

# The History of Operation CHAOS

by Verne Lyon\*

For over fifteen years, the CIA, with assistance from numerous government agencies, conducted a massive illegal domestic covert operation called Operation CHAOS. It was one of the largest and most pervasive domestic surveillance programs in the history of this country. Throughout the duration of CHAOS, the CIA spied on thousands of U.S. citizens. The CIA went to great lengths to conceal this operation from the public while every president from Eisenhower to Nixon exploited CHAOS for his own political ends.

One can trace the beginnings of Operation CHAOS to 1959 when Eisenhower used the CIA to "sound out" the exiles who were fleeing Cuba after the triumph of Fidel Castro's revolution. Most were wealthy educated professionals looking for a sympathetic ear in the United States. The CIA sought contacts in the exile community and began to recruit many of them for future use against Castro. This U.S.-based recruiting operation was arguably illegal, although Eisenhower forced FBI Director J. Edgar Hoover to accept it as a legitimate CIA function. Congress and the public showed no interest in who was recruiting whom.

The CIA's Office of Security was monitoring other groups at this time and had recruited agents within different émigré organizations.<sup>1</sup> The CIA considered this a normal extension of its authorized infiltration of dissident groups abroad even though the activity was taking place within the U.S. Increased use of the CIA's contacts and agents among the Cuban exiles became commonplace until mass, open recruitment of mercenaries for what was to be the ill-fated Bay of Pigs invasion was no longer a secret in southern Florida. It was no secret to Fidel Castro either, as we later found out.

This activity led the CIA to establish proprietary companies, fronts, and covers for its domestic operations. So widespread did they become that President Johnson allowed the then CIA Director, John McCone, to create in 1964 a new super-secret branch called the Domestic Operations Division (DOD), the very title of which mocked the explicit intent of Congress to prohibit CIA operations inside the U.S.<sup>2</sup> This disdain for Congress permeated the upper echelons of the CIA. Congress could not hinder or regulate something it did not know about, and neither the President nor the Director of the CIA was about to tell them. Neither was J. Edgar Hoover, even though he was generally aware that the CIA was moving in on what was supposed to be exclusive FBI turf.<sup>3</sup>

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1. Robert L. Borosage and John Marks, eds., *The CIA File* (New York: Grossman, 1976), p. 97.

2. Morton H. Halperin, et al., eds., *The Lawless State* (New York: Penguin, 1976), p. 138.

3. *Ibid.*

In the classified document creating the DOD, the scope of its activities were to "exercise centralized responsibility for the direction, support, and coordination of clandestine operational activities within the United States...." One of those was burglarizing foreign diplomatic sites at the request of the National Security Agency (NSA). The CIA also expanded the role of its "quasi-legal" Domestic Contact Service (DCS), an operation designed to brief and debrief selected American citizens who had traveled abroad in sensitive areas of intelligence interest. Because the interviews took place in airports between the aircraft and customs and immigration control, the operations were not technically considered domestic. The DCS also helped with travel control by monitoring the arrivals and departures of U.S. nationals and foreigners. In addition, the CIA reached out to former agents, officers, contacts, and friends to help it run its many fronts, covers, and phony corporations. This "old boy network" provided the CIA with trusted people to carry out its illegal domestic activities.

### The Justification

With the DCS, the DOD, the old boy network, and the CIA Office of Security operating without congressional oversight or public knowledge, all that was needed to bring it together was a perceived threat to the national security and a presidential directive unleashing the dogs. That happened in 1965 when President Johnson instructed McCone to provide an independent analysis of the growing problem of student protest against the war in Vietnam. Prior to this, Johnson had to rely on information provided by the FBI, intelligence that he perceived to be slanted by Hoover's personal views, which often ignored the facts. Because Hoover insisted that international communism was manipulating student protest, Johnson ordered the CIA to confirm or deny his allegations. All the pieces now came together.

To achieve the intelligence being asked for by the President, the CIA's Office of Security, the Counter-Intelligence division, and the newly created DOD turned to the old boy network for help. Many were old Office of Strategic Services people who had achieved positions of prominence in the business, labor, banking, and academic communities. In the academic arena, the CIA sought their own set of "eyes and ears" on many major college and university campuses. The FBI was already actively collecting domestic intelligence in the same academic settings.<sup>4</sup> The difference between the intelligence being gathered was like night and day. The FBI Special Agents and their informers were looking for information that would prove Hoover's theory. The CIA wanted to be more objective.

4. *Organizing Notes*, April 1982 (Vol. 6, No. 3), p. 6.



In April 1965, Johnson appointed Vice-Admiral William Raborn CIA Director (DCI, or Director of Central Intelligence) and Richard Helms Deputy Director. Since Raborn's days at the helm of the CIA seemed numbered from the outset, he never really became involved in the nuts and bolts of domestic operations; that was left to Helms, a career intelligence officer who had come up through the ranks—he had been Deputy Director for Plans (DDP) since 1962 and Deputy DCI from 1965-66—and who could be trusted. Helms became DCI in June 1966. As Deputy Director, he had allowed the CIA slowly to expand its domestic intelligence operations and understood his orders from President Johnson were to collect intelligence on college and university campuses with no governing guidelines other than “don’t get caught.” Helms now had a free hand to implement Johnson’s orders and, by August 1967, the illegal collection of domestic intelligence had become so large and widespread that he was forced to create a Special Operations Group (SOG). The SOG was imbedded in the DDP’s counterintelligence division and provided, data on the U.S. peace movement to the Office of Current Intelligence on a regular basis.<sup>5</sup>

As campus antiwar protest activity spread across the nation, the CIA reacted by implementing two new domestic operations. The first, Project RESISTANCE, was designed to provide security to CIA recruiters on college campuses.<sup>6</sup> Under this program, the CIA sought active cooperation from college administrators, campus security, and local police to help identify antiwar activists, political dissidents, and “radicals.” Eventually information was provided to all government recruiters on college campuses and directly to the super-secret DOD on thousands of students and dozens of groups. The CIA’s Office of Security also created Project MERRIMAC, to provide warnings about demonstrations being carried out against CIA facilities or personnel in the Washington area.<sup>7</sup>

Under both Projects, the CIA infiltrated agents into domestic groups of all types and activities. It used its contacts with local police departments and their intelligence units to pick up its “police skills” and began in earnest to pull off burglaries, illegal entries, use of explosives, criminal frame-ups, shared interrogations, and disinformation. CIA teams purchased sophisticated equipment for many starved police departments and in return got to see arrest records, suspect lists, and intelligence reports. Many large police departments, in conjunction with the CIA, carried out illegal, warrantless searches of private properties, to provide intelligence for a report requested by President Johnson and later entitled “Restless Youth.”<sup>8</sup>

SOG was being directed by Richard Ober, a CIA person with an established record of domestic intelligence operations in academia.<sup>9</sup> When *Ramparts* magazine disclosed the relationship between the National Student Association and the



Credit: Associated Press

**Richard Helms, as Director of Central Intelligence, developed CHAOS into a massive surveillance operation.**

CIA in early 1967, Ober was assigned to investigate the magazine’s staff members, their friends, and possible connections with foreign intelligence agencies.<sup>10</sup>

In July 1968, Helms decided to consolidate all CIA domestic intelligence operations under one program and title. The new operation was called CHAOS and Ober was in charge.<sup>11</sup> Its activities greatly expanded from then on—at the urging not only of President Johnson, but also his main advisers Dean Rusk and Walt Rostow. Both men were convinced that Hoover was right and foreign intelligence agencies were involved in antiwar protests in the U.S. Johnson was not convinced and wanted the CIA’s intelligence in order to compare it with that provided by the FBI.

#### The Nixon Administration

After Richard Nixon took office in January 1969, Helms continued operations with the assurance that nothing would ever be leaked to the public. But he began to face pressure from two opposing factions within the CIA community. One wanted to expand domestic operations even more, while the other reminded him that Operation CHAOS and similar activities were well “over the line” of illegality and outside the CIA’s charter. To put a damper on this internal dissent, Helms ordered Ober to stop discussing these activities with his direct boss in counterintelligence, James Jesus Angleton. The internal protests continued, however, as White House aide and staunch anti-communist Tom Charles Huston, pressed for ever increasing domestic operations.

Huston was eager to expand Operation CHAOS to include overseas agents and to “share” intelligence with the FBI’s intelligence division, directed by William Sullivan. There were more than 50 CHAOS agents now, many receiving several weeks of assignment and training in overseas positions to establish their covers as radicals.<sup>12</sup> Once they returned to the

5. Thomas Powers, *The Man Who Kept the Secrets* (New York: Knopf, 1979), p. 246.

6. *Op. cit.*, n. 2, p. 145.

7. *Ibid.*, p. 146.

8. *Op. cit.*, n. 5, p. 245.

9. *Op. cit.*, n. 2, pp. 148-49.

10. *Ibid.*, p. 148.

11. *Ibid.*

12. *Op. cit.*, n. 2, p. 150.



U.S. and enrolled in colleges and universities, they had the proper "credentials."

In June 1970 Nixon met with Hoover, Helms, NSA Director Admiral Noel Gaylor, and Defense Intelligence Agency (DIA) representative Lt. Gen. Donald V. Bennett and told them he wanted a coordinated and concentrated effort against domestic dissenters. To do that, he was creating the Inter-agency Committee on Intelligence (ICI), chaired by Hoover. The first ICI report, in late June, recommended new efforts in "black bag operations," wiretapping, and a mail-opening program. In late July 1970, Huston told the members of the ICI that their recommendations had been accepted by the White House.<sup>13</sup>

John Dean replaced Tom Huston as White House aide in charge of domestic intelligence, and at his urging, a Justice Department group, the Intelligence Evaluation Committee,

13. *Op. cit.*, n. 5, p. 248.

was established to study domestic groups, over Hoover's protest. Deteriorating relations between the FBI and the other intelligence agencies, especially the CIA, caused Hoover to fire William Sullivan. At that time, Sullivan was the liaison officer between the FBI and the other intelligence agencies and he strongly favored the expansion of domestic operations.

### Second Thoughts

Even Helms began to have second thoughts about how large CHAOS had grown, but Nixon made it clear to him that the CIA was a presidential tool he wanted at his disposal. Helms got the message, yet he also understood the growing uneasiness in other government circles. In 1972, the CIA's Inspector General wrote a report that expressed concern about Operation CHAOS in the following way; "...we also encountered general concern over what appeared to be a monitoring of the political views and activities of Americans not known to be or suspected of being involved in espionage.... Stations

## Campus Surveillance

The unleashing of the CIA and my concerns about the escalating war in Southeast Asia crossed paths on the Iowa State University campus in the fall of 1965. I do not know why I was chosen for recruitment, or by whom; only the CIA's old boy network on campus knows what criteria were used, what psychological profile was followed, and what future need of the CIA went into the initial selection process.

There were no posters, no ads in local or campus newspapers, nor any notice in the college placement office. The CIA came purporting to be representatives of legitimate business concerns that would normally conduct job interviews on campus. The only advance notice of the "interview" was a letter on what appeared to be real company letterhead saying that such-and-such company was interested in offering you a job. Only after accepting the interview and signing several documents stating you would never reveal anything about the exclusive job offer being made would the interviewers tell you whom they really represented. By then you were trapped into eternal secrecy even if you declined their offer. You could not even approach the university's administration or placement office to complain about the deception.

For the student or faculty member who accepted the CIA's offer to spy, the payments offered were tailored to the individual. In some cases it was only money; in others it may have been a guaranteed draft deferment, research assistance grants, a future career with the CIA, patriotism, duty, or any combination. Short on money, plus wanting to serve my country without being sent to stop a bullet in a rice paddy halfway around the world, I listened intently to their pitch. I was hooked with an offer of an undeclared \$300 cash in an envelope each month plus a guaranteed draft deferment and an offer of a bright future with the Company.

In exchange, I was asked to do several things while

admonished to maintain absolute secrecy about my intelligence gathering activities, the CIA, and any working relationship between us. I was persuaded to believe that the nation was facing a major crisis because of the student unrest and ensuing protests and that even though such activities were permitted in our "free" country, we should not allow foreigners and/or communists to pull the strings if they were involved.

My campus missions included monitoring selected students; obtaining printed materials from student protest groups, including membership and donor lists and programs of planned actions and protests; gathering information on the private sexual activities of selected students or faculty, and on the student visa status of selected foreign students; and learning the identities of visiting "travelling agitators" from other colleges and universities.

Ethnic and racial groups were watched as well as student radical movements. No guidelines were given that differentiated between what was legitimate protest and what constituted a perceived threat to national security. This allowed the CIA to expand its domestic surveillance to cover draft resistance organizations, military deserters, non-mainstream newspapers and publications, most Black militant groups, and U.S. citizens travelling abroad. Most domestic political activity was also covered if it showed any sign of differing from the "American tradition."

My entire senior year found me caught up in this illegal domestic covert operation. It changed my personality, my political point of view, and my way of thinking about the structure and role of the different branches of our federal government, and it taught me to what lengths the government would go to hide illegal wrongdoings under the cloak of national security.



were asked to report on the whereabouts and activities of prominent persons... whose comings and goings were not only in the public domain, but for whom allegations of subversion seemed sufficiently nebulous to raise renewed doubts as to the nature and legitimacy of the CHAOS program."<sup>14</sup>

Helms was being squeezed by White House demands to expand Operation CHAOS and the fear that the whole question of domestic operations was going to become public knowledge, as Hoover feared. Helms found himself constantly shoring up one lie with another and then another. He found himself deceiving Congress and lying to the public as well as CIA employees. In March 1971, a group of young CIA executives known as the Management Advisory Group (MAG) protested Operation CHAOS and similar domestic operations by issuing a statement saying, "MAG opposes any Agency activity which could be construed as targeted against any person who enjoys the protection of the U.S. Constitution... whether or not he resides in the United States."<sup>15</sup>

Helms of course denied the CIA was involved in domestic operations, or using basic American institutions such as the Peace Corps, the business community, or the media as covers for CIA operations. Just a few years later, Oswald Johnston of the *Washington Star* reported that over 35 American journalists, some full-time, some free-lance, and some major media correspondents were on the CIA payroll. And in 1974 the CIA admitted that over two hundred CIA agents were operating overseas posing as businessmen.<sup>16</sup>

### The Collapse of the House of Cards

The web of deception, misinformation, lies, and illegal domestic activities began to unravel with speed in the summer of 1972 when Howard Osborn, then Chief of Security for the CIA, informed Helms that two former CIA officers, E. Howard Hunt and James McCord, were involved in a burglary at the Watergate complex in Washington, D.C. The house of cards was about to come crashing down and Helms now wanted to salvage what he could and distance himself from not only Watergate but also the domestic operations. He appointed CIA Executive Director William Colby to handle any investigations into the Agency's domestic operations and began to prepare for the inevitable.

Helms was called to Camp David by President Nixon and subsequently fired. His replacement was James Schlesinger (who would last but a few months). Schlesinger would be replaced in July 1973 by Colby, and Helms would become U.S. Ambassador to Iran to get him as far away as possible. In an effort at damage control, Colby decided that Operation CHAOS and Project RESISTANCE should be terminated.

In 1975 the CIA underwent public investigation and scrutiny by both the Church and Rockefeller committees. These investigations revealed considerable evidence showing that the CIA had carried out its activities with a tremendous disregard for the law, both in the U.S. and abroad.

14. *Op. cit.*, n. 2, p. 153.

15. Center for National Security Studies report, *Operation Chaos* (Washington, D.C.: 1979), p.11.

16. *Op. cit.*, n. 1, pp. 101-02, 106.

During the life of Operation CHAOS, the CIA had compiled personality files on over 13,000 individuals — including more than 7,000 U.S. citizens — as well as files on over 1,000 domestic groups.<sup>17</sup>

The CIA had shared information on more than 300,000 persons with different law enforcement agencies including the DIA and FBI. It had spied on, burglarized, intimidated, misinformed, lied to, deceived, and carried out criminal acts against thousands of citizens of the United States. It had placed itself above the law, above the Constitution, and in contempt of international diplomacy and the United States Congress. It had violated its charter and had contributed either directly or indirectly to the resignation of a President of the United States. It had tainted itself beyond hope.

Of all this, the CIA's blatant contempt for the rights of individuals was the worst. This record of deceit and illegality, implored Congress as well as the President to take extreme measures to control the Agency's activities. However, except for a few cosmetic changes made for public consumption — such as the Congressional intelligence oversight committee — nothing has been done to control the CIA. In fact, subsequent administrations have chosen to use the CIA for domestic operations as well. These renewed domestic operations began with Gerald Ford, were briefly limited by Jimmy Carter, and then extended dramatically by Ronald Reagan.

Any hope of curbing these illegal activities is scant. Recently, George Bush and current DCI William Webster announced for a the need to again target political enemies of the U.S. for assassination. It is ironic that Webster, a former Federal Judge, would chose to ignore the limits and constraints placed on the government by the Constitution. During his tenure as Director of the FBI, the bureau was once again involved in the infiltration of groups practicing their constitutional right to dissent against U.S. government policies. Once again, the FBI compiled thousands of files on individuals protesting Reagan's war against Nicaragua and support for the genocidal Salvadoran military. Now, Webster is in a position of perhaps even greater power and, without doubt, would have no qualms about abusing it.

### Conclusion

Given the power granted to the office of the presidency and the unaccountability of the intelligence agencies, widespread illegal domestic operations are certain. We as a people should remember history and not repeat it. It is therefore essential that the CIA be reorganized and stripped of its covert operations capability. Effective congressional oversight is also an important condition for ending the misuse of the intelligence apparatus that has plagued every U.S. administration since the formation of the CIA.

A great deal is at risk — our personal freedoms as well as the viability of this society. The CIA must be put in its place. Should we demand or allow anything less, we will remain vulnerable to these abuses and face the risk of decaying into a lawless state destined to self-destruction

17. *Op. cit.*, n. 2, p. 153.