offices unless they have a "need to know." As a consequence, the number of persons who are in a position to comment on activities within the CIA is small.

Even persons whose function it is to oversee or inspect CIA activities are sometimes denied complete access to operational details.

On the other hand, compartmentation results in high-level, detailed approval of many activities—more so than in most government agencies.

In addition, the secrecy of CIA activities creates additional problems for internal control. Individuals trained and accustomed to be secretive and to use unorthodox methods to perform their tasks may be tempted to employ this knowledge and experience to avoid close scrutiny.

The sensitive and sometimes dangerous nature of the work of the CIA demands high standards of personal discipline, dedication, and patriotism. The investigation indicates that virtually all of the Agency activities criticized in this Report were known to top management, sometimes as a result of complaints of impropriety from lower-ranking employees. This shows, among other things, that the Agency's system of internal communication can operate.



A. Management and Administration

1. Chain of Authority

The Director of Central Intelligence is the head of the CIA and at the top of its chain of authority. He is also the principal foreign intelligence officer of the government and has duties extending beyond the CIA.

The Director's duties in administering the intelligence community, handling relations with other components of the government, and passing on broad questions of policy leave him little time for day-to-day supervision of the Agency.

His chief assistant (since 1953, by statute) is the Deputy Director of Central Intelligence (DDCI). In recent years, this position has been occupied by a high-ranking military officer, with responsibilities for maintaining liaison with the Department of Defense, fostering the Agency's relationship with the military services, and providing top CIA management with necessary experience and skill in understanding particular intelligence requirements of the military. Generally speaking, the Deputy Directors of Central Intelligence have not been heavily involved in administration of the CIA.

Each of the four major directorates within the CIA—Intelligence, Operations, Administration, and Science and Technology—is headed by a deputy director. They report directly to the Director of Central Intelligence.

The Directorate of Intelligence evaluates, correlates, and disseminates foreign intelligence. It also collects information by monitoring foreign radio broadcasts.

The Directorate of Operations (formerly called the Directorate for Plans) conducts the CIA's clandestine collection, covert operation, and counterintelligence activities. Many of its employees work overseas, but it also operates an office that collects foreign intelligence from Americans who volunteer information.

The Directorate of Science and Technology conducts research and development projects related to devices used in intelligence collection and in counterintelligence. It also provides technical services and support for operating portions of the CIA.

The Directorate of Administration (formerly called the Directorate of Support) handles housekeeping chores for the CIA such as contracting, communications, medical services, personnel management, security, finance and computer support.

In addition to these operating branches, the CIA has a number of staff offices, including a General Counsel, an Inspector General and a Comptroller, who report directly to the Director of Central Intelligence.



The compartmented nature of CIA operations and the adherence to "need-to-know" principles has restricted communication to lines of authority within each directorate. One directorate generally does not share information with another. The Director of Central Intelligence is, as a consequence, the only person in a position to be familiar with all activities. Therefore he is the focal point for formal internal control of the CIA.

The impact of compartmentation is sharpened by the occasional practice of having lower echelon officers report directly to the Director of Central Intelligence. Such special reporting authority outside the normal chain of command existed both for the Office of Security and the Special Operations Group of the Counterintelligence Staff.

This special reporting authority arose both from the need for tight security and the Director's interest in maintaining and continuing close contact with these sensitive activities.

Informal practices have the effect of expanding the information flow within the CIA. Daily morning meetings are held by the Director with the deputy directors. Also present are the Inspector General, Comptroller, legal and legislative counsels and other top officials. These weekday meetings include discussion of issues that otherwise would be handled only through the chain of authority. In addition, CIA officials now meet regularly without the Director in the Agency Management Committee.

A distinctive feature of the CIA is the absence of "outsiders" in top-level management. Unlike the typical executive agency, where not only the chief officer but also a group of top-level assistants are appointed from the outside, no such infusion occurs in the CIA. Almost all the top leadership for the past 28 years has been chosen from within the organization.

2. Coordination Requirements

The need for coordination has caused the CIA to supplement the chain of authority with requirements for consultation between offices. Basic CIA policies and certain types of operational activities are approved only after consultation among staff offices and sometimes several directorates. The coordination required varies with the activity.

All regulations applicable to the entire agency must be reviewed by the directorates, the Inspector General and General Counsel before being approved by the Director of Central Intelligence. Whenever an activity requires use of a new proprietary company, an administrative plan must be prepared by the operating component and approved both within the direct chain of authority and by the Offices of General Counsel, Finance, Comptroller, and Security, among others.



to the extent that CIA activities involve agency-wide regulations and proprietaries, the compartmented nature of the Agency is somewhat hampered by such coordination requirements.

Nonetheless, field operational details, although they often are approved through the chain of authority, are not normally cleared at headquarters for logistic and financial support or legal authority. Decentralized control is designed to allow the CIA to operate securely, effectively, and rapidly, though it sacrifices the opportunity for internal checks.

Current requirements for coordination would not provide significant control over most of the CIA activities which are the subject of this Report.

1. Written Directives

Written CIA regulations serve as an internal standard. The CIA is given its basic policy direction by the 1947 National Security and Intelligence CIA acts. Directives of the National Security Council and of the Director of Central Intelligence in his role as head of the intelligence community elaborate upon the basic guidance of Congress in setting forth the CIA's duties and responsibilities. CIA regulations translate these broad intelligence directives into specifics. In addition, CIA regulations spell out the basic missions and functions of each office. They are readily available to all employees; as assignments and procedures change, amendments are made.

CIA regulations are supplemented by official notices, which deal with policies of a transitory nature. Over 100 are issued each year. Handbooks give further details on administrative practices, security, salary and benefits, travel, accounting, procurement and other items of general concern. In addition, each directorate and staff office publishes its own written guidance for employees. Some particular offices also supplied detailed written guidance setting limits on their domestic activities.

Agency directives do not, in general, however, spell out in detail which activities can or cannot be undertaken under the CIA's statute or policies. Agency-wide regulations rarely go beyond quoting the National Security Act of 1947 prohibitions in describing the limitations on CIA activities within the United States. A handbook of regulations and regulatory reading for all CIA employees similarly does not discuss, beyond the barest outline, the 1947 Act's prohibitions on the exercise of police powers or internal security functions.

Some changes have recently been made to improve guidance provided by written directives. A number of notices have been issued specifically dealing with CIA activities within the United States and requiring office chiefs to prevent activities not authorized by the CIA's



Charter. Notices have set strict limitations on certain testing programs, surveillance of Americans at home and abroad, assistance to local law enforcement agencies, detailing of personnel to other agencies, and wiretaps, searches and seizures. Most are brief and relate to past incidents that have been questioned. These notices have not yet been written into permanent regulations.

B. Staff Offices

Three staff offices¹ are assigned responsibility to investigate activities throughout the CIA, respond to inquiries about their legality, and report their findings to the Director: the General Counsel, the Inspector General and the Audit Staff.

The Office of General Counsel

The CIA's legal counsel performs a dual role. On the one hand, it supplies independent advice to the Director of Central Intelligence on the propriety—under the Constitution, statutes, or regulations—of CIA activities.

On the other hand, because the legal counsel is also part of the CIA's management that is responsible for carrying out assigned tasks, it is subject to pressures to find legal techniques to facilitate proposed activities.

The absence of clear legal standards in the many unusual situations which come to him complicates his problem in maintaining professional independence of judgment.

The General Counsel and his staff of 14 lawyers are responsible for providing legal advice to the Director and all other officials of the CIA. They also do miscellaneous legal tasks not involving legislative liaison.

Two features of this legal office are distinctive. First, one person served as the General Counsel for 27 years, from the time the Agency was created in 1947 until his retirement in 1974. Many particularly sensitive matters were handled by him personally. His successor has also served in the General Counsel's office for most of this period. Second, with rare exception, the staff has been recruited entirely from within the CIA.

The General Counsel is involved in policy-making. He has been an active participant in drafting the basic delegations of responsibility to the CIA: the National Security Council Intelligence Directives (NSCID's) and Director of Central Intelligence Directives (DCID's). He reviews all internal CIA regulations.

¹ A fourth, the Office of Legislative Counsel, coordinates CIA relations with Congress and therefore does not exercise a significant internal control function.



The General Counsel also participates in implementing CIA policy. His office has been active in establishing proprietaries and other cover for operations. He is consulted on CIA immigration cases and reviews procurement contracts, administrative and liquidation plans for proprietary companies, and agreements between the CIA and non-governmental organizations.

The General Counsel is sometimes asked by the Director and other officials within the CIA for formal or informal legal opinions on the legality of CIA activities. The office maintains a collection of its legal opinions; they range over a wide assortment of topics from proper use of the confidential appropriated funds of the CIA to the authority for domestic activities in support of foreign intelligence.

The General Counsel does not review and comment on all activities of the CIA. He does not have authority to initiate inquiries; rather he responds to requests for legal advice. Most of the activities reviewed in this Report do not appear to have been the subject of a legal opinion from the General Counsel until quite recently.

Absence of written opinions alone does not necessarily indicate that the General Counsel was not consulted; consultation was at times handled informally. The General Counsel and his staff have, however, testified that they were unaware of most of the specific CIA activities discussed in this Report.

2. The Inspector General

The Inspector General and his staff of five professionals report to the Director. They review employee grievances, supervise equal employment practices, investigate reports of wrongdoing, and perform special management reviews of CIA activities. Under Directors with differing styles and management approaches, the Inspector General's role has varied.

The size of the Inspector General's staff reflects the Director's view of the scope of appropriate oversight of the operating divisions and of the amount of reliance that management should place on the chain of command.

Until quite recently, the Inspector General conducted component reviews of all CIA activities. Teams from the Inspector General's office visited each component and sought to determine the propriety and efficiency with which it conducted its activities.

The teams were also concerned with morale, security and supervisor-employee relationships.

The size of the Inspector General's staff has recently been reduced from fourteen to five professionals. As a result, it no longer conducts component reviews; instead, the Director relies on each deputy director and his staff to ensure proper management in his directorate.



Even when the Inspector General's office performed component reviews, the ability of such reviews to discover information was restricted. The office could review each component only once every three to five years. In performing such reviews, the Inspector General's staff sometimes refused access to particularly sensitive CIA activities for which the Director granted a waiver from inspection. Even with complete access, not all aspects of an office's activities could be examined.

Despite these limitations, the Inspector General frequently was aware of many of the CIA activities discussed in this Report, and brought them to the attention of the Director or other top management. The only program which was terminated as a result was one in 1963—involving experiments with behavior-modifying drugs on unknowing persons.

The focus of the Inspector General component reviews was on operational effectiveness. Examination of the legality or propriety of CIA activities was not normally a primary concern.

In the last two years, the Inspector General has become a focal point for collection of information on questionable CIA activities. In April 1973, the Director of Central Intelligence asked the Inspector General to coordinate the CIA's internal investigation of possible involvement with Watergate matters. A May 9, 1973, memorandum from the Director to all CIA employees requested that they report to him any activities that may have been improper. Although most such reports were through the chain of command, some came directly from employees of lower rank. The obligation to report such activities to the Director or the Inspector General is now a standing order in the Agency.

3. The Audit Staff

While the Inspector General conducts general program reviews of CIA activities, more particular financial reviews are conducted by the Audit Staff. Although part of the Inspector General's office on the CIA table of organization, the Audit Staff operates separately. Its chief has direct reporting responsibility to the Director. With a staff of 26, few of whom have previously served elsewhere in the CIA, the Audit Staff conducts annual reviews of the financial records of all CIA activities. Field offices are reviewed on a random rather than an annual basis.

The purpose of the audit is to ensure compliance with proper accounting procedures consistent with CIA financial regulations. To the extent possible, CIA regulations are similar to financial regulations relied on generally in the federal government. Auditors apply the standards of the American Institute of Certified Public Accountants.



In conducting a financial audit, the Audit Staff has available computerized information on all expenses of the office being audited. The Audit Staff selects a few expenses of each office for particular examination. Activities using unusual accounting procedures or requiring large sums of money other than payroll expenses will normally be chosen.

Although an auditor often is necessarily aware of the activities of an office during this financial compliance review, he does not usually learn about the activities in great detail; his focus is on their financial aspects.

Within the past year, at the urging of the General Accounting Office, the Audit Staff has begun to review programs in addition to auditing for financial compliance. This is a limited project of about four program reviews per year and focuses on costly activities. Program reviews concentrate on the success of activities in achieving stated goals and on cost-effectiveness. They are not searches for illegal or improper conduct.

C. Control of Resources

1. The Comptroller and the Budget Process

Preparation of the annual CIA budget is coordinated by the Comptroller, who reports to the Director. The Comptroller has a staff of fewer than twenty professionals, eight of whom are specifically assigned to review the budgets of the four directorates. Because these budget reviewers usually are assigned to the Comptroller from directorates and have not had budget experience, they serve as advocates for their directorates as well as comptrollers reviewing funding requests.

Every division within the CIA prepares a budget which is reviewed within each directorate or staff office before being forwarded and compiled by the Comptroller. Detailed scrutiny of budgets is done primarily within the directorates. The Comptroller focuses only on major items, involving large sums of money, major new initiatives or activities of special concern to the Director.

In reviewing the budget, the Comptroller's staff generally examines allocation of resources only if they exceed \$30 million or employ over 200 persons. More limited activities would not be closely examined in the budget process at the Comptroller level. His focus is on questions of cost and effectiveness. Rarely, if ever, has the propriety of an activity been an issue for the Comptroller, unless some unusual funding pattern is involved.

The Comptroller presents the budget to the Director of Central



Intelligence for approval. It is then sent to the Office of Management and Budget for review before submission to Congress. After Congress appropriates funds, the Comptroller releases them to the directorates. Lump sums are given to each directorate, with instructions that the Comptroller is to be notified only of any internal apportionments of funds that constitute substantial changes from the original budget.

The Comptroller also provides fiscal guidance to the directorates, including instructions on when the Director is to be kept advised of the progress of certain activities.

The principal detailed budgetary control of specific CIA programs—apportionment of funds, evaluation of activities, and planning for the future—is performed outside the Comptroller's office. Within the past two years, staff officers in each directorate have been using a "management-by-objectives" system that seeks to relate need for funds to the Director's program goals. Periodic reports are made to the deputy directors and to the Director of Central Intelligence.

2. The Office of Finance

While the Comptroller prepares the budget and apportions funds to the directorates, the Office of Finance handles actual payment of expenses. Within the Directorate of Administration, this chief financial officer does not report directly to the Director of Central Intelligence. The Office of Finance's responsibilities include processing the payroll, maintaining centralized financial records, auditing private contractors, disbursing cash and purchasing foreign currencies. The responsibility most closely related to internal control is the verification of all vouchers for expenditures.

Finance officers assigned to each office and station must approve all vouchers. They are responsible for preventing expenditure of funds in violation of CIA regulations. Financial regulations do not, however, explicitly describe what activities are prohibited by the CIA's charter. Finance officers therefore rarely questioned the activities described in this Report.

3. Property Controllers

A number of the activities described in this Report require use of particular types of property; wiretaps, for instance, require special electronic devices. This property is maintained in various offices within the CIA. Operating components needing to use this property must obtain it from the office that maintains an inventory. Inventory management controls exist in most offices, but they have not always been oriented toward ensuring legitimate use of equipment.

New controls have been established (since 1972) over the loan of disguise materials and alias documents. Their use must now be ap-



proved by designated senior officials who can question the contemplated use; centralized, detailed records list their location and regulations require their return when no longer needed.

4. Personnel Controllers

General personnel policies are formulated and personnel administration is conducted in the Office of Personnel in the Directorate of Administration. The Office of Personnel has some contact with operational activities when it approves agreements with contract officers and validates job ratings and salaries. In these capacities, although the Office learns some operational details, it does not monitor the activities.

Occasionally, activities whose propriety is questionable come to the personnel office's attention. For example, the CIA's special Retirement and Disability System is available only to certain employees who have served overseas or in "qualified" domestic activities; the Office has forwarded information from employee applications for this program to the Inspector General's office for scrutiny when questionable domestic activities were mentioned.

D. Other Information Channels

1. Training

The CIA's Office of Training, first established in 1951, has long worked closely with the Directorate of Operations to train agents in the special skills necessary for clandestine operations.

In recent years, the Office has expanded its curriculum and now offers more than 60 courses on world affairs, management theories and techniques, foreign languages and intelligence evaluation and production. One course is required of all new professional CIA employees; the three-week introduction to International and World Affairs deals with the nature of intelligence work and the organization of the CIA. Although a brief introduction to the statutory framework of the CIA is included in the course, detailed discussions of the domestic limitations on the CIA is not.

2. Communication Outside the Chain of Authority

The Management Advisory Group.—In 1969, the Executive Director-Comptroller (a position now vacant) established a Management Advisory Group consisting of 14 mid-level officers (three from each directorate and two from the Director's staff) to discuss CIA practices and activities with the Director of Central Intelligence. The Group meets monthly with the Director and conducts inquiries into CIA practices. CIA employees are informed of the Group's existence



through notices and are encouraged to submit suggestions for areas needing review.

The Group's focus has been on areas of improved personnel management. In 1970, however, it questioned the propriety of a number of CIA activities within the United States, particularly Operation CHAOS. The Group sought and received assurance that these domestic activities had been properly approved.

Within the last two years, similar advisory groups have been created in each directorate.

Conclusions

In the final analysis, the proper functioning of the Agency must depend in large part on the character of the Director of Central Intelligence.

The best assurance against misuse of the Agency lies in the appointment to that position of persons with the judgment, courage, and independence to resist improper pressure and importuning, whether from the White House, within the Agency or elsewhere.

Compartmentation within the Agency, although certainly appropriate for security reasons, has sometimes been carried to extremes which prevent proper supervision and control.

The Agency must rely on the discipline and integrity of the men and women it employs. Many of the activities we have found to be improper or unlawful were in fact questioned by lower-level employees. Bringing such situations to the attention of upper levels of management is one of the purposes of a system of internal controls.

Recommendation (7)

a. Persons appointed to the position of Director of Central Intelligence should be individuals of stature, independence, and integrity. In making this appointment, consideration should be given to individuals from outside the career service of the CIA, although promotion from within should not be barred. Experience in intelligence service is not necessarily a prerequisite for the position; management and administrative skills are at least as important as the technical expertise which can always be found in an able deputy.

b. Although the Director serves at the pleasure of the President, the Director should serve in that position for more than 10 years.

Recommendation (8)

a. The Office of Deputy Director of Central Intelligence should be reconstituted to provide for two such deputies, in addition to



the four heads of the Agency's directorates. One deputy would act as the administrative officer, freeing the Director from day-to-day management duties. The other deputy should be a military officer, serving the functions of fostering relations with the military and providing the Agency with technical expertise on military intelligence requirements.

b. The advice and consent of the Senate should be required for the appointment of each Deputy Director of Central Intelligence.

Recommendation (9)

a. The Inspector General should be upgraded to a status equivalent to that of the deputy directors in charge of the four directorates within the CIA.

b. The Office of Inspector General should be staffed by outstanding, experienced officers from both inside and outside the CIA, with ability to understand the various branches of the Agency.

c. The Inspector General's duties with respect to domestic CIA activities should include periodic reviews of all offices within the United States. He should examine each office for compliance with CIA authority and regulations as well as for the effectiveness of their programs in implementing policy objectives.

d. The Inspector General should investigate all reports from employees concerning possible violations of the CIA statute.

e. The Inspector General should be given complete access to all information in the CIA relevant to his reviews.

f. An effective Inspector General's office will require a larger staff, more frequent reviews, and highly qualified personnel.

g. Inspector General reports should be provided to the National Security Council and the recommended executive oversight body. The Inspector General should have the authority, when he deems it appropriate, after notifying the Director of Central Intelligence, to consult with the executive oversight body on any CIA activity (see Recommendation 5).

Recommendation (10)

a. The Director should review the composition and operation of the Office of General Counsel and the degree to which this office is consulted to determine whether the Agency is receiving adequate legal assistance and representation in view of current requirements.

b. Consideration should be given to measures which would strengthen the office's professional capabilities and resources



including, among other things, (1) occasionally departing from the existing practice of hiring lawyers from within the Agency to bring in seasoned lawyers from private practice as well as to hire law school graduates without prior CIA experience; (2) occasionally assigning Agency lawyers to serve a tour of duty elsewhere in the government to expand their experience; (3) encouraging lawyers to participate in outside professional activities.

Recommendation (11)

To a degree consistent with the need for security, the CIA should be encouraged to provide for increased lateral movement of personnel among the directorates and to bring persons with outside experience into the Agency at all levels.

Recommendation (12)

a. The Agency should issue detailed guidelines for its employees further specifying those activities within the United States which are permitted and those which are prohibited by statute, Executive Orders, and NSC and DCI directives.

b. These guidelines should also set forth the standards which govern CIA activities and the general types of activities which are permitted and prohibited. They should, among other things, specify that:

—Clandestine collection of intelligence directed against United States citizens is prohibited except as specifically permitted by law or published Executive Order.

—Unlawful methods or activities are prohibited.

—Prior approval of the DCI shall be required for any activities which may raise questions of compliance with the law or with Agency regulations.

c. The guidelines should also provide that employees with information on possibly improper activities are to bring it promptly to the attention of the Director of Central Intelligence or the Inspector General.



Part IV

*Significant Areas of
Investigation*



Introduction

This Commission was charged with determining whether any activities of the CIA within the United States exceeded its statutory authority. We have, therefore, extensively inquired into the CIA's domestic activities and related matters over the years.

The next 11 Chapters of this Report detail our findings and analyze those activities that bear special scrutiny.

The Commission met weekly, beginning on January 13, 1975, to hear testimony from witnesses familiar with CIA domestic activities. The Commission heard 51 witnesses, including the four living former Directors of Central Intelligence, the current Director, 28 other current and former CIA employees, the Director of the FBI, Secretary of State Henry A. Kissinger, former Secretary of State Dean Rusk; two former Presidential Advisers for National Security Affairs, Mr. George Bundy, Walt W. Rostow and Gordon Gray; and five experts on individual liberties and privacy. A transcript of all testimony by these witnesses was made. More than 2,900 pages of sworn testimony were collected.

In addition to testimony before the Commission, many additional witnesses were questioned under oath by the Commission staff, or signed sworn affidavits.

The staff was divided into four teams for purposes of the investigation. Three two-man teams conducted the factual investigation. The fourth team researched the legislative history and other Constitutional and statutory limitations on the CIA and investigated its internal and external controls.

These four teams presented the most important evidence through witnesses who appeared before the Commission. They also made available to the Commission summaries of all interviews and documentary evidence that they discovered.

The Commission's investigation attempted, within the limits of time and personnel, to discover all pertinent witnesses and documents disclosing the nature of the CIA's domestic activities.

Members of the staff spent weeks at the CIA and elsewhere interviewing personnel, and reviewing files, computer systems and written memoranda on activities within the United States.



The Commission was given access to all CIA files that the Commission ascertained could be pertinent to a full investigation. Some files were reviewed in their entirety; others were sampled at random. The documentary holdings of the CIA were much too large for an investigation or examination of all papers. Nevertheless, we believe that this investigation covered all areas of the CIA likely to have been involved in domestic activities, and examined closely those witnesses and documents most likely to contain pertinent information on such activities.



Chapter 9

The CIA's Mail Intercepts

During the early 1950's, at the height of the so-called cold war, the CIA initiated the first of a series of programs to examine the mails between the United States and Communist countries for purposes of gathering intelligence. During the years since that time, interception and examination¹ of the mails for intelligence purposes was carried out at various times by the CIA at four different locations in the United States, until the last project was terminated in 1973.

An intercept project in New York City was the most extensive of the CIA mail operations, and lasted for twenty years.

Three Postmasters General and one Attorney General were informed of the project to varying degrees. The CIA, the record disseminator, was aware of the law making mail openings illegal, but apparently considered the intelligence value of the mail operations to be paramount.

The stated purpose of the New York mail intercept project was first described in the report of the Chief of Counterintelligence presented to Director James R. Schlesinger in 1973 when termination of the project was being considered. The report stated:

The mail intercept project is a basic counterintelligence asset designed to give United States intelligence agencies insight into Soviet intelligence activities and interests.²

Three other mail projects carried out by the Agency during the same period occurred in San Francisco, Hawaii and New Orleans. The intercept in San Francisco took place during four separate periods of a month or less in 1969, 1970 and 1971. The one in Hawaii occurred late 1954 and early 1955; and the New Orleans intercept lasted about three weeks, in 1957.

¹ Mail intercepts or mail openings involve the opening and examination of the contents of letters. Mail cover operations involve only examination and copying information on the envelope or covers of letters.

² Among these Soviet activities was mail censorship. Presumably all mail to and from the USSR is censored by the Soviets.



In addition, the Office of Security, acting alone over a 24-year period, ran over 91 separate mail cover operations and conducted about 12 mail openings relating to particular individuals within the United States. Most of the cases involved CIA employees under investigation, although some of the activity was directed against foreign nationals and some against citizens who had no connection with the CIA.

This chapter discusses and analyzes these projects, concludes that the interceptions were illegal and improper, and recommends steps to prevent their reinstatement.

A. East Coast Mail Intercept

1. Inception of the Project

During 1952, interception of mail was perceived by the CIA as a potential source of intelligence. The Agency concluded that it was willing to devote the technical personnel and resources that would be required to carry such an operation into effect. Nevertheless, the CIA recognized the necessity for caution in approaching the subject with the postal authorities. The Chief of the Special Security Division said in a planning memorandum dated July 1, 1952, "I believe we should make contact in the Post Office Department at a very high level, pleading relative ignorance of the situation and asking that we, with their cooperation, make a thorough study of the volume of such mail, the channels through which it passes and particularly the bottlenecks within the United States in which we might place our survey team."

The Post Office Department was initially to be approached with a request that the CIA be allowed to examine only the outside or cover of the mail. The actual ultimate intent of the CIA was, however, made clear in the last paragraph of the July 1, 1952, memorandum:

Once our unit was in position, its activities and influence could be extended gradually, so as to secure from this source every drop of potential information available. At the outset, however, as far as the Post Office is concerned, our main target could be the securing of names and addresses for investigation and possible further contact.

The memorandum also outlined the possible benefits of such a program. It would allow determination of the nature and point of origin of communications from the Soviet Union. Technical analysis of the mail might also reveal secret communication methods.

By September 30, 1952, the Office of Security of the CIA had determined, through its investigation of the mails in the United States, the volume of mail flow from the Soviet Union. Security had also determined from the FBI that the Bureau then maintained no records



of correspondence between United States and Soviet citizens except that which was uncovered incidentally in investigation of internal security or espionage cases. The Security Office requested the Deputy Director for Plans to inform the Director of Central Intelligence that Security planned to undertake activities to accumulate information on all letter envelopes, or covers, passing through New York City, originating in the Soviet Union or destined for the Soviet Union. Security noted that the Operation would require the cooperation of the United States Post Office Department and the FBI. The sensitivity of the operation was deemed "patently obvious."

On November 6, 1952, the CIA wrote to the Chief Postal Inspector and asked that arrangements be made for one or two designated CIA employees to work with a Postal Inspector in securing certain information from the mails. The expressed intention was to examine the outside of envelopes only.

Arrangements were made on December 8, 1952, with the Chief Postal Inspector to survey all mail to and from the Soviet Union passing through New York City, and to provide for selective photographing of the envelopes or covers. The mail was removed in bulk from the regular Post Office channels for purposes of examination, and by December 18 the Office of Security had completed the survey of how all mail passing to and from the Soviet Union was handled through New York.

By September 1953, the mail operation had been in progress for about a year. Analysis by the Agency of the materials examined showed that the CIA had gained both substantive and technical intelligence. This was deemed sufficiently valuable to warrant expansion of the project and the photographing of all the mail covers passing through the New York Post Office to and from the Soviet Union. On December 23, 1953, Security reported to the CIA's Director of Operations that it was ready to install the photography equipment at the Post Office and that the Post Office would cooperate by making the mail available to the CIA agents. Both sides of all first class mail were to be photographed. The December 23 memorandum closed by suggesting that the support of Allen Dulles, then Director of Central Intelligence, be solicited for securing Post Office approval of this second step of the venture. Agency documents show that by this time (and probably as early as February 1953) selected items of the mail were already being opened and the contents analyzed by the CIA.

2. Initial Contact with the Postmaster General

In a memorandum to the Director of Central Intelligence dated January 4, 1954, the Director of Security explained that the Postal Inspectors were unwilling to go forward without higher authorization from within the Post Office Department. Security suggested to the



DCI that arrangements be made for a meeting between the DCI and the Postmaster General, who had already been briefed generally on the project by the Chief Postal Inspector and was waiting for the Director's call. The Director of Security said that in his meeting with the Postal Inspectors, no mention was made of informing the FBI. In fact, the FBI apparently did not become aware of the mail project until four years later, in February of 1958.

On May 17, 1954, Allen Dulles and Richard Helms, the latter then Chief of Operations in the Plans Directorate, met with Postmaster General Arthur Summerfield and three of Summerfield's assistants. According to Helms' contemporaneous memorandum of the meeting, Dulles described the importance of the mail program and asked that it be allowed to continue. No mention appears to have been made of covert mail opening. Summerfield made no specific comment but, according to Helms' memorandum, it was clear that he was in favor of giving the CIA any assistance he could. Helms' memorandum pointed out that Director Dulles, during the conference, did not mention the potential for passing material on internal security matters to the FBI and thought it would be better to leave that until a later date.

3. Formal Counterintelligence Proposal

By late 1955, the Office of Security had eight full-time employees and several others on a part-time basis engaged in opening the mail. The project was ready to be expanded. The Chief of Counterintelligence asked Helms, by memorandum dated November 21, 1955, for formal approval of a new counterintelligence program in conjunction with the mail project.

The Counterintelligence Staff, which had previously not been involved with the project, proposed that the CIA expand the operation and "gain access to all mail traffic to and from the USSR which enters, departs or transits the United States." Counterintelligence further suggested that the "raw information acquired be recorded, indexed, analyzed and that various components of the Agency be furnished items of information." According to the November 21 memorandum, the only added function that would be performed by the Office of Security was that "more letters will be opened." "They are presently able to open only a very limited number."

The project description which accompanied the November 21 memorandum noted that the mail opening did not have the express or tacit approval of the postal authorities. It also recognized that "there is no overt, authorized or legal censorship or monitoring of first-class mails which enter, depart, or transit the United States at the present time." It could be assumed, therefore, the proposal said, that foreign espionage agents used the mail as a means of communication, relying upon the policy of the government against any monitoring of mail. Because



of this policy, however, it was conceded that any disclosure of the mail project would probably cause "serious public reaction in the United States, perhaps leading to a congressional inquiry." But, the project description said, "it is believed that any problem arising could be satisfactorily handled."

The proposed counterintelligence project was approved by the Deputy Director for Plans and the Director of Security in January 1956, but difficulties in organization delayed commencement of operations until approximately November 1956.

4. FBI Liaison with the Mail Project

In January 1958, the FBI approached the Post Office Department for the purpose of instituting similar coverage of mail to and from the Soviet Union. The Post Office Department brought the Bureau's request to the Agency's attention, and shortly thereafter CIA representatives told the FBI of the Agency's ongoing mail project. Up to that time, the CIA had avoided telling the FBI of the mail project—and no materials derived from the project were disseminated to the FBI.

Discussions between Agency and Bureau representatives in February 1958 resulted in an agreement that the CIA would send to the FBI mail project items which were of internal security interest. The FBI, in turn, would provide the Agency with watch lists of particular persons or matters in which the Bureau was interested. The Bureau agreed with the CIA's suggestion that the project should be handled by the CIA alone. Eventually, the FBI would become, by far, the principal recipient of mail project materials outside of the CIA's Counterintelligence Staff.

5. The Mail Project in Full Operation

The mail opening project, which started in the early months of the operation with only a few letters, had expanded by 1959 to include the opening of over 13,000 letters a year. By 1961, the CIA had installed a small laboratory for technical examination of letters to uncover foreign espionage techniques of communication.

The physical scanning of the mail was performed by CIA officers in a facility located at the New York intercept. The envelopes of letters selected during the scanning process were photographed, opened and the contents photographed. The letters were then resealed. Technical testing of some of the letters and their contents was also accomplished at a CIA facility in the region. Copies of letters were analyzed in CIA headquarters.

Individuals or organizations of particular intelligence interest were specified in watch lists provided to the mail project by the Counterintelligence Staff, by other CIA components, and by the FBI. The total



number of names on the watch list varied, from time to time, but on the average, the list included approximately 300 names including about 100 furnished by the FBI. The watch list included the names of foreigners and of United States citizens. Operation CHAOS (see Chapter 11), in an effort to focus the mail project upon communications of dissidents, provided the mail project with a watch list of 41 American citizens.

Dissemination of the information derived from the mail intercept was made to those CIA departments which filed watch lists. The principal user of the information within the CIA was the Counterintelligence Staff. Information of an internal security nature derived from the intercept was forwarded to the FBI.

6. Second Briefing of a Postmaster General

With the inauguration of the Kennedy Administration in 1961 and the appointment of a new Postmaster General, consideration was again given in the CIA to briefing high postal officials on the program. The Deputy Chief of Counterintelligence pointed out in a January 27, 1961, memorandum that "there is no record in any conversation with any official of the Post Office Department that we have admitted opening mail." The memorandum continued that although "all conversations have involved examination of exteriors," it nevertheless seemed "quite apparent that they must feel sure that we are opening mail." No further explanation was given to support the last remark.

Counterintelligence suggested to Richard Helms, then the Deputy Director for Plans, who was about to meet with J. Edward Day, the new Postmaster General, that ". . . if the Postmaster General asks if we open any mail, we confirm that some mail is opened. He should be informed, however, that no other person in the Post Office has been so informed."

Allen Dulles, Director of Central Intelligence, accompanied by Helms and another CIA officer met with Postmaster General Day on February 15, 1961. According to Helms' memorandum for the record made the following day, the CIA representative told Day "the background, development and current status (of the mail project), withholding no relevant details." The Postmaster General, according to Helms' memorandum, ended the February 15 meeting by "expressing the opinion that the project should be allowed to continue and that he did not want to be informed in any greater detail on its handling."

Whether the "relevant details" told to Day included the fact of mail openings is not entirely clear.

Day testified on May 7, 1975, before the House Committee on the Post Office and Civil Service that, when Dulles came to visit on February 15, 1961, and said he had something "very secret" to talk about,



Day responded that he would rather not know about the secret, and so Dulles did not tell him about it.

Helms stressed in his testimony that, while he could not recall the specific conversation, his memorandum of February 15, 1961, states that no information was withheld. An August 1971 note on the subject, apparently written by the chief of the mail project, tends to point the other way. In any event, the mail project continued.

7. Consideration of "Flap Potential" and Cover Stories

Concern over the "flap potential" of the mail project appears to have been constant. Even the CIA's Inspector General, after a review of the Office of Security in 1960, had recommended preparation of an "emergency plan" and "cover story" if the mail project were somehow revealed. Despite general realization in the Agency of the dangers involved, the Inspector General in the 1960 review did not suggest termination of the project or raise the issue of its legality.³

Detailed consideration of the "flap" problem was set forth in a memorandum sent by the Deputy Chief of Counterintelligence to the Director of Security on February 1, 1962. This memorandum warrants attention. It conceded that everyone realized from the outset of the mail project that "... a flap would put us [the project] out of business immediately and give rise to grave charges of criminal misuse of the mail by government agencies." It had been decided, however, that "the effort was worth the risk." It was assumed that any compromise of the project would "unavoidably be in the form of a charge of violations of the mails." The memorandum continued:

Since no good purpose can be served by an official admission of the violation, and existing Federal Statutes preclude the concoction of any legal excuse for the violation, it must be recognized that no cover story is available to any government agency.

* * * * *

Unless the charge is supported by the presentation of interior items from the project, it should be relatively easy to "hush up" the entire affair, or to explain that it consists of legal mail cover activities conducted by the Post Office at the request of authorized Federal Agencies. Under the most unfavorable circumstances, including the support of charges with interior items from the project it might become necessary, after the matter has cooled off during an extended period of investigation, to find a scapegoat to blame for unauthorized tampering with the mails.

The response of the CIA to this Commission's inquiries on the mail project was the opposite of that suggested in the memorandum. All CIA files and personnel connected with the mail project appear to have

³ A July 1969 Inspector General review of the Counterintelligence Staff, however, did recommend that the Deputy Director of Plans discuss with the Director of Central Intelligence the transfer of the mail operation to the FBI or in the alternative that the project be cancelled. The recommendation was not followed.



been made available to the Commission staff, and a detailed, accurate description of the project was provided to the Commission by the former Chief of Counterintelligence. The 1962 memorandum is, however, significant because it shows the thought processes of those involved and illustrates the need for a method of periodic review of CIA operations by objective persons.

A further indication that the CIA was aware of the possible criminality of the mail project exists in a September 26, 1963, memorandum by the officer in charge of the mail project to an officer in the CIA's Operations Division. That memorandum states "there is no legal basis for monitoring postal communication in the United States except during time of war or national emergency . . ." The Commission staff found nothing in the CIA records indicating that the Agency's legal counsel was asked to give an opinion on the mail intercept prior to its inception. As previously noted, the Inspector General, in looking into the project in 1960, simply proposed that an adequate "cover story" be developed.

Substantial consideration was given again to the possible efforts of exposure of the operation, after testimony before a Senate subcommittee in April 1965 had apparently indicated that governmental agencies were "snooping into the mail." According to a contemporaneous memorandum of an April 25, 1965, conference which included the Assistant Deputy Director for Plans, Thomas Karamessines, consideration was given to suspending the mail project pending the conclusion of the Senate hearings. The idea was rejected because the project was deemed sufficiently secure and the project's facilities at the post office could be dismantled and removed on an hour's notice.

Consideration was given during the April 25 meeting to briefing Postmaster General Gronouski about the project because no officials then in the Post Office Department had been briefed. This was rejected because of testimony which Mr. Gronouski had given before the Senate subcommittee. The Assistant Deputy Director for Plans instead gave instructions that "steps be taken to arrange to pass this information through McGeorge Bundy to the President" after the subcommittee investigation was completed. No evidence could be found to confirm that President Johnson was ever advised of the project.

8. The Appointment of William Cotter, a Former CIA Officer, as Chief Postal Inspector

On April 7, 1969, William J. Cotter, previously a security officer in the Plans Directorate, was sworn in as Chief Postal Inspector of the United States Post Office Department. Cotter was recommended for the position by Richard Helms, who, along with the heads of other governmental components, had been asked by Postmaster General Blount for suggestions as to persons who might fill the Chief Inspec-



tor's job. Cotter was considered the best qualified among three or four persons suggested to Helms by the CIA's Director of Security.

Cotter had been with the Agency since 1951, and from 1952 through 1955 he had served as deputy head of the CIA field office which coordinated the East Coast mail intercept. Cotter knew of the project from its outset and he was aware that letters were opened surreptitiously. Although Cotter had no direct contact with the mail intercept project from 1956 to 1969, when he was appointed Chief Postal Inspector, he knew that it was still in operation.

As Cotter left the CIA headquarters on April 8, 1969, to be sworn in as Chief Postal Inspector, he coincidentally met an officer in the Counterintelligence Staff. A CIA memorandum for the record of the same date sets forth the substance of the conversation which ensued. According to that memorandum, Cotter was concerned that circumstances in his new position might compel him to reveal the existence of the mail project. If he were asked about mail intercepts under oath, Cotter—unlike his predecessor—could not truthfully state he thought the project involved only mail "covers." Further, because of his CIA background, he would be in a particularly precarious position if the project were compromised.

According to the April 8 memorandum, Cotter said he planned to enter his new job without making inquiries about the project, and he planned to do nothing about the project unless it was mentioned to him. Cotter said that eventually he would probably inspect the mail intercept facility and might find it necessary to brief Postmaster General Blount. But, according to the memorandum, Cotter assured the counterintelligence officer that he would not take any action without consulting first with the CIA.

9. Cotter's Dilemma About the Mail Project

In January 1971, Cotter, as Chief Postal Inspector, received a letter from an association of American scientists inquiring about possible Post Office acquiescence in opening first-class mail. Cotter apparently forwarded a copy of the letter to the CIA. A CIA memorandum in March 1971 indicates that Cotter also was concerned that the impending alteration of the Post Office Department from a governmental agency to a corporation in mid-1971 might cause organizational changes which would result in revelation of the mail project. Before this Commission, Cotter testified that the reorganization was not of major concern to him in this respect.

In any event, Director Helms convened a meeting of his associates on May 19, 1971, to discuss the mail project. The May 19 meeting was attended by the Deputy Director for Plans, the Director of Security, the Chief and the Deputy Chief of Counterintelligence, and the officer in charge of the mail project. According to a memorandum made



after the meeting, the discussion in part concerned the extent of knowledge of the project outside the CIA and the likelihood of exposure. Thomas Karamessines, now Deputy Director for Plans, was particularly concerned about compromise of the project because it would cause the CIA "the worst possible publicity and embarrassment." Cotter's "dilemma" was evident. While he was presumably loyal to the CIA, he could not deny knowledge of the project under oath and, furthermore, in his new job his loyalty belonged to the Postmaster General.

Karamessines suggested during the meeting that the mail project be handled by the FBI. As he said, "they could better withstand such publicity, inasmuch as it is a type of domestic surveillance."

The Counterintelligence Chief responded that his staff regarded the operation as foreign surveillance—and that the FBI did not have the facilities or trained personnel to take care of the operation. The Chief of Counterintelligence also contended that the CIA could live with the known risks and should continue the project.

Director Helms decided to discuss the matter with Cotter and determine whether Postmaster General Blount should be informed. Helms then met with Cotter, and it was agreed that higher level approval in the Post Office Department for the mail project was necessary. Helms said he would first talk with the Attorney General.

10. Helms Briefs the Attorney General and the Postmaster General on the Mail Project

The Director met with Attorney General Mitchell on June 1 and with Postmaster General Blount on June 2, 1971, to discuss the mail project. Helms reported on June 3, 1971, to the Deputy Director for Plans, the Director of Security, and the Counterintelligence Chief that Attorney General Mitchell had fully concurred in the value of the operation and had no "hang-ups" concerning it. Mitchell also reportedly encouraged Helms to brief the Postmaster General.

Helms said he met with Postmaster General Blount and showed him selected items derived from the project and explained Cotter's situation. Blount, according to Helms, was "entirely positive regarding the operation and its continuation." Further, Blount felt "nothing needed to be done" and rejected a "momentarily held thought" to have someone review the legality of the project because to do so would widen the circle of knowledgeable persons. The project was therefore continued with Director Helms' admonition that if there were even a suspicion of a leak, the project was to be stopped; investigation could be made later.⁴

⁴In a telephone interview with the Commission staff, Mr. Blount said he could not recall the specifics of his conversation with Helms. Mr. Mitchell's attorney, in response to a staff inquiry, said that Mitchell could recall the conversation with Helms but thought they had only discussed mail covers.



11. Termination of the East Coast Mail Project

Postmaster General Blount resigned his cabinet post later in 1971 and Attorney General Mitchell resigned at the end of February 1972, leaving Cotter as once again the senior governmental official outside the CIA with knowledge of the mail project. Cotter expressed his misgivings about the propriety of the project and his continuing concern about the conflict in his loyalties in a conversation with Mr. Karamesines and the Chief of the Office of Security. Finally, in early 1973, Cotter said that unless the CIA obtained higher level approval for the project by February 15, 1973, it would have to be terminated.

This ultimatum was brought to the attention of James R. Schlesinger, who was then Director of Central Intelligence. The Counterintelligence Staff forwarded a memorandum to the Director arguing the importance to both the CIA and the FBI of continuing the project. The correspondence was reviewed at a meeting on February 15, 1973, between Schlesinger and William Colby, who was the CIA Executive Director-Comptroller. Schlesinger determined at the meeting that the project should be turned over to the FBI and that he was not convinced that "the product to the CIA [from the mail project] was worth the risk of CIA involvement."

As a result of another meeting shortly thereafter, with both Colby and the Counterintelligence Chief, Schlesinger decided that Cotter should be asked to defer termination of the project while the CIA took it to a "very high level." But Cotter refused the request for delay, stating that the project should be shut down now and could be renewed once appropriate authority was obtained. The New York mail project was therefore terminated by the Agency on February 15, 1973.

There is no record to indicate that the CIA attempted to obtain President Nixon's approval of the project in 1973. Indeed, although CIA files reflect suggestions made in January 1954 (Eisenhower Administration) and in April 1965 (Johnson Administration) that the President be advised of the mail project, no evidence could be found that any briefing of any President occurred.

12. Evaluating the Mail Project

Statistics gathered by the CIA show that in the last full year of its operation, the New York mail intercept handled approximately 4,350,000 items of mail and examined the outside of over 2,300,000 of those items. Photographs were taken of the exteriors of approximately 33,000 items. Some 8,700 items were opened and the contents analyzed.

Selections for opening were made on the basis of a watch list given to the crew and upon various other intelligence factors. During the last year, approximately 5,000 of the selections were made on the basis of the watch list.



In the last year, the program made over 3,800 separate disseminations of information derived from the project within the Agency and sent some 1,400 separate items of information to the FBI. At the end of 1972, the active watch list of names totaled approximately 600. The number of names watch-listed varied from month to month as they were supplied by CIA components and the FBI.

Although only mail coming into the United States was intercepted in the early years of the project, both outgoing and incoming mail were involved during most of the project's operation. CIA personnel estimate that, overall, approximately 30 percent of the mail intercepted was outgoing.

The project not only disseminated current information but provided file data back to 1955 in a compartmented, computerized machine record system containing almost 2,000,000 entries. Institutional and organizational files were also maintained for reference and analytical purposes.

The intelligence value of the mail project is not easy to assess. While the Commission staff examined materials derived from the mail intercept, it is difficult to judge their significance without knowing a great deal about the cases to which the materials may relate.

All components of the Agency seemed to agree that the project was useful as a source of technical communications intelligence on such matters as secret writing, censorship techniques and the like.

There are also indications that the FBI found the mail project valuable in internal security matters.

The Counterintelligence Staff regarded the mail project as a unique source of intelligence of strategic importance. It was, they said, a source of counterintelligence leads and of confirmation of otherwise questionable information.

During his 1973 review of the project, however, Director Schlesinger was not convinced that the intelligence derived from the mail intercept was worth the risk of continued CIA involvement.

B. West Coast Mail Intercept

An August 26, 1969, two CIA officers from the technical division of the Plans Directorate spoke with the Deputy Chief Postal Inspector for the United States about commencing a CIA mail cover operation on the West Coast. The proposed operation was to encompass international mail from the Far East. According to a contemporaneous CIA memorandum, the Agency officers said during the August 26 meeting that the proposed activity would not involve opening the mail; rather, the Agency wanted only to analyze the exteriors of



relevant envelopes. The postal official stated that he wanted to look further into the matter.

The same CIA officers met with the Deputy Chief Postal Inspector on September 12, 1969, to make arrangements for a survey on the West Coast of the mail flow from the designated communist-controlled areas overseas. The postal official agreed to the proposed survey. A CIA memorandum made shortly after the September 12 meeting indicates that "the key factor" in the official's decision to permit the survey was "the fact that no envelopes would be opened."

Several days after the meeting on September 12, the two CIA officials visited a postal facility in the San Francisco area. They conducted a week-long survey of the incoming mail from the Far East. In all, over 1500 envelopes were reviewed. No indication could be found that any mail was opened during this survey.

CIA records do not show that any high level approval was requested or obtained within the Agency for the September 1969 mail survey. The CIA officers who undertook the survey apparently did so in order to determine the feasibility of the mail project before they sought approval for it.

On October 6, 1969, the two officers who had conducted the survey convinced the chief of their division in the Plans Directorate that the project was feasible and that approval should be sought for it. The proposal was also discussed on October 23, 1969, with the Director of Security, who agreed with it but said that the approval of Director Helms had to be obtained. The Director of Security also suggested during this meeting that, in view of the obvious sensitivity of the proposal, all CIA personnel should "avoid preparing or exchanging any formal communications on the project." (No such communications were located, but hand-written notes made by one CIA officer detailed the events occurring throughout the formative stages of the project.)

Thomas Karamessines, the Deputy Director for Plans, orally approved the project on November 4, 1969. He had secured Director Helms' approval for the project the prior week. Karamessines testified that he approved of the project because it was the only way to obtain intelligence vital to the safety of agents involved in certain ongoing operations.

Later in November 1969, the CIA Director of Security explained the project to Chief Postal Inspector Cotter, who gave his approval. Cotter, of course, was familiar with the New York mail intercept project. He said he wanted the West Coast project "to go slow and develop gradually."

Neither Cotter nor any other postal official appears to have been told that the West Coast project would involve opening mail. CIA records indicate that the Agency representatives ostensibly agreed



with the Post Office instructions that no mail was to be removed from Post Office premises or opened. Nevertheless, the CIA's plan from the outset was to open the mail, if possible, without informing postal authorities.

The CIA officers involved in the West Coast project were aware that questions might be raised as to its propriety under United States laws, but they believed the likely intelligence potential from the project was worth the risk. The successful operation of the mail project in New York over the prior 16 years also played a part in the decision to proceed with the West Coast project.

The first formal operation of the San Francisco project occurred in early 1970, and another operation was run later that year. A third effort was made in 1971. Each of the operations lasted for approximately two or three weeks and followed the same pattern: Late in the evening, CIA personnel went to the postal facility, where a special official met them and opened the relevant bags of mail. The postal official remained present while the CIA representatives performed tests on the outside of envelopes. During virtually every session, the CIA officers, apparently without the knowledge of the postal official, concealed selected pieces of mail in an equipment case or a handbag. The selected items were then taken surreptitiously from the post office facility, opened, photographed, analyzed, resealed and returned to the mail flow during the next visit to the facility.

CIA records indicate that a great majority of the mail examined had originated outside the United States, although, on at least one occasion, a bag of outgoing mail was opened for the CIA officers. The primary objective of the San Francisco mail intercept, unlike the East Coast mail project, was to obtain technical intelligence concerning foreign censorship, secret writing and the like. Agency records indicate the San Francisco project was highly successful in meeting this objective.

C. Hawaiian Mail Intercept

An intercept of mail from the Far East was carried out in the territory of Hawaii from late 1954 until the end of 1955, when the intercept was terminated. The project was initiated by a single CIA officer, who photographed, opened and analyzed selected items of mail.

CIA Headquarters was not informed of the one-man Hawaiian operation prior to its beginning, nor was express approval ever granted for it. Tacit approval of the project may nevertheless be implied from the favorable response given to the operation report submitted by the officer in charge of the project. The Hawaiian intercept appears to have been successful in producing technical postal intelligence.



D. New Orleans Mail Intercept

A fourth mail intercept was conducted in New Orleans for approximately three weeks in August 1957 as a counterintelligence operation. Approximately 25 sacks of international surface mail were examined each day. The mail examined did not originate in the United States, nor was it destined for delivery in the United States; it was simply in transit. Approximately 200 items were opened and photographed, but no substantive intelligence was gained and the project was terminated.

Conclusions

While in operation, the CIA's domestic mail opening programs were unlawful. United States statutes specifically forbid opening the mail.

The mail openings also raise Constitutional questions under the Fourth Amendment guarantees against unreasonable search, and the scope of the New York project poses possible difficulties with the First Amendment rights of free speech and press.

Mail cover operations (examining and copying of envelopes only) are legal when carried out in compliance with postal regulations on a limited and selective basis involving matters of national security. The New York mail intercept did not meet these criteria.

The nature and degree of assistance given by the CIA to the FBI in the New York mail project indicate that the primary purpose eventually became participation with the FBI in internal security functions. Accordingly, the CIA's participation was prohibited under the National Security Act.

Recommendation (13)

a. The President should instruct the Director of Central Intelligence that the CIA is not to engage again in domestic *mail openings* except with express statutory authority in time of war. (See also Recommendation 23.)

b. The President should instruct the Director of Central Intelligence that *mail cover* examinations are to be in compliance with postal regulations; they are to be undertaken only in furtherance of the CIA's legitimate activities and then only on a limited and selected basis clearly involving matters of national security.



Chapter 10

Intelligence Community Coordination

Introduction

In the late 1960's and continuing into the early 1970's, widespread violence and civil disorder arose in many cities and on many campuses across the country.

President Johnson and later President Nixon acted on a number of fronts to organize the resources of the Federal government to determine the facts about those responsible for the turmoil. Both Presidents persistently demanded to know whether this violence and disorder was in any way supported or directed by foreign elements.

Inevitably, the CIA became a major factor in these undertakings, with action including:

- (1) Participation in coordinated intelligence community efforts to deal with the disturbances;
- (2) Creation of a Special Operations Group ("Operation CHAOS") to investigate and analyze any foreign connections of domestic dissident groups (Chapter 11); and,
- (3) Efforts of CIA's Office of Security to protect CIA's installations and campus recruiters from potentially violent dissent activity. (Chapter 12).

A. Summary

In 1967, the Justice Department under Attorney General Ramsey Clark established the first in a series of secret units designed to collate and evaluate information concerning the growing domestic disorder and violence.

The Justice Department's initial effort failed to produce the desired intelligence results.

The CIA was consulted for advice on intelligence evaluation, and the Department of Justice under Attorney General John Mitchell



created another unit in 1969. This effort, too, failed to produce results satisfactory to the Administration.

Therefore, in June of 1970, President Nixon instructed the directors of four principal intelligence agencies to develop a plan for increased coordination and evaluation of domestic intelligence. This led the Nixon Administration in December of 1970 to create an inter-agency committee and staff, including representatives from the CIA, the FBI, and other principal intelligence agencies, for coordination and evaluation of intelligence related to domestic dissidence. This joint committee produced reports for President Nixon and certain other top governmental officials from February 1971 through May 1973.

All these efforts resulted from a realization in both the Johnson and the Nixon administrations that the Government of the United States had no effective capacity for evaluating intelligence concerning domestic events. The FBI, as an investigative agency, produced raw data but did not produce evaluated intelligence. The CIA produced intelligence evaluations, but its jurisdiction was limited to foreign intelligence or counterintelligence. The problem was further complicated by the FBI's refusal during one period to cooperate fully with other components of the intelligence community.

This realization appears to have caused the White House to pressure the CIA into expanding the Agency's own activities related to domestic dissidence (see Chapter 11). The White House evidently also concluded that without some formal interagency coordination, it would not have an adequate source of domestic intelligence evaluations or estimates upon which to rely in attempting to deal with domestic disturbances.

The CIA's participation in these joint efforts warrants particular attention. Any involvement of the Agency in activities of the Department of Justice or in a domestic intelligence evaluation group could, at least on the surface, raise a question of impropriety, under 50 USC sec. 403(d), which prohibits the CIA from having "... law enforcement powers or internal security functions."

B. The "Interdivision Information Unit"

In early fall, 1967, Attorney General Clark asked John Doar, Assistant Attorney General for Civil Rights, to report on the Department's facilities for organizing information on individuals involved in civil disorders. On September 27, 1967, Doar recommended establishment



of a "single intelligence unit to analyze the FBI information we receive about certain persons and groups who make the urban ghetto their base of operation."

The FBI was to constitute only one source of information for the proposed unit. As additional sources, Doar suggested federal poverty programs, Labor Department programs, and neighborhood legal services. Doar recognized the "sensitivity" of using such additional sources, but he nevertheless thought these sources would have access to relevant facts. Other sources of dissident information suggested by Doar included the intelligence unit of the Internal Revenue Service and perhaps the Post Office Department. The CIA was not among the proposed sources.

Attorney General Clark, by memorandum dated November 9, 1967, approved Doar's recommendation. Clark found it "imperative" that the Justice Department obtain "the most comprehensive intelligence possible regarding organized or other purposeful stimulation of domestic dissension, civil disorders and riots." He appointed a committee of four Assistant Attorneys General to make recommendations concerning the organization and functioning of the proposed unit. "Planning and creation of the unit must be kept in strictest confidence," Clark's memorandum stated.

On December 6, 1967, the committee recommended in part that the new unit, in addition to analyzing FBI information, should develop contacts with other intelligence agencies, including the CIA, as possible sources of information. Following his committee's recommendation, Attorney General Clark on December 18, 1967, directed the organization of the Interdivision Information Unit ("IDIU"). Objectives of the new Unit were:

... reviewing and reducing to quickly retrievable form all information that may come to this Department relating to organizations and individuals throughout the country who may play a role, whether purposefully or not, either in instigating or spreading civil disorders or in preventing or checking them.

After its establishment, the IDIU commenced collecting, collating, and computerizing information on antiwar activists and other dissidents. The IDIU produced daily and weekly reports on dissident occurrences and attempted to predict significant future dissident activities.

C. Development of Justice Department-CIA Liaison

Problems of domestic dissidence were of immediate concern to the Nixon Administration when it took office.

Attorney General John Mitchell met with Director Helms of the



CIA on May 14, 1969, to discuss problems arising from domestic unrest and, more specifically, to discuss where within the government the entire question of domestic dissident intelligence could be handled.

The Attorney General explained that he felt the FBI was not acquiring the necessary intelligence concerning domestic unrest, although Mitchell also was of the opinion that the IDIU was improving in that regard. Helms offered to have a CIA liaison established with the Department of Justice to provide advice on the Department's intelligence efforts; but, because of the "political implications" involved, Helms rejected the Attorney General's suggestion that CIA personnel be assigned to the Justice Department unit.

Helms then asked the Chief of CIA's Special Operations Group, which ran Operation CHAOS,¹ to establish the liaison with the Justice Department. He was to make contact with Jerris Leonard, the Assistant Attorney General in charge of the Civil Rights Division, and James Devine, another member of the Justice Department. Leonard coordinated the Department's efforts concerning civil disorders, and Devine, under Leonard, headed the IDIU.

The Chief of the CIA Special Operations Group met with Leonard on May 19 and with Leonard and Devine on May 27, 1969. According to notes taken at those meetings by the CIA officer, the Justice Department representatives explained that they and their units were responsible for receiving and evaluating information used to advise the Attorney General and the President as to when federal aid would be needed in civil disorders. The IDIU was the unit which received and indexed the information. Coordination and evaluation of that information was supposed to be the responsibility of a relatively inactive entity known as the Intelligence Evaluation Committee ("IEC"), which was composed of representatives from the Department of Justice, the Department of Defense and the Secret Service.

Conceding their ignorance of matters relating to intelligence evaluation, Leonard and Devine requested the CIA's assistance and advice in processing intelligence on civil disorders. Leonard also pressed the CIA officer to sit as a member of the IEC which, Leonard explained, was an informal group and would therefore permit any CIA role in it to remain hidden. The officer declined, saying that the CIA had no domestic jurisdiction and that Helms was reluctant to "have the Agency appear to be too deeply involved in domestic matters." However, the officer suggested that the CIA could probably be of assistance in supplying information on the foreign travel and contacts of individuals of interest, as well as in providing advice relating to the organization and evaluation of intelligence information.

¹ The activities of the CIA through Operation CHAOS are discussed fully in Chapter 11.



When the CIA officer reported to Helms on these meetings, the Director agreed with his position on the nature of the liaison and confirmed that there should be no formal participation by the CIA on the Intelligence Evaluation Committee. Helms also instructed the officer not to inform anyone else in the CIA of the newly established liaison. The Director suggested that, perhaps, the Chief of Counter-intelligence, the liaison officer's immediate supervisor, might be told at a later date—depending on developments. As a matter of fact, no one in the CIA other than Helms, his Executive Assistant and the liaison officer himself knew of the CIA's liaison with the Justice Department during the following year.

D. Exchange of the IDIU Computer Listing

On June 18, 1969, Devine briefed the CIA liaison officer on the IDIU machine records system. Devine explained that the IDIU had often been unsuccessful in providing advance warning of incipient civil disorders because information concerning the disorders was not available far enough in advance. It was agreed that Devine would furnish the IDIU computer listing to the CIA for checking against the foreign travel records of dissidents, as held by Operation CHAOS, and to allow the CIA's analysts the opportunity to suggest how the Justice Department might use its list more effectively.

The IDIU listing apparently contained the names of approximately 10,000 to 12,000 individuals, as well as brief narratives about their dissident activities.² The head of Operation CHAOS found that the IDIU listing consisted principally of information derived from FBI reports. He concluded that any meaningful comparison with Operation CHAOS records was not reasonably feasible.

In September of 1969, the officer asked Devine for a duplicate of the actual IDIU computer tape and program. The idea was that, by matching the duplicate IDIU tape with the computer tape maintained by Operation CHAOS, it could possibly be determined whether the CIA had indexed information which the FBI had not already provided to the IDIU.

The duplicate IDIU computer tape and program were delivered to the Chief of Operations CHAOS and held by him personally in his private safe. Only the Chief, Director Helms, and a CHAOS computer programmer knew of the CIA's possession of the Justice

² The evidence reviewed by the Commission indicates that the listing of 10,000-12,000 names held by the IDIU and the compilation of 7,200 personality files held by Operation CHAOS (see Chapter 11) were developed independently of one another.



Department materials. Subsequently, the Chief and the computer programmer attempted to match the Department of Justice tape with the Operation CHAOS computer system, but concluded that the matching would require too much time and effort. None of the information contained in the IDIU tapes was used by Operation CHAOS or incorporated into the CIA records. The IDIU materials were finally destroyed when Operation CHAOS was terminated in March 1974.

E. The "Civil Disturbance Group"

In a further attempt to coordinate the efforts of the Department of Justice to control civil disorders, Attorney General Mitchell, on July 22, 1969, established the "Civil Disturbance Group" (CDG). Both the IDIU and the IEC were placed under the jurisdiction of the Civil Disturbance Group, which was instructed to coordinate intelligence, policy, and action within the Department of Justice concerning domestic civil disturbances.

Although the plan establishing the CDG made no mention of the CIA, Helms was told of the plan almost immediately. On July 25, 1969, three days after the plan had been put into effect, the Attorney General met with Helms. According to handwritten notes made by Helms during that meeting, Attorney General Mitchell explained that the CDG had been created because the FBI could not provide the needed analysis of intelligence on civil disturbances. The FBI, the Attorney General noted, was an "investigative not [an] intelligence outfit." Mitchell asked Helms to have the CIA investigate the adequacy of the FBI's collection efforts in dissident matters and to persuade the FBI to turn over its material to the CDG. Apparently the Attorney General was experiencing some difficulty in obtaining cooperation within his own Department.

The CIA connection with the Civil Disturbance Group appears to have been minimal. Shortly after the CDG was established in July 1969, the Chief of Operation CHAOS, acting as the CIA liaison, assisted Jerris Leonard, as Chief of Staff for the CDG, and other Justice Department officials in establishing relationships with the military intelligence departments. In November 1969, the CIA liaison officer took part in a series of meetings with Leonard concerning preparations for handling an antiwar rally scheduled to take place in Washington, D.C. Intermittent contacts between the liaison officer and other Justice Department officers also occurred over the following two or three months.



F. The "Interagency Committee on Intelligence (Ad Hoc)"

The CDG did not satisfy the government's requirements for coordinated and evaluated intelligence on domestic upheaval. Both the Attorney General and the White House continued to receive only raw, unevaluated data from the FBI. In addition, cooperation within the intelligence community upon intelligence matters deteriorated substantially during late 1969 and early 1970. In late February 1970, J. Edgar Hoover forbade the Bureau to engage in anything but formal, written liaison with the CIA, because Helms had refused to compel a CIA officer to disclose to Hoover the name of an FBI agent who had given the officer certain FBI information late in 1969.

President Richard M. Nixon called a meeting at the White House on June 5, 1970, of the directors and officers from four of the major components of the intelligence community. Those attending included J. Edgar Hoover for the FBI, Richard Helms for the CIA, Vice Admiral Gayler for the National Security Agency and Lt. General Bennett for the Defense Intelligence Agency. The purpose of the meeting was to discuss problems relating to domestic disorders.

The President directed those present to make greater efforts to cover the activities of dissidents in the United States. He made it plain that he was dissatisfied with the quality of intelligence concerning the extent of any foreign connections with domestic dissidence. The possible relationship of Black radicalism in the Caribbean to Black militancy in the United States was discussed, and the President directed that a study on the subject be prepared.³ Finally, the President said that Mr. Hoover was to organize the group to draft a plan for coordination of domestic intelligence.

Four days later, on June 9, 1970, the "Interagency Committee on Intelligence (Ad Hoc)" ("ICI") held its first meeting. The committee was composed of the directors of the FBI, CIA, NSA, and DIA. Simultaneously, a subcommittee of representatives from the same agencies was established to accomplish the drafting of the ICI report. The CIA Counterintelligence Chief was designated as the CIA's representative on the subcommittee, and the Chief of Operation CHAOS served as an "observer" in the group. The subcommittee was officially constituted within the United States Intelligence Board, but this appears to have been done simply to provide an organizational cover for the activities of the subcommittee. Minutes of the subcommittee's meetings show that, in fact, the subcommittee was "an inde-

³ Operation CHAOS eventually did prepare such a study. It was delivered over the signature of Director Richard Helms to Tom Huston on July 6, 1970, for handing to the President.



pendent, ad hoc, inter-agency group with a specific mandate," and that the "scope and direction of the review [conducted by the subcommittee] will be determined by the White House."

Two of the stated objectives for the ICI were: (1) to assure a "higher priority by all intelligence agencies on internal security collection efforts" and (2) to assure "maximum use of all special investigative techniques, including increased agent and informant penetration by both the FBI and CIA." An unstated objective was to effect greater cooperation and evaluation of data by the FBI. Charles Huston, the White House liaison on the ICI, stated the problem during the first meeting of the Committee: "The President receives uncoordinated information which he has to put together," or, as Helms told the CIA's observer later in June 1970, "the heart of the matter" was to "get the FBI to do what it was not doing."

Huston made it clear at the initial ICI meeting that President Nixon wanted the Committee to assume that all methods of gathering intelligence were valid. The President, Huston said, wanted the Committee, in reviewing matters which "obstructed" intelligence gathering, to consider that "everything is valid, everything is possible." All restrictions on methods were to be listed, according to Huston, so that the President could make a final decision on which methods would be employed.

A forty-three page "Special Report" was issued by the ICI on June 25, 1970. The Report assessed the internal security threat posed by the major domestic dissident groups as well as by foreign organizations. The CIA's contribution to this section of the Report was entitled, "Definition of Internal Security Threat--Foreign," and encompassed only the foreign aspects of the problem.

The ICI's Report also considered the effect of legal restraints and constitutional safeguards limiting the methods which the government could employ in the collection of domestic intelligence. The enumerated methods which were subject to "restraints" included electronic surveillance, mail coverage, surreptitious entry and development of campus sources. Covert mail coverage and surreptitious entry were specifically described as illegal. The Special Report listed the benefits or detriments to be derived from employing such methods but did not expressly recommend their use; instead, it specified possible alternatives concerning each of them. The FBI expressed opposition to any change in existing procedures.

Finally, the ICI's Report concluded that:

There is currently no operational body or mechanism specifically charged with the overall analysis, coordination and continuing evaluation of practices and policies governing the acquisition and dissemination of intelligence, the pooling of resources and the correlation of operational activities in the domestic field.



The ICI recommended establishment of an interagency group for evaluation and coordination of domestic intelligence, a proposal which the CIA representatives had supported throughout the Committee's meetings. Director Hoover opposed the recommendation.

On July 9, 1970, Huston advised Director Helms that all communications to the White House on domestic intelligence or internal security matters were thereafter to be addressed to Huston's exclusive attention. At approximately the same time, Huston recommended to the President, through H. R. Haldeman, that almost all the restraints on methods of intelligence collection discussed in the ICI's Special Report should be relaxed. Haldeman advised Huston on July 14, 1970, that the President had approved Huston's recommendations.

By memorandum dated July 23, 1970, Huston informed Helms and the other members of the ICI of the President's decision. Under the "Huston Plan," prohibitions against covert mail coverage, surreptitious entry and electronic surveillance were to be relaxed or removed. Huston further advised the ICI members that a committee composed of representatives from the FBI, the CIA, the NSA and the DIA was to be constituted effective August 1, 1970, to provide domestic intelligence evaluations.

Apparently Attorney General Mitchell was not aware of the June 5, 1970, meeting between the President and the heads of the intelligence community or of the course of meetings and events leading up to the President's decision and direction on the Huston Plan. Attorney General Mitchell told Helms on July 27, 1970, that he had not heard of the Huston Plan until earlier that same day, when Hoover had complained to him about Huston's July 23 memorandum. In a memorandum he made of their meeting, Helms said Mitchell had been "frank" in stating that no action should be taken on Huston's directive until Mitchell had spoken with the President. Subsequently, Mitchell expressed his opposition to the Huston Plan, apparently with success. The next day, July 28, the White House asked Helms to return his copy of Huston's July 23 memorandum. Soon thereafter, in late August or early September, John Dean was assigned White House responsibility for domestic intelligence on internal security matters.

Sometime during this same period, the Attorney General discussed with Director Helms the continuing lack of evaluated domestic intelligence and the absence of coordination on that matter within the intelligence community. Mitchell said that he was considering the possibility of a small unit within the Department of Justice for the assembling and evaluation of domestic intelligence. A luncheon for the Attorney General was arranged at the CIA Headquarters on September 17, 1970, to discuss this possibility.



In addition to Mitchell and Helms, the Deputy Director for Plans, the Chief of Counterintelligence, and the Chief of Operation CHAOS were present for the discussion on September 17. According to notes made at the luncheon meeting, the group discussed problems of the existing domestic intelligence procedures. Specifically, it was again emphasized that the FBI did not have any "organization for evaluation of domestic intelligence." Further, the Justice Department's IDIU was characterized as "useless" for evaluation purposes because the unit often did not receive information until after the events happened. The luncheon group proposed that a unit be established within the Justice Department to "provide evaluated intelligence from all sources" and "allow preventive action" to be taken in time.

One of the options discussed was the revival within the Justice Department of the Intelligence Evaluation Committee. The revived IEC would include the CIA and perhaps a White House representative, and it would be charged with the responsibility of coordination and evaluation. To avoid duplication of effort, the new IEC would draw upon the files and indices maintained by the participating agencies, rather than setting up its own files.

Shortly after the September 17, 1970, luncheon, Attorney General Mitchell met with John Dean to discuss the prompt organization of the new domestic intelligence unit. It was Dean's suggestion that an interagency domestic intelligence unit be used for both operational and evaluation purposes. Dean further suggested that, while initially there would be no blanket removal of the restrictions on the methods of intelligence collection, eventually restraints could be removed as far as necessary to obtain intelligence on a particular subject. Dean also thought that the existing but inactive IDIU would provide an "appropriate Justice Department cover" and eliminate the chance of public discovery of a new intelligence operation within the Department of Justice.

G. The "Intelligence Evaluation Committee"

The Administration thus decided to revise and reactivate the moribund Intelligence Evaluation Committee (IEC) of the Department of Justice. The initial meeting of the reconstituted IEC occurred on December 3, 1970, in John Dean's office in the Old Executive Office Building. Several other meetings of an organizational nature were held from time to time through February 1971.

The Committee was composed of representatives from the Department of Justice, the FBI, the CIA, the Department of Defense, the



Secret Service and the National Security Agency. A representative of the Treasury Department was invited to participate in the last two IEC meetings. The Chief of Counterintelligence was the CIA representative on the IEC, and the Chief of Operation CHAOS was his alternate.

Robert C. Mardian, Assistant Attorney General for the Internal Security Division, was technically Chairman of the IEC, while John Dean served as the White House representative. The ultimate authority over the Committee was somewhat fuzzy; both Mardian and Dean stated requirements and made assignments to the Committee.

The IEC was not established by Executive Order. In fact, according to minutes of the IEC meeting on February 1, 1971, Dean said he favored avoiding any written directive concerning the IEC because a directive "might create problems of Congressional oversight and disclosure." Several attempts were nevertheless made to draft a charter for the Committee, although none appears to have been accepted by all of the IEC members. The last draft which could be located, dated February 10, 1971, specified the "authority" for the IEC as "the Interdepartmental Action Plan for Civil Disturbances," something which had been issued in April 1969 as the result of an agreement between the Attorney General and the Secretary of Defense. Dean thought it was sufficient just to say that the IEC existed "by authority of the President."

Revitalization of the IEC in December 1970 appears clearly to have sprung from the suggestions of the ICI's Special Report. Helms testified that he understood that the IEC had been organized to focus and coordinate intelligence on domestic dissidence. Handwritten notes made by the CIA Counterintelligence Chief during an IEC meeting on January 25, 1971, indicate that the IEC was in part an "implementation of the *ad hoc* committee report." But, because Hoover had objected so strongly to the ICI's report, no reference was to be made to it during the IEC meetings.

The Counterintelligence Chief's notes also reflect that the operation of the IEC was to be "done with the tools we now have." This Commission's staff did not find any indication that the IEC attempted to adopt the suggestions in the Huston Plan for ignoring legal restrictions on intelligence gathering in the United States.

The January 25, 1971, meeting of the IEC also concerned recruiting a staff for the Committee. Mardian suggested that each of the participating agencies should contribute an individual to work on the staff, although Hoover had already made it clear the FBI would refuse either to contribute to the IEC budget or to provide personnel for the staff.



H. The "Intelligence Evaluation Staff"

A staff for the IEC was organized by the end of January 1971. That group, called the Intelligence Evaluation Staff ("IES"), held its first meeting on January 29, 1971. Unlike the Committee, which was intended to function as a "think tank," the Staff was to do the work of coordination, evaluation and preparation of estimates for issuance by the Committee.

The Chief of Operation CHAOS was the CIA representative on the IES. He attended such IES meetings as were called, and he coordinated the CIA's contributions to the IES evaluations and estimates. The Operation Chief was not assigned to the IES on a full-time basis. Representatives of the NSA, the Secret Service and the military intelligence services also served on the IES. Finally, in May 1971, the FBI also assigned a representative to aid the staff.

Although the Department of Justice's IDIU was not actually involved in the work of the IES, the IES was "attached to [the IDIU] for cover purposes."

The Intelligence Evaluation Committee met on only seven occasions; the last occasion was in July 1971. The Intelligence Evaluation Staff, on the other hand, met a total of one hundred and seventeen times between January 29, 1971, and May 4, 1973.

The IES prepared an aggregate of approximately thirty studies or evaluations for dissemination. It also published a total of fifty-five summaries called intelligence calendars of significant events. The preparation of these studies, estimates or calendars was directed by John Dean from the White House or by Robert Mardian as Chairman of the IEC.

The initial studies related to the "May Day" demonstrations held in 1971, and later reports concerned other proposed antiwar demonstrations, racial protests or planned violence. From January to August 1972, the IEC/IES issued, and regularly revised, reports covering the potential for disruptions at both the 1972 Republican and Democratic National Conventions.

Many of the IEC reports contained information having both domestic and international aspects. The CIA made a number of contributions to the IEC/IES publications. Those contributions were prepared by Operation CHAOS personnel (see Chapter 11). However, the contributions appear to have been a by-product of ongoing activities abroad. Review of all the contributions reveals that the CIA reported, with only minor exceptions, on matters relating strictly to foreign or international events or organizations.

It appears the only participation by the CHAOS Chief in the IES,



aside from serving as the CIA liaison in preparing the Agency's contributions, was to edit drafts of the Staff's reports. Mardian himself did ask the Chief to use the CIA's computer index for name traces in connection with the March 1971 Capitol bombing incident, the "Pentagon Papers" case and the Berrigan Brothers case.³ But no evidence was found that the CIA was asked by either the IEC or the IES to collect domestic intelligence.

The agents run by the CIA's Operation CHAOS appear on only one occasion to have been directed to collect information domestically which was used for IEC/IES purposes. That was the use of one agent during the 1971 May Day demonstrations in Washington, D.C., which is described more fully in Chapter 11. CHAOS forwarded the information supplied by that agent to the FBI, and some of the information ultimately may have been incorporated in IEC publications concerning the May Day demonstrations.

Director Helms told the CIA liaison officer during a meeting on December 5, 1972, that the Agency "should minimize its contributions to the IEC, with the expectation that eventually the organization may disappear." Helms in his testimony was unable to recall the basis for this instruction. By then, however, the fact that Attorney General Mitchell and Robert Mardian had long since resigned to work on President Nixon's reelection campaign, plus the substantial decline in the incidence of civil disorder, all contributed to the lapse in IEC/IES activity.

The IEC and IES were terminated in July 1973 by Assistant Attorney General Henry Petersen.

Conclusions

The CIA's liaison with the Department of Justice and the Agency's participation in interagency intelligence groups resulted from attempts to utilize the CIA's expertise in intelligence evaluation and its collection of intelligence abroad having a bearing upon domestic dissidence.

This attempted use occurred because two Administrations believed the government of the United States lacked an effective capacity to coordinate and evaluate intelligence on matters affecting internal security.

The available evidence indicates that the CIA's participation in meetings of the IES was limited to providing advice on foreign intelligence and evaluation techniques and to editing reports. The

³ This appears to have been a short cut of the general procedure in the Justice Department to make requests for name checks by the CIA through the FBI.



Agency's substantive contributions to the IES were restricted to foreign aspects, if any, of the relevant problems.

The statutory prohibition on internal security functions does not preclude the CIA from providing foreign intelligence or advice on evaluation techniques to interdepartmental intelligence evaluation organizations having some domestic aspects.

The attendance of the CIA liaison officer at over 100 meetings of the Intelligence Evaluation Staff, some of them concerned wholly with domestic matters, nevertheless created at least the appearance of impropriety. The Director of Central Intelligence was well advised to approach such participation reluctantly.

The liaison officer acted improperly in the one instance in which he directed an agent to gather domestic information within the United States which was reported to the Intelligence Evaluation Staff.

Recommendation (14)

a. A capability should be developed within the FBI, or elsewhere in the Department of Justice, to evaluate, analyze, and coordinate intelligence and counterintelligence collected by the FBI concerning espionage, terrorism, and other related matters of internal security.

b. The CIA should restrict its participation in any joint intelligence committees to foreign intelligence matters.

c. The FBI should be encouraged to continue to look to the CIA for such foreign intelligence and counterintelligence as is relevant to FBI needs.



Chapter 11

Special Operations Group— “Operation CHAOS”

Responding to Presidential requests to determine the extent of foreign influence on domestic dissidence, the CIA, upon the instruction of the Director of Central Intelligence, established within the Counterintelligence Staff a Special Operations Group in August 1967, to collect, coordinate, evaluate and report on foreign contacts with American dissidents.

The Group's activities, which later came to be known as Operation CHAOS, led the CIA to collect information on dissident Americans from its overseas stations and from the FBI.

Although the stated purpose of the Operation was to determine whether there were any foreign contacts with American dissident groups, it resulted in the accumulation of considerable material on domestic dissidents and their activities.

During six years, the Operation compiled some 13,000 different files, including files on 7,200 American citizens. The documents in these files and related materials included the names of more than 300,000 persons and organizations, which were entered into a computerized index.

This information was kept closely guarded within the CIA to prevent its use by anyone other than the personnel of the Special Operations Group. Utilizing this information, personnel of the Group prepared 3,500 memoranda for internal use; 3,000 memoranda for dissemination to the FBI; and 37 memoranda for distribution to high officials.

The Operation ultimately had a staff of 52, who were isolated from any substantial review even by the Counterintelligence Staff of which they were technically a part.

Beginning in late 1969, Operation CHAOS used a number of agents



to collect intelligence abroad on any foreign connections with American dissident groups. In order to have sufficient "cover" for these agents, the Operation recruited persons from domestic dissident groups or recruited others and instructed them to associate with such groups in this country.

Most of these recruits were not directed to collect information domestically on American dissidents. On a number of occasions, however, such information was reported by the recruits while they were developing dissident credentials in the United States, and the information was retained in the files of the Operation. On three occasions, agents of the Operation were specifically used to collect domestic intelligence.

Part of the reason for these transgressions was inherent in the nature of the task assigned to the Group: to determine the extent of any foreign influence on domestic dissident activities. That task necessarily partook of both domestic and foreign aspects. The question could not be answered adequately without gathering information on the identities and relationships of the American citizens involved in the activities. Accordingly, any effort by the CIA in this area was bound, from the outset, to raise problems as to whether the Agency was looking into internal security matters and therefore exceeding its legislative authority.

The Presidential demands upon the CIA appear to have caused the Agency to forego, to some extent, the caution with which it might otherwise have approached the subject.

Two Presidents and their staffs made continuing and insistent requests of the CIA for detailed evaluation of possible foreign involvement in the domestic dissident scene. The Agency's repeated conclusion in its reports—that it could find no significant foreign connection with domestic disorder—led to further White House demands that the CIA account for any gaps in the Agency's investigation and that it remedy any lack of resources for gathering information.

The cumulative effect of these repeated demands was the addition of more and more resources, including agents, to Operation CHAOS—as the Agency attempted to support and to confirm the validity of its conclusion. These White House demands also seem to have encouraged top CIA management to stretch and, on some occasions, to exceed the legislative restrictions.

The excessive secrecy surrounding Operation CHAOS, its isolation within the CIA, and its removal from the normal chain of command prevented any effective supervision and review of its activities by officers not directly involved in the project.



A. Origins of Operation CHAOS—August 1967

In the wake of racial violence and civil disturbances, President Johnson on July 2, 1967, formed the National Commission on Civil Disorders (the Kerner Commission) and directed it to investigate and make recommendations with respect to the origins of the disorders. At the same time, the President instructed all other departments and agencies of government to assist the Kerner Commission by supplying information to it.

On August 15, 1967, Thomas Karamessines, Deputy Director for Plans, issued a directive to the Chief of the Counterintelligence Staff instructing him to establish an operation for overseas coverage of subversive student activities and related matters. This memorandum relayed instructions from Director Richard Helms, who, according to Helms' testimony, acted in response to continuing, substantial pressure from the President to determine the extent of any foreign connections with domestic dissident events. Helms' testimony is corroborated by a contemporaneous FBI memorandum which states:

The White House recently informed Richard Helms, Director, CIA, that the Agency should exert every possible effort to collect information concerning U.S. racial agitators who might travel abroad * * * because of the pressure placed upon Helms, a new desk has been created at the Agency for the explicit purpose of collecting information coming into the Agency and having any significant bearing on possible racial disturbances in the U.S.

The question of foreign involvement in domestic dissidence combined matters over which the FBI had jurisdiction (domestic disorder) and matters which were the concern of the CIA (possible foreign connection). The FBI, unlike the CIA, generally did not produce finished, evaluated intelligence. Apparently for these reasons, the President looked to the Director of Central Intelligence to produce a coordinated evaluation of intelligence bearing upon the question of dissidence.

When the Kerner Commission's Executive Director wrote to Helms on August 29, 1967, requesting CIA information on civil disorders, Helms offered to supply only information on foreign connections with domestic disorder. Ultimately, the CIA furnished 26 reports to the Kerner Commission, some of which related largely to domestic dissident activities.

B. Evolution of Operation CHAOS—The November 1967 Study

The officer selected to head what became the Special Operations Group was a person already involved in a counterintelligence effort



in connection with an article in *Ramparts* magazine on CIA associations with American youth overseas. In connection with his research and analysis, the officer had organized the beginnings of a computer system for storage and retrieval of information on persons involved in the "New Left."

By October 1967, this officer had begun to establish his operation concerning foreign connections with the domestic dissident scene. In a memorandum for the record on October 31, 1967, he indicated that the CIA was to prepare a study on the "International Connections of the United States Peace Movement."

The CIA immediately set about collecting all the available government information on dissident groups. All field stations of the CIA clandestine service were polled for any information they had on the subject of the study. Every branch of the intelligence community was called upon to submit whatever information it had on the peace movement to the Special Operations Group for cataloging and storage. Most of the information was supplied by the FBI.

All information collected by the Special Operations Group was forwarded to the CIA Office of Current Intelligence, which completed the study by mid-November. Director Helms personally delivered the study to President Johnson on November 15, 1967, with a covering note stating that "this is the study on the United States Peace Movement you requested."

The study showed that there was little evidence of foreign involvement and no evidence of any significant foreign financial support of the peace activities within the United States. As a result of the information gathered for the study, however, the Special Operations Group gained an extensive amount of data for its later operations.

On November 20, 1967, a new study was launched by the CIA at the request of the Director of Central Intelligence. This study was titled "Demonstration Techniques." The scope of the study was world-wide, and it concentrated on antiwar demonstrations in the United States and abroad. The procedure used on the earlier study was also employed to gather information for this new project.

The CIA sent an updated version of the Peace Movement Study to the President on December 22, 1967, and on January 5, 1968, Director Helms delivered to the White House a paper entitled "Student Dissent and Its Techniques in the United States." Helms' covering letter to the President described the January 5 study as "part of our continuing examination of this general matter."

Again, the information bank of the Special Operations Group was increased by the intelligence gathered for these studies.

see
privilege?



C. Evolution of Operation CHAOS—Domestic Unrest in 1968

Continuing antiwar demonstrations in 1968 led to growing White House demands for greater coverage of such groups' activities abroad. As disorders occurred in Europe in the summer of 1968, the CIA, with concurrence from the FBI, sought to engage European liaison services in monitoring United States citizens overseas in order to produce evidence of foreign guidance, control or financial support.

In mid-1968, the CIA moved to consolidate its efforts concerning foreign connections with domestic dissidence and to restrict further the dissemination of the information used by the Special Operations Group. The Group was given a cryptonym, "CHAOS." The CIA sent cables to all its field stations in July 1968, directing that all information concerning dissident groups be sent through a single restricted channel on an "Eyes Only" basis to the Chief of Operation CHAOS. No other dissemination of the information was to occur.

Some time in 1968, Director Helms, in response to the President's continued concern about student revolutionary movements around the world, commissioned the preparation of a new analytic paper which was eventually entitled "Restless Youth." Like its predecessor, "Restless Youth" concluded that the motivations underlying student radicalism arose from social and political alienation at home and not from conspiratorial activity masterminded from abroad.

"Restless Youth" was produced in two versions. The first version contained a section on domestic involvements, again raising a question as to the propriety of the CIA's having prepared it. This version was delivered initially only to President Johnson and to Walt W. Rostow, the President's Special Assistant for National Security Affairs. Helms' covering memorandum, dated September 4, 1968, stated, "You will, of course, be aware of the peculiar sensitivity which attaches to the fact that CIA has prepared a report on student activities both here and abroad."

Another copy of the first version of "Restless Youth" was delivered on February 18, 1969, after the change in Administrations, to Henry A. Kissinger, then Assistant to President Nixon for National Security Affairs. Director Helms' covering memorandum of February 18 specifically pointed out the impropriety of the CIA's involvement in the study. It stated:

In an effort to round-out our discussion of this subject, we have included a section on American students. This is an area not within the charter of this Agency, so I need not emphasize how extremely sensitive this makes the paper. Should anyone learn of its existence it would prove most embarrassing for all concerned.



A second version of "Restless Youth" with the section on domestic activities deleted was later given a somewhat wider distribution in the intelligence community.

The CHAOS group did not participate in the initial drafting of the "Restless Youth" paper, although it did review the paper at some point before any of its versions were disseminated. Intelligence derived from the paper was, of course, available to the group.

E. The June 1969 White House Demands

On June 20, 1969, Tom Charles Huston, Staff Assistant to President Nixon, wrote to the CIA that the President had directed preparation of a report on foreign communist support of revolutionary protest movements in this country.

Huston suggested that previous reports indicated inadequacy of intelligence collection capabilities within the protest movement area. (Helms testified that this accurately reflected the President's attitude.) According to Huston's letter, the President wanted to know:

- What resources were presently targeted toward monitoring foreign communist support of revolutionary youth activities in this country;
- How effective the resources were;
- What gaps existed because of inadequate resources or low priority of attention; and,
- What steps could be taken to provide maximum possible coverage of the activities.

Huston said that he was particularly interested in the CIA's ability to collect information of this type. A ten-day deadline was set for the CIA's reply.

The Agency responded on June 30, 1969, with a report entitled, "Foreign Communist Support to Revolutionary Protest Movements in the United States." The report concluded that while the communists encouraged such movements through propaganda and exploitation of international conferences, there was very little evidence of communist funding and training of such movements and no evidence of communist direction and control.

The CIA's covering memorandum, which accompanied the June 30 report, pointed out that since the summer of 1967, the Agency had attempted to determine through its sources abroad what significant communist assistance or control was given to domestic revolutionary protests. It stated that close cooperation also existed with the FBI and that "new sources were being sought through independent means." The memorandum also said that the "Katzenbach guidelines" of 1967



had inhibited access to persons who might have information on efforts by communist intelligence services to exploit revolutionary groups in the United States.¹

E. CHAOS in Full-Scale Operation—Mid-1969

By mid-1969, Operation CHAOS took on the organizational form which would continue for the following three years. Its staff had increased to 36. (Eventually it totaled 52.) In June 1969, a Deputy Chief was assigned to the Operation to assist in administrative matters and to assume some of the responsibilities of handling the tightly-held communications. There was a further delegation of responsibility with the appointment of three branch chiefs in the operation.

The increase in size and activity of the Operation was accompanied by further isolation and protective measures. The group had already been physically located in a vaulted basement area, and tighter security measures were adopted in connection with communications of the Operation. These measures were extreme, even by normally strict CIA standards. An exclusive channel for communication with the FBI was also established which severely restricted dissemination both to and from the Bureau of CHAOS-related matters.

On September 6, 1969, Director Helms distributed an internal memorandum to the head of each of the directorates within CIA, instructing that support was to be given to the activities of Operation CHAOS. Both the distribution of the memorandum and the nature of the directives contained in it were most unusual. These served to underscore the importance of its substance.

Helms confirmed in the September 6 memorandum that the CHAOS group had the principal operational responsibilities for conducting the Agency's activities in the "radical milieu." Helms expected that each division of the Agency would cooperate "both in exploiting existing sources and in developing new ones, and that [the Special Operations Group] will have the necessary access to such sources and operational assets."

Helms further stated in the memorandum that he believed the CIA had "the proper approach in discharging this sensitive responsibility while strictly observing the statutory and *de facto* proscription on Agency domestic involvements."

The September 6 memorandum, prepared after discussions with

¹ In 1967 President Johnson appointed a committee including Nicholas Katzenbach, John Gardner, and Richard Helms to investigate charges that the CIA was funding the National Student Association. The charges were substantiated, and the Katzenbach Committee's recommendation that the government refrain from covert financial support of private educational organizations was adopted as government policy.



the Chief of the Operation, among others, served at least three important functions: First, it confirmed, beyond question, the importance which Operation CHAOS had attained in terms of Agency objectives. Second, it replied to dissent which had been voiced within the CIA concerning the Operation. Third, it ensured that CHAOS would receive whatever support it needed, including personnel.

F. Agent Operations Relating to Operation CHAOS

Within a month after Helms' memorandum of September 6, an operations or "case" officer was assigned from another division to Operation CHAOS. The Operation thus gained the capacity to manage its own agents. A full understanding of the Operation's use of agents, however, requires some appreciation of similar proposals previously developed by other components of the CIA.

1. "Project 1"

In February 1968, the CIA's Office of Security and a division in its Plans Directorate jointly drafted a proposal for "Project 1," which was initially entitled "An Effort . . . in Acquiring Assets in the 'Peace' and 'Black Power' Movements in the United States." The project was to involve recruitment of agents who would penetrate some of the prominent dissident groups in the United States and report information on the communications, contacts, travel and plans of individuals or groups having a connection with a certain foreign area. The proposal was rejected by Director Helms in March 1968 on the ground that it "would appear to be" beyond the Agency's jurisdiction and would cause widespread criticism when it became public knowledge, as he believed it eventually would.

Shortly thereafter, the proposed Project was modified to include a prohibition against domestic penetration of dissident groups by agents recruited by CIA. Any contact with domestic groups would be incidental to the overall objective of gaining access overseas to information on foreign contacts and control.

This modification was consistent with Helms' instruction that the Agency was not to engage in domestic operational activity directed against dissident groups. The modified plan was approved by the Deputy Director of Plans, subject to conditions to ensure his tight supervision and control over its activities, but no evidence could be found that the project ever became operational.

The history of Project 1 clearly reflected the CIA's awareness that statutory limitations applied to the use of agents on the domestic



dissident scene. "Penetration" of dissident groups in the United States to gain information on their domestic activities was prohibited.

2. "Project 2"

A second program, "Project 2," was initiated in late 1969 by the same office in the CIA's Plans Directorate which had developed Project 1. Under Project 2, individuals without existing dissident affiliation would be recruited and, after recruitment, would acquire the theory and jargon and make acquaintances in the "New Left" while attending school in the United States. Following this "reddening" or "sheepdipping" process (as one CIA officer described it), the agent would be sent to a foreign country on a specific intelligence mission.

Project 2 was approved on April 14, 1970, by the Assistant Deputy Director for Plans, who stated that no Project 2 agent was to be directed to acquire information concerning domestic dissident activities. Only if such information was acquired incidentally by the agents during the domestic "coloration" process would it be passed to Operation CHAOS for forwarding to the FBI.²

Renewals of Project 2 were approved annually during 1971-1973 by the Deputy Director for Plans. The Project was also reviewed and approved in the fall of 1973 by William E. Colby, by then Director of Central Intelligence. In granting his approval on September 5, 1973, Director Colby, in language which paraphrased the original Project 1 guidelines, stated that:

Care will be taken that, during the training period of [Project 2] agents within the United States, they will not be operated by CIA against domestic targets.

During the period 1970-1974 a total of 23 agents were recruited for the project, of which 11 completed the prescribed development process in the United States. Each agent was met and debriefed on a regular schedule in this country by Project 2 case officers. The agents were told repeatedly of the limitations on their activities in the United States.

The Project 2 case officers used debriefing sessions as one method of assessing an agent's effectiveness in reporting facts precisely and accurately, obviously an essential skill to any intelligence agent. "Contact reports" were prepared after the sessions. Although the reports contained a substantial amount of information on agents' observations of domestic activities, no evidence was found that Project 2 itself opened any files based upon any of the information.

² Prior to the April 14 approval of Project 2, Operation CHAOS personnel had requested that a proviso be added to the Project that Operation CHAOS would coordinate Project 2 recruits during the "coloration" process in the United States. The proviso was rejected.



Copies of all contact reports with Project 2 agents, however, were provided to Operation CHAOS, and that Operation made a detailed review of the information contained in the reports. Information on both individuals and activities which was contained in the reports and which was deemed significant by CHAOS was incorporated into the raw data files of the operation and indexed into its computer system. Depending upon the nature of the information, it might eventually be furnished by Operation CHAOS to the FBI.

Thus, while Project 2 agents were not assigned collection missions in the United States, the tandem operation of CHAOS with Project 2 nevertheless did result in collection and dissemination by the CIA of a limited quantity of intelligence on domestic dissident activities. Director Helms testified that he was not aware of this collection and dissemination.

Furthermore, despite efforts by Project 2 case officers to have their agent trainees avoid taking an activist role in domestic dissident groups, that did occur upon occasion. One of the agents became an officer in such a group, and on at least one occasion the agent provided Project 2 with copies of minutes of the group's meetings.

A Project 2 agent also became involved as an adviser in a United States congressional campaign and, for a limited period, furnished reports to CHAOS of behind-the-scenes activities in the campaign.

3. CHAOS Agents

During the first two years of its existence, Operation CHAOS gathered the bulk of its information from reports issued by other governmental agencies or received from CIA field stations abroad.

By October 1969, this approach had changed almost completely. Operation CHAOS' new case officer was beginning to contact, recruit, and run agents directly for the operation. This reversal of approach appears to be attributable primarily to three factors:

—First, and most important, an increasing amount of White House pressure (for example, the June 20, 1969, letter from Tom Charles Huston, Staff Assistant to the President) was brought to bear on the CIA to provide more extensive and detailed reporting on the role of foreign connections with American dissident activities;

—Second, Operation CHAOS had been relatively unsuccessful in obtaining meaningful information through agents associated with other agencies;

—Third, the tempo of dissident activities had increased substantially in the United States.

The extent of CHAOS agent operations was limited to fewer than



30 agents. Although records of the Operation indicate that reporting was received from over 100 other agent sources, those sources appear to have been directed abroad either by other governmental agencies or by other components of the CIA. The information which these sources reported to Operation CHAOS was simply a by-product of other missions.

Operation CHAOS personnel contacted a total of approximately 40 potential agents from October 1969 to July 1972, after which no new agent recruitments were made. (The case officer left the Operation on July 12, 1972.) Approximately one-half of these individuals were referred to the Operation by the FBI, and the remainder were developed through various CIA components.

All contact, briefing and debriefing reports prepared by the case officer concerning all potential and actual agents, from whatever source, became part of the records of the Operation. These reports, often highly detailed, were carefully reviewed by CHAOS personnel; all names, organizations and significant events were then indexed in the Operation's computer. Upon occasion, the information would be passed to the FBI.

The individuals referred to Operation CHAOS by the FBI were past or present FBI informants who either were interested in a foreign assignment or had planned a trip abroad. Eighteen of the referrals were recruited. Only one was used on more than one assignment. In each instance the Operation's case officer briefed the individual on the CHAOS "requirements" before his trip and debriefed him upon his return. After debriefing, the agents once again became the responsibility of the FBI.

In one instance, the FBI turned an individual over to Operation CHAOS for its continued use abroad. Before going overseas, that agent was met by the Operation's case officer on a number of occasions in the United States and did report for several months upon certain domestic contacts.

Seventeen agents were referred to Operation CHAOS by other CIA components. Ten were dropped by the Operation for various reasons after an initial assessment. Four were used for brief trips abroad, with reporting procedures which essentially paralleled those used for the FBI referrals.

The remaining three individuals had an entree into anti-war, radical left, or black militant groups before they were recruited by the Operation. They were used over an extended period abroad, and they were met and debriefed on numerous occasions in the United States.

One of the three agents travelled a substantial distance in late 1969 to participate in and report on major demonstrations then



occurring in one area of the country. The CHAOS case officer met and questioned the agent at length concerning individuals and organizations involved in the demonstrations. Detailed contact reports were prepared after each debriefing session. The contact reports, in turn, provided the basis for 47 separate disseminations to the FBI, the bulk of which related solely to domestic matters and were disseminated under titles such as: "Plans for Future Anti-War Activities on the West Coast."

The second of these agents regularly provided detailed information on the activities and views of high-level leadership in another of the dissident groups within the United States. Although a substantial amount of this agent's reporting concerned the relationship of the dissident group with individuals and organizations abroad, information was also obtained and disseminated on the organization's purely domestic activities.

The third agent was formally recruited in April 1971, having been initially contacted by Operation CHAOS in October 1970. During the intervening months the CIA had asked the agent questions posed by the FBI concerning domestic dissident matters and furnished the responses to the Bureau.

Two days after the official recruitment, the agent was asked to travel to Washington, D.C. to work on an interim basis; the mission was to "get as close as possible" and perhaps become an assistant to certain prominent radical leaders who were coordinators of the imminent "May Day" demonstrations. The agent was to infiltrate any secret groups operating behind the scenes and report on their plans. The agent was also asked to report any information on planned violence toward government officials or buildings or foreign embassies.

This third agent travelled to Washington as requested, and was met two or three times a week by the CHAOS case officer. After each of these meetings, the case officer, in accordance with the standard procedure, prepared contact reports including all information obtained from the agent. These reports, many of which were typed late at night or over weekends, were passed immediately to the Chief of Operation CHAOS. And when the information obtained from the agent was significant, it was immediately passed by the Chief to an FBI representative, generally orally.

The Operation's use of these three agents was contrary to guidelines established after Director Helms rejected the initial proposal for Project 1 in March 1968. Helms testified that he was not aware of the domestic use of these agents.

The Commission found no evidence that any of the agents or CIA officers involved with any of the dissident operations em-



ployed or directed the domestic use of any personal or electronic surveillance, wiretaps or unauthorized entries against any dissident group or individual. Any reporting by CHAOS agents in the United States was based upon information gained as a result of their personal observations and acquaintances.

G. Collection, Indexing, and Filing of Information by Operation CHAOS

The volume of information passing through the CHAOS group by mid-1969 was great. As Director Helms pointed out in his September 6, 1969, memorandum to the Directorates, the Operation's main problem was a backlog of undigested raw information which required analysis and indexing.

Not only was the Agency receiving FBI reports on antiwar activities, but with the rise of international conferences against the war, and student and radical travel abroad, information flowed in from the Agency's overseas stations as well.

The Operation had gathered all the information it could from the Agency's central registry. According to the Chief of the Operation, that information for the most part consisted of raw data gathered on individuals by the FBI which had not been analyzed by the Agency because the information contained nothing of foreign intelligence value.

CHAOS also availed itself of the information gained through the CIA's New York mail intercept. The Operation supplied a watch list of United States citizens to be monitored by the staff of the mail intercept. The number of mail items intercepted and sent to CHAOS during its operation were sufficient in number to have filled two drawers in a filing cabinet. All of these items were letters or similar material between the United States and the Soviet Union.

In addition, Operation CHAOS received materials from an international communications activity of another agency of the government. The Operation furnished a watch list of names to the other agency and received a total of approximately 1100 pages of materials overall. The program to furnish the Operation with these materials was not terminated until CHAOS went out of existence. All such materials were returned to the originating agency by the CIA in November 1974 because a review of the materials had apparently raised a question as to the legality of their being held by CIA. The materials concerned for the most part anti-war activities, travel to international peace conferences and movements of members of various dissident



groups. The communications passed between the United States and foreign countries. None was purely domestic.

During one period, Operation CHAOS also appears to have received copies of booking slips for calls made between points in the United States and abroad. The slips did not record the substance of the calls, but rather showed the identities of the caller and the receiver, and the date and time of the call. The slips also indicated whether the call went through.

Most of the officers assigned to the Operation were analysts who read the materials received by it and extracted names and other information for indexing in the computer system used by the Operation and for inclusion in the Operation's many files. It appears that, because of the great volume of materials received by Operation CHAOS and the time pressures on the Operation, little judgment could be, or was, exercised in this process. The absence of such judgment led, in turn, to the inclusion of a substantial amount of data in the records of the Operation having little, if anything, bearing upon its foreign intelligence objective.

The names of all persons mentioned in intelligence source reports received by Operation CHAOS were computer-indexed. The computer printout on a person or organization or subject would contain references to all documents, files or communications traffic where the name appeared. Eventually, approximately 300,000 names of American citizens and organizations were thus stored in the CHAOS computer system.

The computerized information was streamed or categorized on a "need to know" basis, progressing from the least sensitive to the most sensitive. A special computer "password" was required in order to gain access to each stream. (This multistream characteristic of the computer index caused it to be dubbed the "Hydra" system.) The computer system was used much like a library card index to locate intelligence reports stored in the CHAOS library of files.

The files, like the computer index, were also divided into different levels of security. A "201," or personality, file would be opened on an individual when enough information had been collected to warrant a file or when the individual was of interest to another government agency that looked to the CIA for information. The regular 201 file generally contained information such as place of birth, family, occupation and organizational affiliation. In addition, a "sensitive" file might also be maintained on that same person. The sensitive file generally encompassed matters which were potentially embarrassing to the Agency or matters obtained from sources or by methods which the



Agency sought to protect. Operation CHAOS also maintained nearly 1000 "subject" files on numerous organizations.³

Random samplings of the Operation's files show that in great part, the files consisted of undigested FBI reports or overt materials such as new clippings on the particular subject.

An extreme example of the extent to which collection could go once a file was opened is contained in the Grove Press, Inc., file. The file apparently was opened because the company had published a book by Kim Philby, the British intelligence officer who turned out to be a Soviet agent. The name Grove Press was thus listed as having intelligence interest, and the CHAOS analysts collected all available information on the company. Grove Press, in its business endeavors, had also produced the sex-oriented motion picture, "I Am Curious Yellow" and so the Operation's analysts dutifully clipped and filmed cinema critics' commentaries upon the film.

From among the 300,000 names in the CHAOS computer index, a total of approximately 7,200 separate personality files were developed on citizens of the United States.

In addition, information of on-going intelligence value was digested in summary memoranda for the internal use of the Operation. Nearly 3,500 such memoranda were developed during the history of CHAOS.

Over 3,000 memoranda on digested information were disseminated, where appropriate, to the FBI. A total of 37 highly sensitive memoranda originated by Operation CHAOS were sent over the signature of the Director of Central Intelligence to the White House, to the Secretary of State, to the Director of the FBI or to the Secret Service.

H. Preparation of Reports for Interagency Groups

Commencing in mid-1970, Operation CHAOS produced reports for the interagency groups discussed in the previous chapter. One such

³ The organizations, to name a few, included:
 Students for a Democratic Society (SDS);
 Young Communist Workers Liberation League (YCWL);
 National Mobilization Committee to End the War in Vietnam;
 Women's Strike for Peace;
 Freedomways Magazine and Freedomways Associated, Inc.;
 American Indian Movement (AIM);
 Student Non-Violent Coordinating Committee (SNCC);
 Draft Resistance Groups (U.S.);
 Cross World Books and Periodicals, Inc.;
 U.S. Committee to Aid the National Liberation Front of South Vietnam;
 Grove Press, Inc.;
 Nation of Islam;
 Youth International Party (YIP);
 Women's Liberation Movement;
 Black Panther Party (BPP);
 Venceremos Brigade;
 Clergy and Laymen Concerned About Vietnam.



report was prepared by the Operation in June 1970. Unlike the June 1969 study, which was limited to CIA sources, the 1970 study took into account all available intelligence sources. In the 1970 analysis, entitled, "Definition of Existing Internal Security Threat—Foreign," the Agency concluded that there was no evidence, based on available information and sources, that foreign governments and intelligence services controlled domestic dissident movements or were then capable of directing the groups. The June 1970 Report was expanded and re-published in January 1971. It reached the same conclusions.

I. Relationship of Operation CHAOS to Other CIA Components

Substantial measures were taken from the inception of Operation CHAOS to ensure that it was highly compartmented. Knowledge of its activities was restricted to those individuals who had a definite "need to know" of it.

The two or three week formal training period for the operation's agents was subject to heavy insulation. According to a memorandum in July 1971, such training was to be carried out with "extreme caution" and the number of people who knew of the training was to be kept to "an absolute minimum." The Office of Training was instructed to return all communications relating to training of CHAOS agents to the Operation.

The Operation was isolated or compartmented even within the Counterintelligence Staff which, itself, was already a highly compartmented component of the CIA. The Operation was physically removed from the Counterintelligence Staff. Knowledge within the Counterintelligence Staff of proposed CHAOS operations was restricted to the Chief of the Staff and his immediate assistants.

The Counterintelligence Chief was technically responsible in the chain of command for Operation CHAOS, and requests for budgeting and agent recruitment had to be approved through his office. But the available evidence indicates that the Chief of Counterintelligence had little connection with the actual operations of CHAOS. According to a CIA memorandum in May 1969, Director Helms specifically instructed the Chief of the Operation to refrain from disclosing part of his activities to the Counterintelligence Chief.

The Counterintelligence and the CHAOS Chiefs both agree that, because of the compartmentation and secrecy of CHAOS, the actual supervisory responsibility for the Operation was vested in the Director of Central Intelligence. This was particularly so beginning in mid-



1969. In fact, the Chief of CHAOS, later in history of his Operation, sought unsuccessfully to have his office attached directly to that of the Director.

Director Helms testified that he could recall no specific directions he gave to the CHAOS Group Chief to report directly to him. To the contrary, Helms said, he expected the Chief to report to the Chief of Counterintelligence, who in turn would report to the Deputy Director for Plans and then to the Director.

The sensitivity of the Operation was deemed so great that, during one field survey in November 1972 even the staff of the CIA's Inspector General was precluded from reviewing CHAOS files or discussing its specific operations. (This incident, however, led to a review of the Operation by the CIA Executive Director—Comptroller in December 1972.)

On another occasion, an inspection team from the Office of Management and Budget was intentionally not informed of the Operation's activity during an OMB survey of CIA field operations.

There is no indication that the CIA's General Counsel was ever consulted about the propriety of Operation CHAOS activities.

It further appears that, unlike most programs within the CIA clandestine service, Operation CHAOS was not subjected to an annual review and approval procedure. Nor does there appear to have been any formal review of the Operation's annual budget. Such review as occurred seems to have been limited to requests for authority to assess or recruit an American citizen as an agent.

The result of the compartmentation, secrecy and isolation which did occur seems clear now. The Operation was not effectively supervised and reviewed by anyone in the CIA who was not operationally involved in it.

Witnesses testified consistently that the extreme secrecy and security measures of Operation CHAOS derived from two considerations: First, the Operation sought to protect the privacy of the American citizens whose names appeared in its files by restricting access to those names as severely as possible. Second, CHAOS personnel were concerned that the operation would be misunderstood by others within the CIA if they learned only bits of information concerning it without being briefed on the entire project.

It is safe to say that the CIA's top leadership wished to avoid even the appearance of participation in internal security matters and were cognizant that the Operation, at least in part, was close to being a proscribed activity and would generate adverse public reaction if revealed.

Despite the substantial efforts to maintain the secrecy of Operation CHAOS, over six hundred persons within the CIA were formally



briefed on the Operation. A considerable number of CIA officers had to know of the Operation in order to handle its cable traffic abroad.

Enough information concerning CHAOS was known within the CIA so that a middle level management group of 14 officers (organized to discuss and develop possible solutions to various CIA problems) was in a position to write two memoranda in 1971 raising questions as to the propriety of the project. Although only one of the authors had been briefed on CHAOS activities, several others in the group apparently had enough knowledge of it to concur in the preparation of the memoranda.

Opposition to, or at least skepticism about, the CHAOS activities was also expressed by senior officers in the field and at headquarters. Some area division chiefs were unwilling to share the authority for collection of intelligence from their areas with the Operation and were reluctant to turn over the information for exclusive handling and processing by the Operation. When CHAOS undertook the placement of agents in the field, some operations people resented this intrusion by a staff organization into their jurisdiction.

In addition, some of the negativism toward CHAOS was expressed on philosophic grounds. One witness, for example, described the attitude of his division toward the Operation as "total negativeness." A May 1971 memorandum confirms that this division wanted "nothing to do" with CHAOS. This was principally because the division personnel thought that the domestic activities of the Operation were more properly the function of the FBI. As a result, this division supplied the Operation with only a single lead to a potential agent, and its personnel has little to do with the on-going CHAOS activities.

Apparently the feelings against Operation CHAOS were strong enough that Director Helms' September 6, 1969 memorandum was required to support the Operation. That memorandum, sent to all deputy directors in the CIA, assured them that the Operation was within the statutory authority of the Agency, and directed their support.

Director Helms' attitude toward the views of some CIA officers toward Operation CHAOS was further summarized in a memorandum for the record on December 5, 1972, which stated:

CHAOS is a legitimate counterintelligence function of the Agency and cannot be stopped simply because some members of the organization do not like this activity.

J. Winding Down Operation CHAOS

By 1972, with the ending of the American involvement in the Vietnam War and the subsequent lower level of protest activities at



home, the activities of Operation CHAOS began to lag. The communications traffic decreased, and official apprehension about foreign influence also abated. By mid-1972, the Special Operations Group began to shift its attention to other foreign intelligence matters.

At the end of August 1973, William E. Colby, the new CIA Director, in memoranda dealing with various "questionable" activities by the Agency, ordered all its directorates to take specific action to ensure that CIA activities remained within the Agency's legislative authority. In one such memorandum, the Director stated that Operation CHAOS was to be "restricted to the collection abroad of information on foreign activities related to domestic matters. Further, the CIA will focus clearly on the foreign organizations and individuals involved and only incidentally on their American contacts."

The Colby memorandum also specified that the CIA was not to be directly engaged in surveillance or other action against an American abroad and could act only as a communications channel between the FBI and foreign services, thus altering the policy in this regard set in 1968 and reaffirmed in 1969 by Director Helms.

By August 1973, when the foregoing Colby memorandum was written, the paper trail left by Operation CHAOS included somewhere in the area of 13,000 files on subjects and individuals (including approximately 7,200 personality or "201" files);⁴ over 11,000 memoranda, reports and letters from the FBI; over 3,000 disseminations to the FBI; and almost 3,500 memoranda for internal use by the Operation. In addition, the CHAOS group had generated, or caused the generation of, over 12,000 cables of various types, as well as a handful of memoranda to high-level government officials.

On top of this veritable mountain of material was a computer system containing an index of over 300,000 names and organizations which, with few exceptions, were of United States citizens and organizations apparently unconnected with espionage.

K. Operation CHAOS Terminated

On March 15, 1974, the Agency terminated Operation CHAOS. Directions were issued to all CIA field stations that, as a matter of future policy, when information was uncovered as a byproduct of a foreign intelligence activity indicating that a United States citizen abroad was suspect for security or counterintelligence reasons, the information was to be reported to the FBI.

⁴ A CIA statistical evaluation of the files indicates that nearly 65 percent of them were opened to handle FBI information or FBI requests.



According to the CHAOS termination cable, no unilateral action against the suspect was to be taken by the CIA without the specific direction of the Deputy Director for Operations and only after receipt of a written request from the FBI and with the knowledge of the Director of Central Intelligence.

The files and computerized index are still intact and are being held by the Agency pending completion of the current investigations. According to the group chief who is custodian of the files, many of the files have little, if any, value to ongoing intelligence operations. The CIA has made an examination of each of the CHAOS personality files and has categorized those portions which should be eliminated. Final disposition of those files, as noted, awaits the completion of the current investigations.

Conclusions

Some domestic activities of Operation CHAOS unlawfully exceeded the CIA's statutory authority, even though the declared mission of gathering intelligence abroad as to foreign influence on domestic dissident activities was proper.

Most significantly, the Operation became a repository for large quantities of information on the domestic activities of American citizens. This information was derived principally from FBI reports or from overt sources and not from clandestine collection by the CIA. Much of the information was not directly related to the question of the existence of foreign connections with domestic dissidence.

It was probably necessary for the CIA to accumulate an information base on domestic dissident activities in order to assess fairly whether the activities had foreign connections. The FBI would collect information but would not evaluate it. But the accumulation of domestic data in the Operation exceeded what was reasonably required to make such an assessment and was thus improper.

The use of agents of the Operation on three occasions to gather information within the United States on strictly domestic matters was beyond the CIA's authority. In addition the intelligence disseminations and those portions of a major study prepared by the Agency which dealt with purely domestic matters were improper.

The isolation of Operation CHAOS within the CIA and its independence from supervision by the regular chain of command within the clandestine service made it possible for the activities of the Operation to stray over the bounds of the Agency's authority without the knowledge of senior officials. The absence of any regular review of these activities prevented timely correction of such missteps as did occur.



Recommendation (5)

a. Presidents should refrain from directing the CIA to perform what are essentially internal security tasks.

b. The CIA should resist any efforts, whatever their origin, to involve it again in such improper activities.

c. The Agency should guard against allowing any component (like the Special Operations Group) to become so self-contained and isolated from top leadership that regular supervision and review are lost.

d. The files of the CHAOS project which have no foreign intelligence value should be destroyed by the Agency at the conclusion of the current congressional investigations, or as soon thereafter as permitted by law.

