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ORIGINAL

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The United States Senate

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Report of Proceedings

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ON 2/15/77
BY BC

Hearing held before

Senate Select Committee to Study Governmental
Operations With Respect to Intelligence Activities

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Thursday, January 22, 1976

Washington, D. C.

(Stenotype Tape and Waste turned over
to the Committee for destruction)

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1 In a case of that sort, the instruction was agreed upon
 2 by all concerned, and the Director's instruction was that the
 3 Division was not to be informed, the Division where this
 4 individual came from, the Bloc area, should not be informed;
 5 that the Bureau, only two or three people in the Bureau, by
 6 name, should be informed, and that we would run the operation

7 and bury the individual at the end.

8 Now, it went along --

9 Mr. Johnson. Did you say "bury the individual"?

10 Mr. Angleton. I'm not using it in your Committee terms.

11 Mr. Kirbow. You'd better clear that up for the record.

12 Mr. Miler. We would integrate him in to the American
 13 society in such a way that he would be non-identifiable.

14 Mr. Angleton. He would be buried.

15 Mr. Miler. May I just add here also that the authorities,
 16 the approval are very specific in terms of the agents' and the
 17 CIA's responsibility to advise and get the approval of the
 18 Attorney General in bringing someone like this into the
 19 United States.

20 The Director got this approval. It was a formal letter
 21 to the Attorney General, a formal reply. There was a formal
 22 but very limited advice to the Immigration. All of the legal
 23 requirements required by the Attorney General, Immigration,
 24 all other agencies, were done. However, in this instance, they
 25 were done on a very narrow, select basis, directly to Attorney

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1 General and so forth, rather than to go through the normal
2 bureaucratic chain of command out of the CIA and its various
3 components.

4 Mr. Angleton. With the added fact that we did not disclose
5 all of the facts, nor identity.

6 Now, this is important, because the individual was of
7 such prominence that the country concerned would be placed in
8 jeopardy diplomatically, the place where he was residing on
9 tour. There would be intensive investigations by his head-
10 quarters, and therefore we had to have covers. And so we

11 laid on in such a fashion that another service received infor-
12 mation regarding the target country that would induce them to
13 take certain observable actions, and then to spread the word
14 that the fellow had actually defected to another country, so
15 that their entire investigative thrust would be directed toward
16 that country.

17 Senator Hart of Colorado. So far we've talked about
18 process, and I think we'll keep going on it, and return to
19 it, but I would like to quantify some of this if I can.

20 First of all, by terms of definition, is the phrase or
21 the term "counterintelligence" interchangeable with counter-
22 espionage?

23 Mr. Angleton. It can be. I think technically counter-
24 intelligence is regarded to be all forms of investigative
25 activity, travel control, your data files, your dossiers, all

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1 over 180 leads of penetration **in France**, and it occasioned my
 2 drafting a letter for Mr. McCone to give to President Kennedy
 3 to give to **DeGaul.** **DeGaul** secretly sent to this country one
 4 of his highest trusted military men. He was here incognito. He
 5 met with the defector for three days.

6 The **French** original reaction to President Kennedy's letter
 7 was, it was Soviet provocation, because this was at the stage
 8 when **France** was making certain very sensitive agreements in the
 9 atomic field and otherwise with the United States, and therefore
 10 these allegations of penetration had a very direct bearing on
 11 those negotiations. And so the General who came over was
 12 totally prepared to believe this was provocation, but after
 13 three days with the defector, in a meeting with Helms and
 14 myself, he stated without any question that this man was 100
 15 percent bona fide, because he could ask him those questions
 16 right on the nerve of their secrets, and he got the responses.

17 Now, this defector also gave considerable data on the
 18 status of penetration in the U.S. Government, documents which
 19 he had seen in Moscow, cryptonyms of operating agents, documents
 20 which could only have been prepared by our organization, and
 21 many other cases going back into the early '50s, going almost
 22 to Cabinet level. So all of this information was made available
 23 to the Bureau. But in due course Mr. Hoover regarded or made
 24 the pronouncement -- and I won't say when he makes a pronouncement
 25 that it is one that has been recommended to him from higher

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1 level -- that the defector in question was probably a provoca-
 2 tion, and the Bureau ceased contact with that individual, and
 3 I would say they have not had any contact with him since 1965.

4 Senator Hart of Colorado. Why did Hoover make that
 5 decision?

6 Mr. Angleton. Well, among other things, this defector
 7 wanted to have access to ongoing and to past cases with the
 8 view that he had a tremendous amount of data that he could not
 9 relate to anything, but if he could see things that were going
 10 on, then it would be meaningful to him in terms of what he had
 11 to contribute. And I can take the example that, with another
 12 allied service; immediately we brought them into it and he had
 13 seen certain naval documents that dealt with infrastructure and
 14 budget. This happened to be **British.**

15 In time they found the documents, and when they presented
 16 them to him, he could identify those he had seen and those he
 17 had not seen. This led to the apprehension of Vassil, who
 18 was in the admiralty. And this was the quality of his
 19 information.

20 All through the west agents were apprehended on the basis
 21 of his information. But there is a tremendous bulk of it which
 22 is made up of fragments, made up of documents he's seen where
 23 we have not been able to identify the document; a great number
 24 of cryptonyms of reporting sources where we cannot find the
 25 body to fit the cryptonym. So this is the reality. And he is

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1 it was subsequently proved that he was a Soviet spy.

2 Mr. Angleton. Now, that individual had performed four
3 separate missions for Soviet intelligence since about 1938 or
4 '39. One, he had been dropped in by the Soviets into Germany
5 on a mission with the WT set, to be captured in order to be
6 played back and to penetrate the German intelligence.

7 Second, he had moved from that into the penetration of
8 the Vassilov movement, which were the captured Russians in the
9 German -- in the Vassilov Army.

10 Third, he had penetrated the anti-Soviet forces in Germany,
11 and then he was taken on by us in 1948 or '51 is when they
12 sent to renew his inks.

13 So he was with us from '51 to around '60.

14 Well, when the defection occurred, it was '62.

15 Mr. Johnson. And Mr. Angleton, you used a term that is
16 unfamiliar to us: his inks.

17 Mr. Miler. Secret inks.

18 Mr. Angleton. Secret inks. In other words, the Germans
19 had captured a Soviet agent who had the same kind of
20 inks, and so therefore the inks were compromised, so they laid
21 on a large operation in Berlin and trained him in highly
22 sophisticated inks. And he is now residing not too far

23 distant from us.

24 But I might add that it is very important to note that while
25 we maintained that he is a Soviet agent, and the Bureau disagreed

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1 Senator Hart of Colorado. It seems to me that you're
2 suggesting at the very least a naivete on the part of our
3 government and at the worst, I don't know what.

4 Mr. Angleton. Well, I do suggest that there is a naivete.
5 There is no counter-disinformation group. There's no one who ever
6 studies -- most of the information today that goes into much
7 of -- it's mainly scientific. The human part of it is small.

8 Now most of it is from overt sources.

9 Mr. Johnson. What about the Inner-agency Committee on
10 Defectors? Doesn't that review?

11 Mr. Angleton. It has nothing to do with it.

12 Mr. Johnson. What does that do?

13 Mr. Angleton. That only allocates or handles the mechanics
14 of who talks to the defector and what are the priorities and
15 questionnaires and whatnot.

16 Mr. diGenova. The order of interrogation.

17 Mr. Miler. It is a clearing house to get the information
18 disseminated.

19 Mr. diGenova. Mr. Angleton, I'm interested in going
20 back to one part of your most recent response about the fact
21 of your or the CI staff's concerns about the Israeli problem
22 which you alluded to was frowned upon within the Agency.

23 What form did that take? I'd be interested to know that.

24 Mr. Angleton. Well, it took this form, that a person
25 working with Scotty who takes his military duty over there.

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1 Mr. Angleton. Well, they were a hardworking group. We
 2 were understaffed. There were many things we could have
 3 taken on and I'll give you one example because it is still
 4 pending, and it gets down to the question of penetration.

5 But when Philby was stationed in Washington, he was
 6 given communications intelligence clearance so if NSA broke
 7 into the Bulgarian traffic, he could go to his Soviet control
 8 and tell them that we were reading Bulgarian traffic. A secret
 9 of that sort permits them to make use of the Bulgarian
 10 traffic as a deception channel the moment they know you are
 11 reading it. That becomes a powerful instrument in their
 12 hands to deceive.

13 Now my point is this: No one has made an analysis from
 14 the day that he was briefed on that particular traffic of why
 15 the traffic continued for two more years and then gradually
 16 petered out of what was put into that traffic which, if you
 17 took that and identified an item of deception that came from
 18 the opposition, you then look at your own agent reports and
 19 find what agents at the same time were fortifying that lie
 20 or that piece of deception. And it would point a finger on
 21 agents who, in fact, were under control.

22 Now this is just one small exercise. NSA has preserved
 23 every single piece of paper. In other words, there's literally
 24 hundreds of thousands of pages of available material for such
 25 an analysis, and I worked very closely with Lou Tordella.

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1 In fact, one of our effort or common efforts was I brought him
 2 into counter-intelligence. I brought him in with all these
 3 foreign chiefs and whatnot in order to enlarge the scope of
 4 NSA, since they can study and frame these patterns, they
 5 can get into illegal traffics and get into many facets.

6 It's one of the best outfits, as far as I know, in the
 7 U.S. government, but they had always been denied these facts
 8 that I just stated, such as Philby's access, the clearances,
 9 the various espionage cases that have happened in the west,
 10 the people that have had communications intelligence clearance.

11 Senator Hart of Colorado. Could we have a Philby level
 12 penetration of our intelligence community?

13 Mr. Angleton. I'm not stating that there is one, but I
 14 have probably done more recruitment of higher level people in
 15 my youth in the business and I have never been any respecter
 16 of rank. I've dealt with prime ministers, and I've dealt with
 17 them at all levels.

18 And therefore, my point is it is conceivable, it's
 19 conceivable if you've got enough information, spotting informa-
 20 tion, and you can put a person into a certain kind of situation
 21 regardless of his rank, you will find that he is recruitable.
 22 It is a process of a fingernail, finger, hand, arm and body.

23 Senator Hart of Colorado. But all of the grills that
 24 new people of the Agency have to go through, lie detector and
 25 so on, you're saying that they can get through that.

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1 of 1959, it was a return to the modus operandi of the Cheka.
 2 And this is from an individual, fully, who had seen all of the
 3 documents, fully versed in it so that this plunged us back into
 4 it and we began then to find leads. And I give one example.

5 General Orlov, who died not long ago in the United
 6 States, was the most senior NKVD KGB officer ever to defect,
 7 and he died last year. The Bureau had interrogated him in
 8 1953 after the death of Stalin with little or no success. He
 9 knew the code name of Philby. The Agency tried to contact him
 10 in '58 and had a very unhappy handling problem. We went back
 11 into it shortly thereafter and we were able to go through his
 12 book with him and he gave us the true identities of 34 agents
 13 in France.

14 His uncle had been one of the senior men under Lenin,
 15 head of NKVD in the Ukrain² but with tremendous operations.
 16 He himself was a senior NKVD man in Spain during the civil war. So
 17 we spent up until his death, Mr. Rocco², who was my deputy,
 18 would travel to the Midwest and spend several weekends with him
 19 of dredging out and recreating the operations and penetrations
 20 in British intelligence and the British navy and whatnot,
 21 eventually getting down, by recreating and reconstructing,
 22 down to the identity. Now this is research, and these are
 23 cases where the Soviets had every reason to believe that these
 24 agents were safe and secure because nothing had happened.

25 And when you make that type of identification unbeknownst

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which we could pursue abroad or something, I'm a little bit confused by the question because it's outside -- the investigation of such a thing is outside the purview of the CIA unless it is abroad, unless it would be funded through Switzerland or Luxembourg or unless there was a Messagerie Maritime connection where Soviet money was being put in and they had representation here.

Mr. diGenova. Well, the staff has been given information that these analyses are done by CI research personnel or proprietary companies of foreign intelligence services, and either that information is wrong or we just do not understand each other.

"Mr. Angleton. Well, I mean it's true that there have been analyses done. But the one that comes to mind is the one I mentioned, was the one where in this case it was French, had a heavy penetration of a company and that company was contracting with our STT people and therefore, our question was rather a project for large sums of money of using this company would proceed, and the decision based on our counter-intelligence analyses was to drop the project.

Mr. diGenova. I'd like to ask the question.

We've been told that one of the benefits which occurs to U.S. counter-intelligence when it focuses on bloc countries is the fact that these totalitarian regimes have a habit of acquiring great amounts of information about their citizenry and storing it, and that this is, on occasion, accessible to us.

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