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Stenographic Transcript Of

HEARINGS

Before The

Subcommittee on Government
Information and Individual Rights

**COMMITTEE
ON
GOVERNMENT OPERATIONS**

HOUSE OF REPRESENTATIVES

THE INTERCEPTION OF NON-VERBAL COMMUNICATIONS
BY THE FBI AND NSA

- - -

MARCH 11, 1976

Washington, D. C.



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TABLE OF CONTENTS

PAGE

TESTIMONY OF:

3

George F. Knapp
President
ITT World Communications, Inc.

3

George E. McMullen
Operations Supervisor
Washington, D.C.
ITT World Communications, Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
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18
19
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1 HEARING ON THE INTERCEPTION OF NON-VERBAL COMMUNICATIONS
2 BY THE FBI AND NSA
3

4 THURSDAY, MARCH 11, 1976
5

6 House of Representatives

7 Subcommittee on Government
8 Information and Individual
9 Rights of the Committee on
10 Government Operations

11 Washington, D.C.

12 The Subcommittee met at 10:15 a.m., in Room 2154,
13 Rayburn House Office Building, Honorable Bella S. Abzug
14 (Chairwoman of the Subcommittee) presiding.

15 Present: Representatives Abzug and McCloskey.

16 Also present: Robert S. Fink, Professional Staff
17 Member; Eric L. Hirschhorn, Subcommittee Counsel; Timothy H.
18 Ingram, Subcommittee Staff Director; and Anita Wiesman,
19 Clerk.

20 Ms. Abzug. The hearing is called to order.

21 Is Mr. George Knapp here?

22 Mr. Knapp. Yes.

23 Ms. Abzug. Mr. George McMullen?

24 Mr. McMullen. Yes.

25 Ms. Abzug. We resume our inquiry this morning into the
interception of non-verbal communications by Federal agencies.

1 This investigation began late last summer and this is our
2 fifth day of hearings on this subject.

3 Yesterday we received testimony from the Chairman of the
4 Federal Communications Commission, Mr. Richard E. Wiley,
5 and from officials of RCA Global Communications, Inc.

6 Today we will hear from Mr. George Knapp, President of
7 ITT World Communications, Inc., and from Mr. George McMullen,
8 an operations supervisor with the ITT Worldcom office in
9 Washington.

10 We proceed under several areas of this Subcommittee's
11 jurisdiction: Oversight of the Federal Communications
12 Commission, which is responsible for the administration of
13 the Communications Act of 1934; oversight of the Justice
14 Department and its Federal Bureau of Investigation; govern-
15 ment policies as to the collection, maintenance, and
16 dissemination of information, including intelligence data;
17 and individual rights, particularly the right of privacy.

18 Under the House Rules, the Government Operations Com-
19 mittee is directed to examine government activities generally,
20 and to conduct investigations into any and all matters
21 coming within the legislative jurisdiction of the House
22 under Article I of the Constitution.

23 In the present investigation, we are considering
24 allegations that the FBI, the National Security Agency, and
25 perhaps other Federal agencies or their agents have for

1 many years intercepted some or all of the wire and radio
2 traffic being transmitted to or from this country by various
3 communications companies.

4 We are also interested in interceptions of communications
5 which were both sent and received in the United States.

6 I now call our witnesses for this morning, Mr. Knapp and
7 Mr. McMullen.

8 Will you please come forward?
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1 TESTIMONY OF GEORGE F. KNAPP, PRESIDENT, ITT WORLD COMMUNICA-
2 TIONS, INC., AND GEORGE E. McMULLEN, OPERATIONS SUPERVISOR,
WASHINGTON, D.C., ITT WORLD COMMUNICATIONS, INC.

3 Ms. Abzug. Mr. Knapp and Mr. McMullen, would you please
4 raise your right hands?

5 Do you solemnly swear that the testimony you are about
6 to give shall be the truth, the whole truth, and nothing but
7 the truth, so help you God?

8 Mr. Knapp. I do.

9 Mr. McMullen. I do.

10 Ms. Abzug. Mr. Knapp, would you please state your name
11 and address for the record?

12 Mr. Knapp. My name is George F. Knapp. I reside at 661
13 Shawnee Drive, Franklin Lakes, New Jersey.

14 Ms. Abzug. Mr. McMullen, would you please state your
15 name and address for the record?

16 Mr. McMullen. My name is George E. McMullen. I live at
17 7008 - 23rd Place, Hyattsville.

18 Ms. Abzug. If you are accompanied by counsel, as is
19 your right, would you have him state his name and address
20 for the record?

21 Mr. Sifton. Charles P. Sifton --

22 Ms. Abzug. Would you speak up, please?

23 Mr. Sifton. Charles Sifton, 120 Broadway, New York City.

24 Ms. Abzug. You represent both Mr. Knapp and Mr. McMullen?

25 Mr. Sifton. Yes.

1 Ms. Abzug. Mr. Knapp and Mr. McMullen, have you been
2 supplied with a copy of the Rules of this Subcommittee and,
3 of course, Rule 11 of the Rules of this House?

4 Mr. McMullen. I have.

5 Mr. Knapp. I have.

6 Ms. Abzug. Did you hear my opening statement this morning
7 in which I summarized the jurisdiction of this Subcommittee
8 and the nature of the present inquiry?

9 Mr. Knapp. I did.

10 Mr. McMullen. I did.

11 Ms. Abzug. Have either of you opening statements?

12 Mr. Knapp. I do not.

13 Ms. Abzug. Mr. Knapp, how long have you been with ITT
14 Worldcom and in what capacities?

15 Mr. Knapp. I have been President of ITT Worldcom since
16 September of 1975.

17 Ms. Abzug. What was your occupation before you joined
18 ITT?

19 Mr. Knapp. I was employed by Bell Telephone Company,
20 the New York Telephone Company unit.

21 Ms. Abzug. Have you been served with a subpoena duces
22 tecum by this Subcommittee?

23 Mr. Knapp. I have.

24 Ms. Abzug. And were all the latest documents supplied
25 this Committee on or before February 18, 1976?

1 Mr. Knapp. To the best of my knowledge they have been
2 supplied with the exceptions as noted in two specific letters
3 by counsel to the staff.

4 Ms. Abzug. Are you certain in your mind that you
5 supplied all of the documents to the inquiry we are con-
6 ducting here today?

7 Mr. Knapp. To the best of my knowledge, yes.

8 Ms. Abzug. How long were you employed by ITT?

9 Mr. Knapp. I have been employed by ITT for 10 years.

10 Ms. Abzug. In what capacity?

11 Mr. Knapp. In the capacity in telephone operations in
12 Puerto Rico; for the past six years I was President of the
13 Puerto Rico Telephone Company.

14 Prior to that I was in telephone operations in Latin
15 America.

16 Ms. Abzug. What was your occupation before joining ITT?

17 Mr. Knapp. I was an executive with the New York Tele-
18 phone Company of the Bell System.

19 Ms. Abzug. Where?

20 Mr. Knapp. In the New York Telephone Company and in
21 the Bell Telephone laboratories.

22 Ms. Abzug. In New York?

23 Mr. Knapp. In New York City.

24 Ms. Abzug. Can you tell us the step-by-step process of
25 ITT's involvement in making communications entrusted to its

1 care, telegrams as well as telex, available to agencies of
2 the United States Government?

3 Mr. Knapp. While I have no personal knowledge of the
4 matters of which you speak, I have attempted to familiarize
5 myself with the various stories which have appeared in the
6 press as well as the Church report on Operation Shamrock.
7 From these I have deduced the method whereby messages could
8 have been transmitted to various security agencies of
9 Government.

10 Ms. Abzug. I am pleased to hear that you took the
11 trouble to find out what happened. Would you tell me what
12 the method for finding that out was?

13 Mr. Knapp. As I indicated, I have read everything that
14 was available on the subject to me, either in the press
15 or in the Church Committee report.

16 In addition to that, I have had direct conversations with
17 an executive of ITT Worldcom who did testify before the
18 Church Committee.

19 Ms. Abzug. Who is that?

20 Mr. Knapp. I beg your pardon? I didn't hear the
21 question.

22 Ms. Abzug. Who is that executive?

23 Mr. Knapp. Mr. Tower.

24 Ms. Abzug. Mr. Tower?

25 Mr. Knapp. Bertram Tower.

1 Ms. Abzug. What is his capacity?

2 Mr. Knapp. Chairman of the Board of ITT Worldcom.

3 Ms. Abzug. Mr. Tower is Executive Vice President?

4 Mr. Knapp. No, he is Chairman of the Board.

5 Ms. Abzug. Chairman of the Board. How long has he been
6 Chairman of the Board?

7 Mr. Knapp. For at least, to my knowledge, the last 10
8 years.

9 Ms. Abzug. And he was with the company before then?

10 Mr. Knapp. Yes. He has over 35 years of service.

11 Ms. Abzug. What was the nature of the information you
12 received from Mr. Tower?

13 Mr. Knapp. Mr. Tower indicated to me that when he
14 joined the predecessor company of Worldcom in 1943 that
15 there was a system in operation of censorship during the
16 wartime period.

17 Following the war, Mr. Tower indicated to me that at
18 varying times, occasionally through his direct knowledge
19 and occasionally through his subordinates, he was aware
20 of the fact that certain telegraphic messages were being
21 copied and access to these copies was given to security
22 personnel of the United States Government.

23 Ms. Abzug. How many conversations did you have with
24 Mr. Tower?

25 Mr. Knapp. I had two conversations, and these were

1 basically conversations that I undertook at the urging of
2 your staff in order to familiarize myself with the details
3 of the operation.

4 Ms. Abzug. When were these conversations held?

5 Mr. Knapp. These were held the earlier part of this
6 week.

7 Ms. Abzug. You never talked to him before that?

8 Mr. Knapp. No, I did not.

9 Ms. Abzug. Since when have you been president of this
10 company?

11 Mr. Knapp. September of 1975.

12 Ms. Abzug. When did you first read about this operation?

13 Mr. Knapp. I believe it was approximately July 21 or
14 July 22.

15 Ms. Abzug. You didn't speak to anybody about it when you
16 found out about that?

17 Mr. Knapp. Yes, I did.

18 Ms. Abzug. That was not at the urging of the staff but
19 your own instance?

20 Mr. Knapp. Yes.

21 Ms. Abzug. It is assuring to know there is some
22 initiative left in American enterprise.

23 Did you speak to anybody at that time about what the
24 newspaper stuff was all about?

25 Mr. Knapp. Yes, I did. I spoke to both house counsel

1 and my own administrative people.

2 Ms. Abzug. Did you ask for an internal investigation?

3 Mr. Knapp. As far as my inquiry to my administrative
4 personnel is concerned it was whether this practice was
5 still in existence. I was informed that it was not.

6 I discussed with in-house counsel the matter from a
7 legal point of view, a legal exposure point of view. House
8 counsel considered the matter and shortly thereafter we
9 sought the advice of outside counsel in order to protect
10 our position with respect to possible future litigation.

11 Ms. Abzug. Why did you expect future litigation?

12 Mr. Knapp. I think from the reading of the materials
13 in the newspapers, since I am not an attorney, I had some
14 concern as to what reaction there would be as a result of
15 the disclosure of this information.

16 Ms. Abzug. What kind of litigation would you expect
17 as a result of this disclosure?

18 Mr. Knapp. Well, as a matter of fact, as a result of it
19 we are currently engaged in a class action brought by,
20 I believe, -- may I consult with counsel?

21 Ms. Abzug. Yes.

22 Mr. Knapp. The 17 individuals have brought a class
23 action against Worldcom and the other record carriers on this
24 matter.

25 Ms. Abzug. What is the nature of this action?

1 Mr. Knapp. It is my understanding that this action has
 2 been brought on behalf of a substantial number of individuals
 3 seeking certain types of damages related to the matter of
 4 the transmission of telegraphic information to the security
 5 agencies of the United States Government.

6 Ms. Abzug. What internal memoranda have you produced
 7 to this Committee after your investigation of this matter?

8 Mr. Knapp. In the original letter from Mr. Sifton,
 9 outside counsel, I believe we provided the Committee with
 10 several of the forms provided to our employees at the time of
 11 their hiring which acquaints the employees with the matter --

12 Ms. Abzug. Rules on conduct?

13 Mr. Knapp. That is correct. I believe in subsequent
 14 correspondence certain information has been made available
 15 to the staff --

16 Ms. Abzug. What about your investigation of this
 17 allegation that communications were intercepted by Government
 18 agencies without the consent of the sender?

19 Mr. Knapp. When I determined that the practice was no
 20 longer being followed, when I determined, also --

21 Ms. Abzug. When did you determine that? You first
 22 had these conversations and investigation.

23 Mr. Knapp. I determined that shortly --

24 Ms. Abzug. Did you have an investigation?

25 Mr. Knapp. I investigated to satisfy myself that the

1 practice no longer existed.

2 Ms. Abzug. You didn't investigate as to what the practice
3 was?

4 Mr. Knapp. Not at that time.

5 Ms. Abzug. Did you subsequently?

6 Mr. Knapp. I --

7 Ms. Abzug. What was that time?

8 Mr. Knapp. In discussions with Mr. Tower, as a result
9 of the request of your staff to familiarize myself to the
10 maximum extent possible, I had a discussion earlier this week
11 with Mr. Tower.

12 Ms. Abzug. But you talked to somebody when you first
13 became president you said.

14 Mr. Knapp. I talked with several persons in my
15 administrative staff as well as house counsel.

16 Ms. Abzug. On matters which might lead to litigation
17 and others of that kind. Do they normally get transmitted?
18 When you have an investigation do you have any -- you know
19 -- do you have somebody send you a note on it or memorandum?

20 Mr. Knapp. No.

21 Ms. Abzug. It comes out orally? That is the normal
22 practice at ITT. Right? You never have interoffice
23 memos when you ask for investigation or investigations.
24 Is that right?

25 Mr. Knapp. There are certain cases in which I do, yes.

1 Ms. Abzug. But not in this case?

2 Mr. Knapp. I did not.

3 Ms. Abzug. No. This was a rather unimportant matter
4 where you said you expected litigation.

5 Mr. Knapp. I considered it quite important. I wanted
6 to assure myself the practice was no longer in existence.

7 Ms. Abzug. How would you know that if you didn't bother
8 to find out in detail what the practice was?

9 Mr. Knapp. Since the practice was no longer in existence,
10 and I had asked counsel to examine the matter from the point
11 of view of future legal exposure, I felt satisfied.

12 Ms. Abzug. Who besides Mr. Tower did you talk to?

13 Mr. Knapp. House counsel, Mr. White.

14 Ms. Abzug. Who else?

15 Mr. Knapp. My Director of Administration, Mr. Toomey.

16 Ms. Abzug. And who else?

17 Mr. Knapp. I believe those are the two principals
18 involved.

19 Ms. Abzug. When and where did you have these conversa-
20 tions, dates and places?

21 Mr. Knapp. I would say they were in the week following
22 disclosure in the press and they took place at 67 Broad
23 Street, very likely in my office.

24 Ms. Abzug. That would be sometime in August?

25 Mr. Knapp. The last week of July, the first week of

1 August; that is correct.

2 Ms. Abzug. Then what subsequent conversations did you
3 have with them on this matter?

4 Mr. Knapp. Subsequently Mr. White and I discussed the
5 matter sometime after that point. It was determined to be
6 an appropriate action to seek outside counsel on the matter.

7 Ms. Abzug. You did talk to somebody who testified before
8 the Committee in the other body, did you not?

9 Mr. Knapp. That is correct. I believe that took place
10 -- may I consult counsel? I don't recall the date.

11 That was in October.

12 Ms. Abzug. You talked to whom?

13 Mr. Knapp. Mr. Tower.

14 Ms. Abzug. You had no conversation up to that time with
15 Mr. Tower?

16 Mr. Knapp. No.

17 Ms. Abzug. How did it come about that Mr. Tower was
18 selected to testify?

19 Mr. Knapp. I believe in the judgment of outside counsel
20 it was deemed appropriate that Mr. Tower should testify.

21 Ms. Abzug. Who did outside counsel talk to?

22 Mr. Knapp. Outside counsel would have been working with
23 my house counsel, Mr. White.

24 Ms. Abzug. I beg your pardon? Who in the company made
25 a decision that it should be Mr. Tower?

1 Mr. Knapp. Mr. White is an officer of Worldcom. Mr.
2 White is my counsel. He was working with outside counsel on
3 the subject.

4 Ms. Abzug. He never told you or asked you who should
5 testify for the company?

6 Mr. Knapp. I knew that Mr. Tower was going to testify.

7 Ms. Abzug. Didn't he ask you about who it should be
8 or suggest to you who it should be?

9 Mr. Knapp. I believe --

10 Ms. Abzug. It is remarkable how you presidents who come
11 before this Committee suddenly have no authority internally
12 although you are presidents of companies. People are doing
13 things, lawyers are carrying on and making decisions, and
14 suddenly when it comes to this matter none of you seem to
15 have had anything to say about what goes on in your company.
16 Do your stockholders know about this?

17 I mean you are the president. Usually a president is
18 consulted on vital matters concerning a company.

19 Mr. Knapp. Mr. White --

20 Ms. Abzug. Is that not so?

21 Mr. Knapp. Yes. In this case I was aware Mr. Tower was
22 going to testify.

23 Ms. Abzug. What do you mean you were aware? You were
24 not asked whether it was okay, whether you approved it,
25 whether it should be somebody else? Did you not make a

1 decision on that matter?

2 Mr. Knapp. It was recommended to me by counsel that Mr.
3 Tower testify. I agreed with him.

4 Ms. Abzug. What else was told you at the time that
5 recommendation was made?

6 Mr. Knapp. I don't recall.

7 Ms. Abzug. Nothing?

8 Mr. Knapp. I don't recall.

9 Ms. Abzug. You don't recall?

10 Mr. Knapp. We undoubtedly had discussion about it but
11 I don't recall the discussion.

12 Ms. Abzug. How long ago was this?

13 Mr. Knapp. It must have been in October.

14 Ms. Abzug. And nothing happened. What time of the day
15 was this recommendation made to you and when and where?

16 Mr. Knapp. I have no idea.

17 Ms. Abzug. You don't know.

18 Mr. Knapp. At 67 Broad Street --

19 Ms. Abzug. How old are you, Mr. Knapp?

20 Mr. Knapp. I am 44 years old.

21 Ms. Abzug. And on this day in October you had a
22 conversation but you don't remember where, when, how. Do
23 you know with whom?

24 Mr. Knapp. With Mr. White.

25 Ms. Abzug. You don't know where it took place?

1 Mr. Knapp. I would have to guess my office. I don't
2 recall the specifics of it.

3 Ms. Abzug. What was the nature of it? What did he say
4 to you and what did you say to him? Was it before lunch or
5 after lunch?

6 Mr. Knapp. I don't recall the details of either question.

7 Ms. Abzug. You don't recall anything about it?

8 Mr. Knapp. I recall that Mr. White --

9 Ms. Abzug. Since October. This is November, December,
10 January, February, March.

11 Mr. Knapp. I recall I agreed with Mr. White that Mr.
12 Tower should testify.

13 Ms. Abzug. Did you have any conversation with Mr. Tower
14 about his testimony?

15 Mr. Knapp. I did not.

16 Ms. Abzug. Have you ascertained who made the original
17 arrangement with Secretary Forrestal in 1947 for the
18 transmittal of this information to various agencies of
19 Government?

20 Mr. Knapp. I have no knowledge of that.

21 Ms. Abzug. Have you read the Shamrock report?

22 Mr. Knapp. I have.

23 Ms. Abzug. You have?

24 Mr. Knapp. Yes, I have.

25 Ms. Abzug. Did you notice that in there? That Mr.

1 Forrester met with various representatives of the inter-
2 national record carriers?

3 Mr. Knapp. I noticed that, yes.

4 Ms. Abzug. You didn't ascertain who represented your
5 company then?

6 Mr. Knapp. When I read the Shamrock report, and
7 having asked Mr. White, house counsel, to examine the
8 matter, he indicated that there were no records within our
9 files to indicate who had represented the predecessor
10 company to Worldcom in this matter.

11 Ms. Abzug. How long has Mr. White been with the company?

12 Mr. Knapp. Mr. White has been with the company for,
13 I would estimate, the last five to seven years.

14 Ms. Abzug. Did you try to ascertain who represented
15 the company at the time?

16 Mr. Knapp. I asked Mr. White to work with outside
17 counsel in order to determine our legal exposure on this
18 entire matter.

19 Ms. Abzug. Do you know anything about that agreement?

20 Mr. Knapp. Nothing more than what I have read in the
21 newspapers or in the report of the Church Committee.

22 Ms. Abzug. Did Mr. Tower know about it?

23 Mr. Knapp. Mr. Tower, in my conversation with him
24 earlier this week, indicated that in 19 -- after the war,
25 sometime after the war -- he was aware of the fact that

1 certain telegraphic information was being copied and
2 access was being given to certain representatives of the
3 security agencies of this country.

4 Ms. Abzug. How often was traffic handed over?

5 Mr. Knapp. Mr. Tower was unable to tell me that.
6 "Occasionally", "from time to time," I believe was his
7 phrase.

8 Ms. Abzug. Was it stated to you over the years as to
9 when it started?

10 Mr. Knapp. Mr. Tower had indicated to me that from the
11 period after the war until roughly the early 1960's that
12 the method of copying the hard copy telegram had been
13 employed. As automation increased within our facilities
14 this information was no longer copied in the hard copy
15 print but was made available through punched paper tape.
16 This, Mr. Tower indicated to me, he was not necessarily
17 aware from a personal point of view but he was aware of
18 it because of his involvement in the organization.

19 Ms. Abzug. Did he tell you what was handed over?

20 Mr. Knapp. He indicated that simply from time to time
21 access was made to these tapes.

22 Ms. Abzug. Were telex communications made available?

23 Mr. Knapp. No, it was not to my personal knowledge.

24 Ms. Abzug. Has ITT Worldcom made communications
25 entrusted to its care available to authorities in any other

1 country other than the United States?

2 Mr. Knapp. Not to my personal knowledge.

3 Ms. Abzug. Have you heard it was made available to
4 any other government?

5 Mr. Knapp. No, I did not.

6 Ms. Abzug. When you say punch tapes were made, does that
7 mean everything was on those tapes?

8 Mr. Knapp. The telegram message is on those tapes, yes.

9 Ms. Abzug. I am sorry?

10 Mr. Knapp. Yes. The content of the printed page is
11 encoded in the punches on the paper tape.

12 Ms. Abzug. Do you happen to know whether communications
13 of private citizens appear on these tapes?

14 Mr. Knapp. No, I do not.

15 Ms. Abzug. You would tape everything, would you not?
16 You testified that the punch tapes were handed over so I
17 assume it is all on one tape.

18 Mr. Knapp. There are tapes generated virtually every
19 minute of the day. From time to time, I am told by Mr.
20 Tower through his understanding of the method employed at
21 the time, that periodically a representative of a security
22 agency would be granted access to those tapes.

23 Ms. Abzug. To all of the tapes?

24 Mr. Knapp. That is my understanding.

25 Ms. Abzug. So that it could include private citizens,

1 corporations, organizations, whoever sent a cable.

2 Mr. Knapp. Conceivably, yes.

3 Ms. Abzug. Did you find out whether any steps were
4 taken to ensure that Government was not reading communica-
5 tions having nothing whatsoever to do with foreign
6 intelligence?

7 Mr. Knapp. I am sorry, Mrs. Abzug. I don't understand
8 the question.

9 Ms. Abzug. Everything was on one punched out tape.

10 Mr. Knapp. Yes.

11 Ms. Abzug. Communications of private citizens,
12 businesses, organizations, et cetera.

13 Mr. Knapp. That is right.

14 Ms. Abzug. Those are supposed to be private communica-
15 tions sent by a sender and to be received by a receiver
16 at the other end without interception.

17 Did you ever find out in your conversations with members
18 of your company whether ITT took steps to ensure that the
19 Government was not reading these private communications?

20 Mr. Knapp. I guess I must rely upon the content of the
21 Shamrock report and the understanding of Mr. Tower as to
22 how the system was functioning, and it was my understanding,
23 based upon these conversations and the readings of the
24 Shamrock report, that tapes were provided in bulk to
25 representatives of the security agencies of this country.

1 Ms. Abzug. Do you know of any steps taken to ensure that
2 the tapes were given to persons who said they were the per-
3 sons that they were?

4 Mr. Knapp. I wonder whether you would clarify the
5 question because I truly don't understand it, Mrs. Abzug.


6 Ms. Abzug. There are two questions. One is that I did
7 not get from you who it is that Mr. Tower explained to you
8 came in and got from time to time this information and
9 what was done to ascertain who these people were, where
10 they were from, whether any steps were taken to make sure
11 that there was no further dissemination beyond at least
12 what you thought you were doing.

13 I am trying to get you to speak out and tell me what
14 you really know. It would make it much easier for me, the
15 Committee, and for you if you would just elucidate as to
16 exactly what you were told about the process. It is
17 difficult, you see, for you, I realize, because you have to
18 rely upon information that you really didn't want to get
19 but that apparently did get.

20 I would like you to give us the information that you
21 got without my having to pull at you.

22 Mr. Knapp. I am relying on information which comes to
23 me from Mr. Tower and also the Shamrock report and also
24 printed publications.

25 Ms. Abzug. That is a nice way to run a company.



1 Mr. Knapp. In response to your first question, Mr.
2 Tower indicated to me that while he at this date did not
3 recall those representatives of the security agencies of
4 this country who made periodic visits to our locations,
5 that he did, however, have a general idea that the people
6 having this access had it over a period of time.

7 I did not ask Mr. Tower whether he ascertained whether
8 these people were the truly authorized persons designated
9 to receive the information, so I cannot answer that question.

10 Ms. Abzug. Would you produce Mr. Tower and Mr. White
11 for our Committee hearings so we can get it from them
12 directly?

13 Mr. Knapp. I certainly will take that under considera-
14 tion, Mrs. Abzug, and will get back to you.

15 Ms. Abzug. What procedures have you taken to prevent
16 the content of customers' messages from being presently
17 available?

18 Mr. Knapp. What procedures have I undertaken?

19 Ms. Abzug. In the matter which was not part and
20 parcel of their contract. When people send a message under
21 auspices of your firm they intend the message to go to
22 one place and not be intercepted by others. What steps
23 have you taken to be certain that is not occurring now?

24 Mr. Knapp. As I indicated, at the time that I became
25 aware that a system in the past had been functioning, and I

1 ascertained specifically within Worldcom that it no longer
2 was functioning, I instructed our administrative people to
3 reissue to all the employees the form that we use, which
4 the employee signs, that he understands the confidentiality
5 of communications within the context of the Federal
6 Communications Act.

7 This was done in early August.

8 Ms. Abzug. What is your system of monitoring?

9 Mr. Knapp. Monitoring what, ma'am?

10 Ms. Abzug. Your instructions.

11 Mr. Knapp. Since I had determined that the system was
12 no longer in operation, since I had also renewed with each
13 of the employees their understanding of the security of
14 communications, I would presume --

15 Ms. Abzug. How many employees do you have?

16 Mr. Knapp. Approximately 1500.

17 Ms. Abzug. And you reviewed this personally with each
18 of the 1500 employees?

19 Mr. Knapp. Of course not.

20 Ms. Abzug. I didn't want to misunderstand your
21 testimony.

22 Mr. Knapp. I requested that they all sign this certifi-
23 cate of confidentiality of communications.

24 Ms. Abzug. Mr. McMullen, how long have you worked for
25 ITT?

1 Mr. McMullen. Thirty-six years.

2 Ms. Abzug. How many years?

3 Mr. McMullen. Thirty-six.

4 Ms. Abzug. In what capacity?

5 Mr. McMullen. I started as a messenger boy and a postal
6 telegram and teletype operator, radio operator and super-
7 visor.

8 Ms. Abzug. By what procedures were the communications
9 of ITT customers turned over to Government agencies during
10 your 36 years with the company?

11 Mr. McMullen. Well, when I was involved during the
12 period that I was there we were subtracting the cables from
13 the daily business and placed them in an envelope to which
14 the next day's business was transferred to the accounting
15 department.

16 Ms. Abzug. Were all communications made available?

17 Mr. McMullen. No. There was a typewritten list from
18 which certain countries were subtracted.

19 Ms. Abzug. Did those procedures change from time to
20 time?

21 Mr. McMullen. Yes, ma'am. Different countries were
22 added and subtracted.

23 Ms. Abzug. How often were communications turned over?

24 Mr. McMullen. Well, during the periods when I was
25 there, maybe once or twice a week or three times. I did

1 not work all the time in the same place.

2 Ms. Abzug. What was turned over, the copies?

3 Mr. McMullen. The envelope was turned over to the
4 accounting department.

5 Ms. Abzug. Who decided what to make available?

6 Mr. McMullen. A certain list of countries which were
7 subtracted. It was just a list; that's all.

8 Ms. Abzug. Who decided when you were superintendent
9 handling this operation?

10 Mr. McMullen. Supervisors, operators. They were
11 responsible for subtracting the traffic and putting it in
12 the envelope and the next day send it to the accounting
13 department.

14 Ms. Abzug. What security classification clearance do
15 you have?

16 Mr. McMullen. Secret.

17 Ms. Abzug. How about all the operators?

18 Mr. McMullen. They have no classification.


19 Ms. Abzug. They have none?

20 Mr. McMullen. No.

21 Ms. Abzug. So that they handled this material without
22 a classification.

23 Mr. McMullen. That is right.

24 Ms. Abzug. I beg your pardon, without a security
25 clearance.



1 Mr. McMullen. I doubt whether any teletype or radio
2 operator has security clearance.

3 Ms. Abzug. I beg your pardon.

4 Mr. McMullen. I do not believe that any teletype
5 operator or radio operator would be required to have a secret
6 clearance to send telegrams or cablegrams.

7 Ms. Abzug. I know, but you described the fact that quite
8 a few people handled these interceptions.

9 Mr. McMullen. They transmit these cables every day.
10 It is the daily traffic that is transmitted to the foreign
11 countries from the Washington office.

12 Ms. Abzug. I understand that. Who set aside these
13 lists?

14 Mr. McMullen. They came from the superintendent's
15 office.

16 Ms. Abzug. And people then just set aside these lists?

17 Mr. McMullen. They supplied us with the addresses and
18 the countries.

19 Ms. Abzug. They supplied you with the information.

20 Mr. McMullen. Countries which were subtracted.

21 Ms. Abzug. Are you familiar with the New York operation
22 as well?

23 Mr. McMullen. No, ma'am.

24 Ms. Abzug. Did you at any time, were you aware at any
25 time of just having all the communications in the Washington

1 office being delivered for scrutiny?

2 Mr., McMullen. There was never all of the business
3 transmitted to the security agencies.

4 Ms. Abzug. When were these communications picked up?
5 Do you have any knowledge of that?

6 Mr. McMullen. When I worked the day shift they would
7 usually be between ten o'clock and two in the afternoon.

8 Ms. Abzug. Ten o'clock and two in the afternoon?

9 Mr. McMullen. Ten o'clock in the morning until two in
10 the afternoon, sometime between that period.

11 Ms. Abzug. I see. How many times a week was that?

12 Mr. McMullen. I couldn't say, only when I was available.

13 Ms. Abzug. Roughly?

14 Mr. McMullen. Sometimes I was there two or three
15 times a week, maybe once. I had other duties besides the
16 operations.

17 Ms. Abzug. I know, but the operation itself, did it
18 take place every day, two or three times a week?

19 Mr. McMullen. I can only say when I was there that
20 it was done.

21 Ms. Abzug. For how long a period did this take
22 place to your personal knowledge?

23 Mr. McMullen. It was stopped sometime in 1975.

24 Ms. Abzug. And it went on starting when? Do you
25 remember?

1 Ms. Abzug. Mr. Knapp, I direct your attention to a
2 letter dated January 30, 1976, addressed to Bernard Krisher
3 of Newsweek magazine, Tokyo office, signed by one Agatha
4 Modugno, an attorney with ITT World Communications. In
5 addition to promising that messages will not be intercepted
6 in the future unless by lawful authority, the letter states,
7 "We believe that any such monitoring and transmission that
8 might have occurred in the past was pursuant to lawful
9 authority."

10 You testified that messages entrusted to your company
11 were turned over to the Federal intelligence agencies in
12 a wholesale fashion apparently without regard as to whether
13 they were to or from American citizens or whether they might
14 contain any specific information relative to national
15 security.

16 Does this letter accurately set forth the position of
17 ITT World Communications with respect to these inter-
18 ceptions?

19 Mr. Knapp. Within the context of the methodology
20 described in the Shamrock report and to the best extent
21 from conversations with Mr. Tower and within the context
22 of the Federal Communications Act relating to the section
23 on other authorized sources, I believe that the actions
24 in the past were lawful as falling under the purview of
25 Section 605 of the Act.

1 Ms. Abzug. What do you cite as lawful authority?

2 Mr. Knapp. What is the lawful authority?

3 Ms. Abzug. Yes.

4 Mr. Knapp. Not being an attorney, on a personal opinion
5 basis I believe that the wording of Section 605 of the
6 Federal Communications Act is that authority.

7 Ms. Abzug. Section 605, as far as I know, has not been
8 amended since the Shamrock program was allegedly terminated
9 in May of 1975.

10 Is it your position that if someone came in without
11 a subpoena or court order and asked for wholesale delivery
12 of traffic he would be entitled to receive it under Section
13 605?

14 Mr. Knapp. On the assumption that that representative
15 of the Government would be contacting me directly, I would
16 obviously have a difficult decision.

17 I would request of this Committee and the Congress that
18 they make that situation somewhat clearer as far as the
19 wording of the Act and other acts are concerned with respect
20 to communications of communications carriers on this whole
21 matter of national security.

22 Ms. Abzug. I don't understand. If it was lawful before,
23 why should it be a problem now?

24 Mr. Knapp. I think because I am the individual con-
25 cerned and I would not want to speculate on what my decision

1 would be. I obviously would consult with counsel on the
2 matter.

3 Ms. Abzug. That is very interesting. The company
4 proceeded for about 30 years to turn over data, including data
5 of private citizens, corporations, businesses, without any
6 check as to whether this in any way affected anything that
7 you might have presumed or assumed you had a right to turn
8 over, obviously in violation of your contract or in violation
9 of the law --

10 Mr. Knapp. It is not.

11 Ms. Abzug. When you decided that obviously there was
12 something wrong with this because you made very clear in
13 your testimony here today that you made one effort to make
14 certain that this operation no longer continued.

15 Now I ask you by what authority did you proceed. You
16 explained it was Section 605.

17 I say to you if the same request were made of you today
18 would you turn over communications wholesale, including
19 communications of private citizens, organizations, corpora-
20 tions under the same statute? The statute is identically
21 the same.

22 In between there has been a revelation of your activities.
23 In between there has been action taken by you to stop this
24 activity.

25 I ask you again why should you need any additional

1 authority?

2 Mr. Knapp. I think within the context of the Forrestal
3 meeting in 1947 the company acted within the lawful purview
4 of the Federal Communications Act. That continued down
5 to the point where the National Security Agency, on May 15
6 of 1975, discontinued the practice. This was reported --

7 Ms. Abzug. Has technology progressed to a point that
8 NSA does not have to come to you directly to intercept
9 all your communications?

10 Mr. Knapp. I have no knowledge as to what NSA's --

11 Ms. Abzug. Who is the technological expert in
12 your company?

13 Mr. Knapp. On what subject?

14 Ms. Abzug. Subject of communications, security and
15 interceptions.

16 Mr. Knapp. To my knowledge I have no expert on this
17 subject.

18 Ms. Abzug. You have a technology division, I am sure,
19 a technology expert, I am sure.

20 Mr. Knapp. I have an entire engineering department.

21 Ms. Abzug. Who is acquainted with new technology?

22 Mr. Knapp. Basically we are a service company. We
23 do not do research on new technology but we utilize
24 technology.

25 Ms. Abzug. We have to address ourselves to the area

1 with which we are primarily concerned. You have to be
2 thinking in those terms. If not, what we are confronting
3 is a whole breakdown of the communications system in this
4 country.

5 We must deal with this. You must open up your mind and
6 hear what we are trying to say in these hearings.

7 You used the words here, broadly, "national security."
8 I have very carefully said to you a number of times in
9 the course of some of my questions that the communications
10 of individuals, private citizens, in a wholesale manner
11 were intercepted and turned over to an authority.

12 Would you agree with me that in the communications
13 turned over not all matters, even with whatever your concept
14 of it is, affect national security?

15 Mr. Knapp. Mrs. Abzug --

16 Ms. Abzug. I mean if I want to buy two dozen boxes
17 from some other place, some other country, that doesn't
18 necessarily affect national security, does it?

19 Mr. Knapp. Mrs. Abzug, within the context of when
20 this request was made at the highest levels of the United
21 States Government in 1947, and continued down, I presume
22 according to the Shamrock report until May 15, 1975, World-
23 com was operating on the basis that there was a matter of
24 national security involved.

25 Ms. Abzug. That every communication entrusted to you

1 by every sender affected national security?

2 Mr. Knapp. I have no idea that every communication
3 entrusted to Worldcom in that intervening 30 years was of
4 that nature.

5 Ms. Abzug. Mr. Knapp, how many communications a year
6 do you handle?

7 Mr. Knapp. Several million.

8 Ms. Abzug. I just want you to deal with this. You are
9 now suggesting that certain amount of illogic. I am
10 trying to understand what you are saying.

11 You have been using the words "national security" as
12 an excuse for allowing the interception of communications.
13 Those several million communications, I am certain, you
14 must realize, include many communications.

15 Are you suggesting that all of them affect national
16 security?

17 Mr. Knapp. Because I have no specific knowledge of what
18 communications were made available I cannot answer that
19 question.

20 Ms. Abzug. In other words, you want the record to read
21 that of the millions of communications that come through
22 your company there is a possibility that every one of those
23 communications affects national security.

24 Mr. Knapp. I have no idea. I have no way of knowing.

25 Ms. Abzug. All right. I would suggest that you give me

1 the basis of why you have no idea or have no way of knowing
2 that of the millions of communications it is possible that
3 all of these communications affect national security.

4 Mr. Knapp. I don't understand your question, Mrs. Abzug.

5 Ms. Abzug. You don't understand my question?

6 Mr. Knapp. No.

7 Ms. Abzug. You do handle commercial business. Right?

8 Mr. Knapp. Yes, ma'am.

9 Ms. Abzug. An individual orders goods from another
10 company in another country -- is that a question of national
11 security?

12 Mr. Knapp. I don't --

13 Ms. Abzug. I want to find out what you think national
14 security is. You are attempting to suggest that the lawful
15 conduct of ordinary business by people is national security,
16 and if the chief of the communications and common carriers
17 believes everything that goes through him is national
18 security his stockholders and his customers as well as the
19 world at large should be aware of the fact that it is very
20 likely that there is a paranoid sitting at the head of that
21 company.

22 Mr. McCloskey. Madam Chairman?

23 Ms. Abzug. I don't believe we should insult this
24 Committee by such nonsense.

25 Mr. McCloskey. Madam Chairman?

1 Ms. Abzug. Yes, Mr. McCloskey.

2 Mr. McCloskey. I don't think we are obeying the Rules
3 of the House when you refer to the witness as a paranoid
4 based on the conversations I have thus far heard. I want to
5 draw the Chairlady's respective attention to Rule 3 of the
6 House. As far as we pursue ordinary rules there is nothing
7 this witness has said in his testimony to justify an accusa-
8 tion of paranoia.

9 Ms. Abzug. I will take the gentleman's statement under
10 advisement.

11 Have you ever done an analysis of the kind of business
12 you have in your company, Mr. Knapp?

13 Mr. Knapp. What type of analysis?

14 Ms. Abzug. Any kind.

15 Mr. Knapp. We do analyses every day.

16 Ms. Abzug. Do you break it down into the kind of business
17 that you are getting and where the sources are and the
18 volume?

19 Mr. Knapp. We know the volumes of telegram messages to
20 the various points around the world that we serve, yes.

21 Ms. Abzug. What else?

22 Mr. Knapp. I fail to understand the question. What else
23 besides what?

24 Ms. Abzug. Beg your pardon?

25 Mr. Knapp. I don't understand the question: What else?

1 Ms. Abzug. What other analysis do you do?

2 Mr. Knapp. The quality of the transmission, the deliver-
3 ability of the messages, the error rate of the messages.

4 Whether --

5 Ms. Abzug. The kinds of customers?

6 Mr. Knapp. Do we have the -- the entire population
7 of the United States is our customer in that respect for
8 transmission of telegrams overseas.

9 Ms. Abzug. I think we should make your customers aware
10 of the fact that you think all of their communications
11 may affect the national security of this nation.

12 Mr. Knapp. I don't think I said that, Mrs. Abzug.

13 Ms. Abzug. I tried to ask you whether in your opinion
14 all of the communications that you handle affect national
15 security. What was your answer?

16 Mr. Knapp. Mrs. Abzug, in a document supplied to your
17 Committee we provided you with a copy of the tariff we have
18 filed before the Federal Communications Commission. That
19 tariff very specifically addresses itself to the question of
20 the security of the communications, specifically, with
21 respect to Section 605 of the Act. That is the basis upon
22 which we do business.

23 I have in no way suggested that every piece of communica-
24 tion that comes through Worldcom is involved in national
25 security, but I have no way of making that judgment. I presume

1 my Government may.

2 Ms. Abzug. You have a way of making a judgment that some
3 of the material that comes through you, the millions that
4 come through you, do not affect it?

5 Mr. Knapp. I have no way of knowing whether it does
6 or does not.

7 Ms. Abzug. Did you ever ask or did you find out whether
8 you ever asked the Government representatives whether all
9 the tapes they got affected national security?

10 Mr. Knapp. Following the request of the Government in
11 1947 at the highest levels of this Government we proceeded
12 to provide access to this information.

13 Ms. Abzug. How do you know about that? I asked whether
14 you ascertained anything about it and you said you did not.
15 You said you did not ascertain anything from the highest
16 levels of Government. Which is the truthful answer?

17 Mr. Knapp. I read it in the Shamrock report.

18 Ms. Abzug. You know nothing about it personally? Who
19 might it have been? It might have been Mr. Bucky Loomis.
20 Is that right?

21 Mr. Knapp. Madam, I must respectfully say this is a
22 report of the Senate of the United States I am referring
23 to.

24 Ms. Abzug. I appreciate that. I appreciate your
25 respect for a report. I really do.

1 I ask you whether you yourself ascertained whether or not
2 indeed there was a request from the highest levels of
3 Government. You read a report that said there was. Did
4 you ascertain yourself whether there was such a request?

5 Mr. Knapp. We made a search of the files and came up
6 with nothing on the subject.

7 Ms. Abzug. Did you make any search whatsoever as to who
8 these names were turned over to? They could have been
9 turned over to some person without identification, some
10 person who was misleading you. Did you ever find out how
11 your company functioned?

12 How do the customers today know whether or not their
13 communications are being turned over to some persons
14 unknown?

15 Mr. Knapp. Based upon --

16 Ms. Abzug. To some competitor in business.

17 Mr. Knapp. Based upon the report --

18 Ms. Abzug. How do they know whether or not their
19 economic information is national security so that it may
20 be turned over to somebody else to be used against them
21 unfairly? How do your customers know that?

22 Mr. Knapp. It is very clear in our filing before the
23 Federal Communications Commission as to how we do business.
24 This information has been provided to your Committee.

25 Ms. Abzug. You have a serious problem. You have a

1 lawsuit pending against you.

2 Mr. Knapp. That is right.

3 Ms. Abzug. You will have to try to prove that you didn't
4 do anything that was unlawful. You are going to have to
5 bring some information into court in order to demonstrate
6 the lawful authority under which you proceeded and also what
7 steps were taken.

8 The question I have is very simple. You are talking
9 about a vague situation about which you did not bother to
10 inform yourself.

11 I want to know what was done to protect the interest
12 of your customers. How do they know that under the guise
13 of national security you did not turn over, and may yet
14 turn over because you are not certain yet what you would do?
15 You just testified if a request were made of you today
16 you would turn over economic information, turn over private
17 information that might violate various acts on the books.
18 How do they know that when they give you a message today?
19 Your testimony today is you do not know what you would do if
20 you got a similar request and your testimony is, further,
21 that as president of a very important communications company,
22 a common carrier, you did not ascertain by what authority
23 this material was turned over or to whom it was turned over.

24 Mr. Knapp. Mrs. Abzug, if this Congress would clarify
25 for me personally and Worldcom and carrier business the

1 specific meanings of Section 605, it might be helpful. It
2 might be helpful not only to us should future decisions be
3 required, but also helpful to our --

4 Ms. Abzug. Would you require a court order of any kind
5 before you turned over communications given to you by your
6 senders?

7 Mr. Knapp. That is one of the conditions.

8 Ms. Abzug. Have you ever required that in this whole
9 period of time as far as your investigation indicates?

10 Mr. Knapp. Not to my personal knowledge.

11 Ms. Abzug. What do you mean it is one of the conditions?

12 Mr. Knapp. Because there is another condition under the
13 605 rule which says other lawful authority.

14 Ms. Abzug. How do you interpret that? Did you secure
15 information as to how to interpret other lawful authority?

16 Mr. Knapp. It was interpreted by the management of
17 Worldcom or its predecessor company in 1947 at the request
18 of Mr. Forrestal, who indicated the Attorney General and the
19 President of the United States were making the request.

20 Ms. Abzug. How do you expect to prove this in court?

21 Mr. Knapp. I would have to refer that to counsel.

22 Ms. Abzug. You would refer what to counsel?

23 Mr. Knapp. The requirement to provide the proof.

24 Ms. Abzug. If you say to me today that you would require
25 a court order, is that what you are saying? Is that what you

1 say -- before turning over anybody's communications?

2 Mr. Knapp. If I were presented with a court order by
3 a duly constituted authority, judicial authority, a court
4 authority, I certainly would comply with it.

5 Ms. Abzug. If you were not given a court order --
6 suppose the cop on the beat came in and said, "I want some
7 information concerning this sender who I think is a criminal
8 who may be engaged in matters affecting national security."?

9 Mr. Knapp. Are you asking me does the cop on the beat
10 come to my office and ask for information?

11 Ms. Abzug. I don't know. I said supposing. For all
12 I know he does.

13 Mr. Knapp. I don't understand the question.

14 Ms. Abzug. For all I know he does. There has been no
15 establishment of any authority --

16 Mr. Knapp. Authority was apparently established in 1947.

17 Ms. Abzug. You didn't even bother to find out whether
18 that was an accurate statement or anything. I know you read
19 it. It is like you read something in the New York Times or
20 daily news and you became aware of the problem. Then it is
21 true there was a Shamrock report which alleged this took
22 place. But you really don't know and you have not informed
23 yourself as to what was in it.

24 After that agreement was made you did not ascertain
25 whether it was made again, whether it terminated, or what the

1 terms of the agreement were?

2 Mr. Knapp. No, ma'am, but I suspect that reading the
3 Shamrock report that the Department of Defense or the NSA
4 would have the information in their files.

5 Ms. Abzug. I don't recall the terms of the agreement.
6 Do you?

7 Let me read to you what it says, and I quote:

8 "At meetings with Secretary of Defense James Forrestal
9 in 1947, representatives of the three companies were assured
10 that if they cooperated with the Government in this program,
11 they would suffer no criminal liability and no public
12 exposure, at least as long as the current Administration
13 was in office. They were told that such participation was
14 in the highest interests of national security.

15 "Secretary Forrestal also explained that the arrangements
16 had the approval of President Truman and his Attorney General,
17 Tom C. Clark. Forrestal explained to the company, however,
18 that he could not bind his successors by these assurances.
19 He told the companies, moreover, that Congress would consider
20 legislation in its forthcoming session which would make
21 clear that such activity was permissible. In fact, no such
22 legislation was ever introduced."

23 I quoted from this report.

24 Mr. Knapp. May I read the next paragraph?

25 Ms. Abzug. Yes.

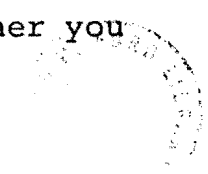


1 "In 1949, the companies sought renewed assurances from
2 Forrestal's successor, Louis Johnson, and were told again
3 that President Truman and Attorney General Clark had been
4 consulted and had given their approval of these arrangements.
5 As I will explain later in this statement, neither the
6 Department of Defense nor any of the participating private
7 companies has any evidence that such assurances were ever
8 sought again."

9 You have relied upon this agreement in 1947. You know
10 nothing about any subsequent renewals. You know nothing --
11 as a matter of fact, this states that no assurances were
12 sought. Therefore you do not even have that assurance, nor
13 do you have that authority to proceed under it because
14 according to this report -- it is a report which you allege
15 is your authority -- there is no evidence of anything further
16 having been renewed on these levels.

17 I wonder by what authority you thought you were proceed-
18 ing under and how you would not have tried to ascertain
19 by what authority you were proceeding and what it is that
20 enables a common carrier and the office of the common
21 carrier to believe they can do anything they want just
22 because someone from the Government might have at one time
23 said they should do it.

24 I mean you proceed at your peril. You certainly proceed
25 at your peril when I ask you today, in 1976, whether you



1 would claim lawful authority again should you be requested
2 again to turn over the communications of millions, millions,
3 of senders who rely upon you as a common carrier for a
4 certain kind of privacy that you obviously have paid
5 absolutely no attention to under what I consider to be
6 a very preposterous suggestion that you have no idea whether
7 or not all of these millions of telegrams might affect
8 national security. You leave these people defenseless against
9 you, giving you messages which should be provided to other
10 people, on the ground that the president of this great
11 common carrier says it is possible that your private communi-
12 cation could affect national security.

13 So I ask you, what would you do today should a similar
14 request be made?

15 Mr. Knapp. I would be faced with a very difficult
16 decision. I request of this Congress to help me make that
17 decision by clarifying the various acts involved related
18 to this matter of security of communications.

19 Ms. Abzug. I am glad some people in this country
20 appreciate the Constitution and try to live by the laws that
21 exist. Obviously we have a long way to go with those who do
22 not regard the law or Constitution to affect their
23 behavior or their thinking.

24 Mr. Knapp. As far as I am concerned, Mrs. Abzug,
25 Worldcom does abide by the Constitution.

1 Ms. Abzug. Have you requested any opinion from your
2 attorney with respect to whether or not your answer to that
3 question might have to be that you cannot or that you can
4 give this information under similar circumstances? Have
5 you requested your attorneys to give you a legal memorandum
6 on this subject?

7 Mr. Knapp. I have asked my counsel to investigate the
8 matter and they are still in the process of investigating
9 the matter. They have provided me with no memorandum on the
10 subject.

11 Ms. Abzug. When do you expect to get information? When
12 did you request this of your counsel?

13 You made a decision and sent out a memorandum to all of
14 your employees suggesting that this practice should be
15 stopped. What was that based upon?

16 Mr. Knapp. I requested the employees to sign the form
17 on the security of communications which specifically
18 delineates the verbage in Section 605 of the Federal
19 Communications Act, which specifically provides for the
20 revelation of information in the case of a lawfully-
21 authorized subpoena.

22 Ms. Abzug. In other words, at this time an operation
23 could be taking place even though they signed this form
24 and you would not necessarily regard that as unlawful?

25 Mr. Knapp. I have read in the Shamrock report that NSA

1 ceased the operation on May 15, 1975.

2 Ms. Abzug. I know. I am asking a different question.
3 You may have read that in the report, but since you know
4 nothing of your own knowledge it is possible that an
5 arrangement can be made with somebody else. They would
6 not necessarily talk to you. You operate your company
7 in a very interesting way.

8 I mean, you don't make these decisions and other
9 people make them.

10 Mr. Knapp. Mrs. Abzug --

11 Ms. Abzug. I am basing it on your own testimony. Is it
12 possible that this operation can take place without your
13 knowledge today? Answer that question yes or no.

14 Mr. Knapp. I am trying to answer it.

15 Ms. Abzug. Yes or no.

16 Mr. Knapp. It is necessary for me to explain the nature
17 of how international telegrams come to Worldcom.

18 The entire United States, the entire citizenry of the
19 United States, has the ability to pick up the telephone,
20 call Western Union, walk into a Western Union office, or in
21 the case of the international gateways come into Worldcom
22 or Globecom or whatever and place a telegram.

23 If these telegrams are being transmitted via the facilities
24 of Western Union or via the telephone facilities of the Bell
25 System, it is entirely possible that any place along that line

1 that interception can take place. This is a technological
2 fact. It can happen.

3 Ms. Abzug. How?

4 Mr. Knapp. How?

5 Ms. Abzug. Yes.

6 Mr. Knapp. The facility that the customer uses to
7 identify to Western Union or the international record
8 carriers, in one case let's assume it is a telephone. A
9 telephone has a pair of wires attached to it in connection
10 with the Bell System network. They have physical locations
11 in existence and they can be monitored.

12 Ms. Abzug. And?

13 Mr. Knapp. All I am saying is that it is entirely
14 possible, far outside of Worldcom's control, far outside
15 of anyone's control, these facilities could be monitored.

16 Ms. Abzug. And you would not know about it?

17 Mr. Knapp. That is correct.

18 Ms. Abzug. But it is also possible that somebody can
19 come in and have a conversation with McMullen.

20 Mr. Knapp. Since I am advised by the Shamrock report
21 that the NSA no longer engages --

22 Ms. Abzug. Forget what they are doing. Tomorrow they
23 may decide the hell with the Shamrock report. They will
24 do it and see McMullen. This is not unusual.

25 I want you to know we have heard a lot of testimony from

1 a lot of agencies, okay, who have talked about these opera-
2 tions. I want to educate you a little.

3 The CIA came before this Committee and said they were
4 not conducting mail openings. Subsequently some mail
5 openings were discovered to be continuing.

6 The FBI indicated to other committees that they have
7 discontinued certain activities, surveillance in the
8 Army, et cetera. Then it was subsequently discovered that
9 they were continuing surveillance in the Army.

10 You have to understand we are trying to change that.

11 But in the meantime these things do happen. Therefore
12 don't keep quoting the Shamrock report to me because any
13 person in your position who reads about his company and
14 does not bother to find out what is behind it really
15 indicates to me he is not seeking to be completely credible
16 before this Committee.

17 You speak of a meeting. You say you have to stop it.

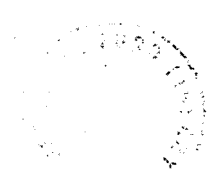
18 They come to McMullen and they say, "Mr. McMullen, we
19 are back in business. Please give us this data."

20 Then what?

21 Mr. Knapp. Mr. McMullen --

22 Ms. Abzug. It could happen, couldn't it?

23 Mr. Knapp. Mr. McMullen is fully aware of his
24 obligations under the Federal Communications Act, as I have
25 reinforced with Mr. McMullen.



1 Ms. Abzug. What about the Federal Communications Act?

2 Mr. Knapp. His obligation to maintain the security of
3 communications.

4 Ms. Abzug. What does that mean? Tell me what that
5 means. I don't really know. You are in the communications
6 business. Educate me.

7 Mr. Knapp. I could read Section 605.

8 Ms. Abzug. I have read it many times. What in your
9 interpretation does that mean, that he has to make a
10 security decision? Tell me what that means.

11 Mr. Knapp. That he has to comply with the provisions
12 of Section 605 of the Act.

13 Ms. Abzug. What does that mean specifically? If Mr.
14 McMullen is confronted by somebody from NSA and asked for
15 the communications, what does it mean? When you say he has
16 to comply with security, what does it mean?

17 Mr. Knapp. Except under conditions as laid out in
18 Section 605 that all communications are secure. They are not
19 to be transmitted --

20 Ms. Abzug. What is the statement in 605? You were
21 told this has to stop because it is not legal, because it
22 is wrong. That is why the operation was stopped. You
23 stopped it.

24 You then sent out a communication and said you made
25 sure it was stopped.

1 Mr. Knapp. I did not stop it. NSA stopped it.

2 Ms. Abzug. You made sure that practice was not going
3 on in your company. You stated that. I am only quoting
4 your testimony.

5 Mr. Knapp. That is correct.

6 Ms. Abzug. Then when you were asked what you would do
7 if you were asked to do it again, you said you didn't know.

8 Mr. Knapp. I didn't say that.

9 Ms. Abzug. Yes, you said you would be confused, you
10 would have to --

11 Mr. Knapp. I said I would have a difficult decision.

12 Ms. Abzug. That is right, you said you didn't know.
13 It was a difficult decision. It is the same thing.

14 Mr. Knapp. No, ma'am.

15 Ms. Abzug. You would have a difficult decision. If
16 you had a difficult decision and you do know, what would you
17 do?

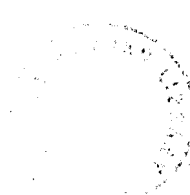
18 Mr. Knapp. If I were presented with a lawfully-drawn
19 document from a court requesting a piece of information I
20 would provide it.

21 Ms. Abzug. If it was a court order. Is that right?

22 Mr. Knapp. Yes.

23 Ms. Abzug. Without a court order what would you do?

24 Mr. Knapp. I think we would have to be very specific
25 for me to speculate.



1 Ms. Abzug. Then it is the same kind of thing. If the
2 same thing was requested as went on with NSA, which you
3 stated was no longer going on, not only from the Shamrock
4 report but you said it was not going on, and if you were
5 asked to do it again today, what would you do given the
6 present situation?

7 Mr. Knapp. Are we assuming that the President of the
8 United States is making this request?

9 Ms. Abzug. There is no evidence that the President of
10 the United States made the request. It wasn't renewed after
11 1947, 1948 or 1949. Just NSA. No President ever came to you.
12 You don't even know who he spoke to in your company.

13 Mr. Knapp. If somebody came to me supposedly repre-
14 senting lawful authority I would consult with counsel and
15 then make a decision.

16 Ms. Abzug. You said that before. What would you do?

17 Mr. Knapp. I don't know the circumstances so I cannot
18 speculate.

19 Ms. Abzug. The President -- I will tell you -- through
20 the Attorney General made a request of you in this particular
21 hearing --

22 Mr. Knapp. All right.

23 Ms. Abzug. -- not to testify. Yet you are testifying.

24 Mr. Knapp. I don't think the question is what I do. The
25 question is how can Congress clarify the situation.

1 Ms. Abzug. The President of the United States through
2 his Attorney General made a request that you not testify
3 here today.

4 Mr. Knapp. I know of no such communication to me. No,
5 ma'am. I do not.

6 Ms. Abzug. I beg your pardon. It was two other com-
7 panies who are common carriers. Forgive me. I am sorry
8 about that. It was the other two common carriers who
9 received such a request from the President and Attorney
10 General claiming executive privilege, which is something like
11 you are trying to claim here -- that four million messages
12 might well involve national security.

13 It is mind-boggling. I hope all your customers read it.

14 Mr. Knapp. Read what, ma'am?

15 Ms. Abzug. Read your statement today.

16 Mr. Knapp. That all the messages Worldcom handles
17 involve national security?

18 Ms. Abzug. Could involve national security.

19 Mr. Knapp. As I said earlier several times, I have no
20 way of knowing whether they do or not.

21 Ms. Abzug. You have no way of knowing. They could,
22 therefore, you said.

23 Mr. Knapp. That is your conclusion, not mine.

24 Ms. Abzug. I can't help it. I couldn't get you to make
25 a rational statement so your irrational statement is on the

1 record.

2 Mr. Knapp. Mrs. Abzug, you understand that during
3 periods of wartime all messages are sensitive.

4 Ms. Abzug. I am not talking about any war.

5 Mr. Knapp. Then I can't make a generalization of what
6 you are talking about.

7 Ms. Abzug. We are not talking about war. Thirty years'
8 history in this country was a despoiling of the democratic
9 rights of your customers. That is not war. That is a war
10 against the Constitution and private rights of the people
11 of this country. That is the kind of war it is. If you
12 want to justify it you can, but I would suggest to you, you
13 look at this carefully and look at some of your statements
14 because you might want to correct the record.

15 Does your attorney have anything to say? I notice you
16 like to talk.

17 Mr. Knapp. I am available to respond to your questions.

18 Ms. Abzug. Mr. McCloskey?

19 Mr. McCloskey. I have no questions, Madam Chairman.

20 Ms. Abzug. Mr. McMullen, are you aware of any
21 authority beyond that which you described here today that
22 you had as an employee of this company? Was there at any
23 time a conversation that you had with any representatives
24 of Government other than the two persons you mentioned?

25 Mr. McMullen. No.

1 Ms. Abzug. Did you discuss any of this over the 30-year
2 period that you were familiar with -- this matter with any
3 other members in your company, any of the officials?

4 Mr. McMullen. Yes, I spoke with the Vice President of
5 the Worldcom.

6 Ms. Abzug. Who is that?

7 Mr. McMullen. Mr. Joseph Gancie.

8 Ms. Abzug. What was the nature of your conversation with
9 him?

10 Mr. McMullen. When this service was discontinued in 1975
11 I asked him the reason why. He said it was no longer
12 necessary for us to put these messages up for pick up.

13 Ms. Abzug. Why? What reason did he give you?

14 Mr. McMullen. It just wasn't required anymore.

15 Ms. Abzug. Before that time was there ever a time when
16 you spoke with any of the officials of your company with
17 respect to this operation?

18 Mr. McMullen. Just to receive the additions and sub-
19 tractions of the list. That is all.

20 Ms. Abzug. Who did you speak to about that?

21 Mr. McMullen. The agent who usually gave us --

22 Ms. Abzug. Just the person from the Government?

23 Mr. McMullen. That is right.

24 Ms. Abzug. The two agencies you mentioned?

25 Mr. McMullen. Subtract or add.

1 Ms. Abzug. Did you ever speak to anybody in your own
2 company?

3 Mr. McMullen. In regard to this?

4 Ms. Abzug. Yes, regarding this operation.

5 Mr. McMullen. No. It was strictly within the office.
6 It was not spoken to anyone outside.

7 Ms. Abzug. How did you first come in touch with this
8 situation?

9 Mr. McMullen. I was the operator. I worked on the
10 4:00-to-12:00 shift. At the end of the shift at twelve
11 o'clock we took the business and bagged it, as you say, and
12 closed out the circuit to New York City, and we would take
13 the traffic from one to three hundred, whatever the numbers
14 would be, and subtract the ones that were on the list and
15 put them in the envelope.

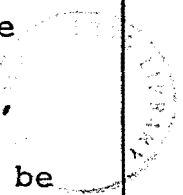
16 Ms. Abzug. This was at night?

17 Mr. McMullen. Yes, ma'am.

18 Ms. Abzug. In Washington it was done in the morning
19 and New York at night?

20 Mr. McMullen. We subtracted the business at the mid-
21 night shift, in other words, twelve o'clock each day, the
22 end of our day's business.

23 At twelve o'clock, the 4:00-to-12:00 shift took these
24 cables from the daily business, put them in the envelope,
25 and the next day they would be picked up if they were to be



1 picked up.

2 Ms. Abzug. That is how it was done in Washington, too?

3 Mr. McMullen. Yes, ma'am.

4 Ms. Abzug. You never talked to -- you testified you
5 did this when you were an operator. Is that right?

6 Mr. McMullen. That is correct.

7 Ms. Abzug. And then what other contact did you have with
8 it as you went along in your different capacities?

9 Mr. McMullen. With the supervisor of the maintenance
10 operation. I was in and out of the office. It was not done
11 on an operators' basis. They subtracted the messages and gave
12 them to the agents when they came in. That was not during
13 my eight-hour period seven days a week.

14 Ms. Abzug. Who first spoke to you about these people?

15 Mr. McMullen. There was no speaking at all. It was
16 a format that was laid out.

17 Ms. Abzug. When was the first time that you became
18 familiar or aware of this format?

19 Mr. McMullen. When I first when to work at McKay Radio.
20 I worked for All-American Cables and we transferred from
21 1346 Connecticut to 8 DuPont Circle. We combined into one
22 group which was later changed to American Cables and Radio.
23 At that time the McKay Radio used this system for sub-
24 tracting traffic from the daily business. As an operator
25 I was required to take it and place it in the envelope. I

1 did not know what was being done with this because it was
2 being sent to the accounting department.

3 Ms. Abzug. Then later on?

4 Mr. McMullen. I became a supervisor. I was intro-
5 duced to the people who came and picked it up and received
6 the identification that they were to receive the envelope
7 if I was there. If not, the operators would recognize the
8 agent.

9 Ms. Abzug. No further questions.

10 If you will be good enough to discuss with counsel we
11 would like you to talk to him about producing Mr. White,
12 Mr. Gancie, and Mr. Tower.

13 I am recessing this hearing subject to recall of the
14 witnesses by the Chair at the Chair's convenience.

15 Mr. Knapp. Thank you.

16 (Whereupon, at 11:40 a.m., the hearing adjourned.)

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