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- d. Polygraphs of job applicants and some contractors have been routinely covertly recorded;
- e. The field offices of the CIA have from time to time installed covert recording devices to record conversations of CIA employees with others where there was some reason to be concerned about the loyalty of such employees.

3. Physical Surveillance

Physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. Circumstances under which surveillance has been conducted have been limited to the following:

- a. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;
- b. ~~Victor Marchetti~~ to find out if he was getting information from current employees of the CIA;
- c. Jack Anderson, Les Whitten and another legman to determine their sources of classified information, and Michael Getman, a staff writer for ~~the Washington Post~~ for the same purpose;
- d. A female contact of the Latin American Division (and some of her associates) who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence.

4. Watergate Contacts

- a. The McCord Letters
- b. The Pennington Matter
- c. Assistance to E. Howard Hunt and White House re Ellsberg

5. Covert Informers Employed by the Agency

a. Within the Agency and Its Contractors

The Office of Security employs a wide range of confidential informers from among the general roster of employees of the Agency. Included here are plumbers, chauffeurs, guards, telephone maintenance men, electricians, members of the char force, etc. These

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employees are paid additional compensation to act as informers and to report to the Office of Security on any potential security problems which they observe among their fellow employees at the Agency.

A few outside employees, i. e., non-employees of the Agency, are also retained for the same purpose. This would include employees of the telephone company and construction workers engaged in the construction of Agency buildings. In all instances, however, the purpose is to maintain security among CIA employees and those working for CIA contractors.

Two proprietary companies, called Anderson Security Associates and General Personnel Investigations, have been used to do large-scale investigations of the personnel of companies who contract with the CIA.

b. Outside the Agency

In 1967 and 1968 the Office of Security arranged for Anderson Security Associates to have its employees attend meetings and other functions of various organizations thought to represent potential threats to CIA personnel or installations and to report on such threats. A list of organizations to be checked for indications of such threats was provided to Anderson Security Associates, which in turn provided regular reports to the Office of Security on the activities of the organization monitored.

There was also coordination between the Office of Security and local police departments to cover the same activity. An effort was made to determine the size of anticipated demonstrations and to anticipate what security forces would be necessary to cope with them.

In 1967 and 1968 the Office of Security directed the field offices to solicit or report information on anti-war and dissident elements. The CIA was concerned about the safety of its personnel, such as recruiters on college campuses, and its offices around the country. The field offices were directed at about that time to establish a clipping service on campus and other newspapers to report on organizations and individuals who might represent threats to CIA personnel or offices.

As a result of the information fed into the Office of Security relating to organizations and individuals who may represent such threats, a substantial number of files were accumulated on individuals and organizations.

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6. Mail Intercept Programs in New York and San Francisco

7. Cover Operations Using Local Police Cover

Arrangements were made several years ago with **Colonel Durrett** of the Fairfax County, Va., Police Department for the issuance of badges and other police identification for use by CIA security personnel. This involved about 15 sets of identification.

These badges and other identification were never used by the CIA. They were all returned to **Colonel Durrett**.

Similar arrangements have been made with other police departments.

Strict orders were issued that the use of identification as local police officers was to be limited strictly to situations involving actual cover for surveillance purposes.

8. Training of State and Local Police and Other Assistance

Assistance was rendered to many local police departments, including those of the cities of New York and Chicago, and to the Maryland and Virginia state police during the period 1965 to 1972. He states that this program was vigorously and enthusiastically approved and supported by Mr. Helms.

Assistance consisted of training of personnel, the loaning of equipment, and the declassification of materials and techniques in such areas as photo analysis, surveillance techniques, metals detection, explosives detection, locks and picks, hidden microphones, telephotography and covert photography, and the setting up, handling, and organization of intelligence operations.

This program was terminated upon passage of an amendment to the Law Enforcement Assistance Act, which prohibited assistance to local and state police departments by the CIA.

9. Break-Ins Without Warrants

Mr. Osborn states that the only break-ins which have occurred to his knowledge by security personnel of the CIA have been those involving employees, former employees, or CIA contact agents who were under investigation for suspected disclosure or classified information.

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He knows of no case in which the CIA has made a sweep of any other residences.

It does make sweeps of private firms who have CIA contracts, but always with the knowledge and consent of the firm.

He states that his Office has never used equipment for counter-audio sweeps for "positive intelligence."

The sweeps conducted included physical inspection, checking all telephones for taps, checking desks, walls, ceilings and floors for listening devices or radio receivers, and may involve such sophisticated measures as counter-laser measures and the use of a Dodge mobile home equipped with sophisticated equipment capable of picking up a radio transmission from nearby premises.

Taping Systems in Certain CIA Offices

Mr. Osborn stated that Mr. Helms had authorized for use in his office, in the office of the Deputy Director of Central Intelligence, in the office of the Executive Director-Controller, in the office of the Deputy Director for Support (now Administration), in the office of the Director of Security, and in the office of the Deputy Director of Security a system of telephone taps and secret microphones which made it possible to record covertly any telephone conversation or office conference taking place in those offices. The taping system could be activated with respect to telephones by depressing a button on the telephone in the office or on the telephone at the desk of the secretary in the adjacent office. The taping system to record office conversations would be activated by depressing a button under the carpet in the vicinity of the desk of the person occupying that office. All CIA officials in whose offices such equipment was installed were fully aware of its presence and its capability of being activated only by them.

The recorded conversations from all of these offices, except those in the Office of Security, were recorded in a central bank of recorders located in the basement of the building. Those emanating from the Office of the Director of Security or Deputy Director of Security were recorded on twin recorders located down the hall from those offices.

All recorded telephone and office conversations were transcribed. In some instances the tapes were retained, and in some instances they were erased. It is not known whether the Agency retains any copies of the typed transcripts. From time to time, particularly as an official has departed from the CIA, he has ordered tapes erased and transcripts destroyed.

Mr. Osborn reports that Mr. Colby directed the removal of the recording and telephone taping equipment from his office when he became Executive Director-Controller of the Agency and again when he became Director of Central Intelligence. Mr. Bannerman also had the equipment taken out of his office when he became Deputy Director for Support (Administration). Apparently all other officials in whose offices such equipment was installed used it from time to time.

Positive Uses of Counter-Audio Equipment

Mr. Osborn stated that he wishes to clarify his previous testimony that counter-audio had not been used in a positive sense. What he meant was that it had not

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Physical Surveillance

Mr. Osborn states that physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. He doubts that it has exceeded ten times during his tenure in the Office of Security.

He describes those circumstances under which surveillance has been conducted as being limited to the following:

1. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;
2. **Victor R. Felt** to find out if he was getting information from current employees of the CIA;
3. **Jack Anderson, Les Whitten** and another legman to determine their sources of classified information, and **Michael G. Carter** a staff writer for **The Washington Post**, for the same purpose;
4. A female agent of the Latin American Division who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence. This surveillance was conducted under the supervision of Mr. Ober, of the Directorate of Operations, with the full knowledge of the FBI.

Also included in this surveillance was some of the contacts of this agent in Detroit, Miami, and New York City. The agent involved here was Thelma King, and the surveillance took place in 1971. (Mr. Osborn reports that a conversation between Miss King and her case officer in a New York hotel was also covertly recorded.)

Mr. Osborn is emphatic to the fact that every instance of physical surveillance in his experience was authorized by the Director of Central Intelligence except that Mr. Brownman, the Deputy Director for Administration, may have been the official to authorize the surveillance of employees, but it is possible that these also were approved by Mr. Colby as DCI. Mr. Osborn is also emphatic to the effect that no member of Congress has ever been placed under physical surveillance, has ever had his telephone tapped, has ever been covertly monitored with respect to any conversations or communications, or has ever had a security check performed on him by the CIA.

Watergate Contacts

1. The McCord Letters: Mr. Osborn states that a letter directed to Mr. Helms in late June 1972 was referred to his office as a part of the "crank mail" received that day. He recognized the signature on the letter as being that of a former employee of the Office of Security, Mr. James McCord. Mr. McCord had shortly before that been arrested in connection with the break-in at the Democratic National Headquarters on June 16, 1972. Mr. Osborn states that he immediately brought this letter to the attention of Richard Helms, the DCI.

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Pennington Matter (continued)

Lee Pennington and a man named Charles Wylie were the only two confidential informants who Osborn can think of who were employed as such by the Office of Security during his tenure with that office. (This is in addition to CIA employees and the employees of propriety investigating companies who have been used as informants.) Mr. Wylie was a journalist and writer who was paid \$10,000 per year, plus certain travel expenses, by the CIA to act as an informant, but Mr. Osborn has no idea what kind of information he provided to the Agency in recent years. He does recall that many years ago Wylie provided information regarding the Vienna, Austria, Youth Festival and also some information gathered on the trip he made to Japan. Mr. Osborn states that he has never met Lee Pennington or Charles Wylie, nor has he ever talked with either of them in person or by telephone.

(Mr. Pennington was apparently terminated as a CIA informant on December 31, 1973.) Mr. Osborn states that he "started action" to terminate Wylie in about January or February 1974. He thought that Wylie had never provided anything to the Office of Security and that it was "no time to have a domestic informant."

Both Pennington and Wylie had been informants for the Office of Security for many years. They had been retained in that capacity even before Mr. Osborn became Deputy Director of Security in 1963.

In February 1974 in connection with a search of files in the Office of Security some indication was turned up that Mr. Osborn had been informed in January 1973 about the fact that Lee Pennington had entered the home and the office of James McCord at the request of Mrs. McCord on January 22, 1972, to locate and destroy records which would have revealed a "link" between Mr. McCord and the CIA. Mr. Osborn denies that he received any such information. The information was allegedly given to him by Paul Gaynor, Chief of Security Research, in the Office of Security.

Mr. Gaynor retired in 1973 at the request of Mr. Osborn, who had been directed to cut a GS-16 from his staff in a personnel reduction move. He states that Mr. Gaynor accepted this request gracefully and retired.

Osborn and Gaynor have never discussed with each other the subject of Lee Pennington or the deception practiced on the FBI in August 1972. Osborn does not think that Gaynor opened up the subject, but he does believe that Gaynor has testified before either one of the Congressional committees investigating Watergate or the Special Prosecutor's Office.

After Mr. Gaynor retired, Lou Vasaly of the Office of Security has handled contacts with Wylie and Pennington.

In January or February 1974 Mr. Osborn sent Sidney Steinbridge of the Office of Security to New York to terminate Mr. Wylie.

Lee Pennington died in the fall of 1974 of natural causes. He was in his middle 70's.

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Covert Informers Employed by the Agency

The Office of Security employs a wide range of confidential informers from among the general roster of employees of the Agency. Included here are plumbers, chauffeurs, guards, telephone maintenance men, electricians, members of the char force, etc. These employees are paid additional compensation to act as informers and to report to the Office of Security on any potential security problems which they observe among their fellow employees at the Agency. If an employee, for example, has been convicted of a crime or is thought to be engaging in any contact which would make him susceptible to blackmail, that matter is supposed to be reported to the Office of Security. Likewise, if any employee is observed conducting himself in a suspicious manner, such as requesting information from files which do not concern him, that is to be reported.

A few outside employees, i.e., non-employees of the Agency, are also retained for the same purpose. This would include employees of the telephone company. In all instances, however, the purpose is to maintain security among the CIA employees and those working for the CIA.

The only staff employees retained as informers are those who work in the records office of the Directorate of Operations. Several staff employees in that office were recruited at the request of Mr. Thomas Karamessines because of the extremely high level of sensitivity and the records maintained in that office.

When the CIA Headquarters was constructed in the late 1950's, the Office of Security recruited various members of the construction work force to maintain security against the installation of listening devices, telephone taps, or other penetrations of the premises. **As an outgrowth of the success in that security effort, the Office of Security organized a wholly-owned proprietary company which was called Anderson Security Associates and which was employed to do large-scale investigations of the personnel of companies who contract with the CIA.**

In 1967 and 1968 the Office of Security arranged for the Anderson Security Associates to have its employees attend meetings and other functions of various organizations thought to represent potential threats to CIA personnel or installations and to report on such threats. A list of organizations to be checked for indications of such threats was provided to Anderson Security Associates, which in turn provided regular reports to the Office of Security on the activities of the organization monitored.

Anderson Security Associates was in reality run by Mr. Ralph True, a CIA Headquarters case officer, who also ran a similar wholly-owned proprietary company on the West Coast, General Personnel Investigations, Inc.

The Anderson company has since folded.

Anderson and General have been extensively utilized to perform security checks on the employees of CIA contractors engaged in highly sensitive projects. In a number of projects it has been thought imperative that there be no indication whatsoever of either Federal Government or CIA interest or involvement. Illustrative of this category of project was the development and manufacture of the very secure missile plane. Another example would be a current project being conducted by a California company.

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Mr. Osborn also thought that continuation of the program was too risky in the light of public and Congressional attitude toward the CIA. He thinks that the program originated while Allen Dulles was DCI and that it was undertaken with the knowledge and consent of the Postmaster General. However, this is hearsay, according to Mr. Osborn.

Mr. Osborn is also acquainted with the fact that from 1969 to 1971 the project of mail surveillance occurred from time to time in San Francisco. The Office of Security made the arrangements with the Post Office Department for this program, but it was carried out by the Far East Division and the Technical Services of the Directorate of Operations. The Technical Services Division at that time was headed by **Rod M. Kenner**, who is now retired and living in Florida.

The arrangements with the Post Office Department were made by Jack Turton of the Office of Security. Mr. Osborn has only the vaguest knowledge of the purpose of this project and could offer no further light than that it involved some checking on the stamping and postmarking of mail from the Peoples Republic of China. The project was orally okayed by Mr. Helms. Mr. Osborn has no knowledge of any other mail undercover projects in New Orleans or elsewhere.

Cover Operations Using Local Police Cover

Mr. Osborn stated that arrangements were made several years ago with **Colonel Durrant** of the Fairfax County, Virginia, Police Department for the issuance of badges and other police identification for use by CIA security personnel. It is Mr. Osborn's recollection that this involved about 15 sets of identification.

These badges and other identification were never used by the CIA. They were all returned to **Colonel Durrant**.

This arrangement was inspired by difficulties which had been encountered by security personnel in conducting a physical surveillance of **Vietnam Marshfield**. It seems that **Marshfield** lived in a residential community and his home was situated on a cul-de-sac. This made it extremely difficult to cruise by his home or station a security car anywhere near his home without attracting the attention of other residents in the neighborhood. Security personnel who may have been sitting in a car within several blocks of the **Marshfield** residence would have attracted the curiosity of the residents and the operation would be threatened if such residents approached the car and asked what the occupants were doing there and if they were given straight-forward answers. According to Mr. Osborn, it was highly desirable that the security personnel be able to respond to such inquiries by saying that they were police performing official duties. Most citizens, he says, would accept that as sufficient, whereas their curiosity would be even further aroused if the security personnel identified themselves as being with the CIA.

Mr. Osborn states that he had issued strict orders that the use of identification local police officers was to be limited strictly to situations involving actual cover for surveillance purposes.

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