

8/20/75

8/20/75
Part of item 5

1

Retain

Released under the John F. Kennedy
Assassination Records Collection Act

Assassination Records Act
1992 (44 USC 2107 Note)
B8321 Date: 2025

Released under the John F. Kennedy
Assassination Records Collection Act of
2012 [44-556 2107 Note]. Case#: Nw/
38362 Date: 09-22-2022

NY 52-10018-G

Scars	to " under lower lip, heart-shaped
Residence	4 West 101st Street Apartment 42 NYC, NY
Telephone	Business-348-0600 Home-None
Parents	FRANK and GRACE POMMERSHEIM 3603 Woodward Avenue Seaford, NY <u>516-SU1-0695</u> <u>079-344305</u>
Social Security Number	
Occupation	Senior Consumer Specialist Department of Consumer Affairs of City of New York Identity Card Number 486
Employer	1.) Legal Services Unit, 320 East 3rd Street NYC, NY 2.) VISTA (1968-1969) Assigned to Alaska
Former Employment	
New York State Motorist Identification Number	P1548923498127802-43 (Expires December 31, 1972)
Education	Colgate University (1965) Columbia Law School
American Red Cross Card Identification	Blood type A positive Address-Box 177 C.S. Hamilton, NY
Blue Cross-Blue Shield	City of New York Number 079344305 Suffix C08, Effective February 10, 1971
Board of Elections	Registrant Number 1236037
Alaska Liquor Permit	Nassau County Box 193 Bethel, Alaska

FEDERAL BUREAU OF INVESTIGATION

Date August 21, 1971

SA RICHARD A. SKANEK took custody of JOHN REILLY. REILLY insisted that he should remain with SA SKANEK because he had been threatened by his wife, JOAN MARY REILLY, who was at the time of arrival at New York City. SA SKANEK advised the presence of John REILLY (John REILLY) to SA SKANEK who then informed him that he would be accompanied by SA RICHARD A. SKANEK, SA MICHAEL COOPER, and SA RICHARD HILL. SA COOPER, upon taking custody of REILLY, advised her of his position as a Special Agent of the FBI verbally and by a show of identification. SA SKANEK also advised her that she was under arrest on the charge of conspiracy. SA MICHAEL COOPER initially searched REILLY and found a Social Security Card and a New York driver's license disclosing her identity as JOHN MARY REILLY. SA COOPER asked her identity and she responded JOHN MARY REILLY.

REILLY was then taken to the U. S. Post Office Building, Camden, N. J., for processing. SA RICHARD A. MAZZEO joined SA SKANEK during processing. The following background information was obtained from REILLY:

Name	JOAN MARY REILLY
Address	335 Windsor Avenue, Brightwaters, N. Y.
Sex	Female
Race	White
Date of Birth	April 10, 1951
Place of Birth	Rockville Centre, N. Y.
Height	5'6"
Weight	120 pounds
Build	Slender
Hair	Light brown - long
Eyes	Blue
Scars	"V" shape scar inside left ring finger
Social Security No.	088-36-0008
Occupation	Student entering junior year, Marymount College, Tarrytown, N. Y. (attended since Sept. 1969)

On 8/22/71 at Camden, N. J. File # Philadelphia 52-7165 Sub
 by SA WALTER J. SHAW ^{WSS} SA RICHARD A. MAZZEO ^{WSS} WJS/las Date dictated 8/23/71

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PH 52-7065 sub S

3. One 3" x 6" card with writing beginning, "I'm
going to wash..."
4. One 3" x 6" card with writing beginning, "I
ended up like..."
5. One 3" x 5" card with writing beginning, "Doris
Syracuse..."
6. One 3" x 5" card with writing beginning, "way U..."
7. One torn piece of 3" x 5" card with name CAMP,
POPLAR with writing on back beginning, "Somewhere
clunked..."
8. One torn piece of 3" x 5" card with name "CARL
POPLAR with writing in back beginning, "across a
crowded room..."
9. One plastic wallet ID folder containing:
 - a. One blank ID card.
 - b. One N.Y. driver's license #R05321-84952-612733-51
in name JOAN REILLY, 335 Windsor Avenue, Bright-
waters, N. Y.
 - c. One Social Security Card #~~082-38-0042~~ in name
of JOAN MARY REILLY.
 - d. One United Airlines 12-21 Club Card #A785203
in name of JOAN REILLY.

Xeroxed copies of the above listed items are attached
hereto.

TRUDY A. CROUTHAMEL, FBI employee, strip searched
REILLY and nothing of an evidentiary nature was found by
CROUTHAMEL. REILLY signed a receipt for the items seized and
a copy of this receipt was furnished to REILLY by SA SKAREK.
Each item seized was numbered and dated by SA SKAREK and SA
MAZZEO.

SA SKAREK handed REILLY an "Interrogation; Advice
of Rights Form" to read which she did. SA SKAREK explained
these rights to REILLY. REILLY advised she understood her

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FEDERAL BUREAU OF INVESTIGATION

Date 8/21/71

At 7:00 a.m., ROSEMARY E. REILLY was furnished with a form entitled "Interrogation; Advice of Rights", which she signed and refused to sign. REILLY did state she would not release information concerning the letter sent at the Credit Craft Board without first consulting with an attorney. She did furnish the following descriptive data:

Name	ROSEMARY ELIZABETH REILLY
Date of birth	June 3, 1949
Place of birth	Long Island, New York
Height	5' 7" tall
Weight	145 pounds
Build	Medium to heavy
Hair	Dark brown
Eyes	Blue
Scars and marks	Pock marks on both sides of face
Residence	210 West 107th Street, New York, N. Y.
Occupation	None claimed
Parents	Not willing to furnish this information
Brothers & sisters	Not willing to furnish this information
Spouse	None claimed
Children	None claimed
Previous arrests	None claimed
Driver's license	None claimed
Social Security #	382-38-0046
Local address	Stays locally with MIKE GIOCONDO, Cooper Street, Cenbn, N. J.
Education	1967-68, Newton College of the Sacred Heart, Newton, Mass. 1968-69, Maryville College of the Sacred Heart, St. Louis, Mo. 1969-70, Marymount College, Manhattan, New York

On 8/22/71 at CAMDEN, NEW JERSEY File #PHILADELPHIA 102-7165 Sub

by SAs THOMAS E. TIGHE and
WILLIAM J. MC MULLEN PWT/FB Date dictated 8/23/71

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SECTION 107. [INTERNAL]SECURITY INFORMANTS AND CONFIDENTIAL SOURCES; 107W
[AND FOREIGN COUNTERINTELLIGENCE ASSETS]

PART II

~~SECRET - NO FOREIGN DISSEMINATION~~

[[W. FOREIGN COUNTERINTELLIGENCE (FCI) ASSETS

This subsection deals with the development and operation of human assets, a field referred to as Human Intelligence or HUMINT. FCI assets are to be handled exclusively under this subsection, except for the administrative instructions pertaining to informant indices, and monthly statistical letters, set out in Part I; such exceptions are noted herein.

1. Definitions

FCI assets fall into two categories: informative assets and operational assets.

a. Informative assets (IA)

Individuals in position to furnish continuing information relative to the location, overt activities, and personalities of the targets of FBI investigations, e.g., doorman, garage attendant, neighbor, tradesman, rental agent, building superintendent, fellow employee, social contact, business contact, banker, ethnic community source, etc.; or individuals who have left or openly defected from a foreign country and can furnish information of intelligence value. An IA is not actively involved in an intelligence operation as such; should he become so involved he then could become an OA.

b. Operational assets (OA)

Individual actively involved in intelligence operations.

This category includes but is not limited to the following individuals:

Defector-in-place: A foreign official who overtly continues to work for his government and covertly provides information to us of intelligence value. A defector-in-place will in most instances be connected with a foreign government's intelligence service;

Double agent: An OA who is cooperating with a foreign intelligence service on our behalf and under our control;

Asset under development: Individuals selected for their apparent attractiveness to foreign intelligence services whom we attempt to put in contact with such services for operational exploitation, sometimes known as a "dangle operation"; or individuals already in contact with a foreign intelligence service who have an immediate potential for development into double agents.

Adoption of the generic term OA does not preclude use of the specific terms, e.g., double agent, where applicable, in official communications.

2. Objectives of OA

a. Penetration

Penetration of legal and illegal networks, identification of intelligence personnel and targets; collection of information regarding methods of operations; collection of positive intelligence.

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[AND FOREIGN COUNTERINTELLIGENCE ASSISTANCE]~~"SECRET - NO FOREIGN DISSEMINATION"~~

- b. Control
 - of information foreign intelligence services obtain;
 - of recruitment, by creating Bureau-controlled OAs;
 - of foreign operations, by keeping foreign intelligence services occupied handling our OAs.
 - c. Collection of evidence for prosecution
 - d. Deception (Disinformation)

Passing inaccurate or accurate information designed to cause foreign intelligence services to draw conclusions or initiate action to their disadvantage and/or to U. S. advantage.
 - e. Neutralization: to provide basis for persona non grata (PNG) action, exclusion, arrest or other disruptive action.
 - f. Collection by OA of personality characteristics data on foreign officials for purpose of defection analysis.
3. Individuals to be considered as OAs
- a. Foreign officials in a position to furnish information of intelligence value. An intelligence officer (IO) is, of course, the most valuable OA. An official who is not an IO, while of lesser value, is still a highly desirable OA because of the positive intelligence and information on the personalities and activities of other officials that he can provide.
 - b. Agents of foreign intelligence services. When these individuals are identified, and the prospect and value of recruiting them outweighs any prosecutive potential, they should be seriously considered for development as OAs.
 - c. Contacts of foreign officials. When contacts of foreign officials are identified as being of interest to a foreign intelligence service, we should attempt to enlist their cooperation and direct them against that intelligence service.
 - d. Individuals who are particularly attractive to a foreign intelligence service. Our objective is to determine the specific interests of foreign intelligence services or individual IOs, and to then recruit asset(s) who would appear to that service or IO to satisfy their needs. Such assets must have potential for operation within a reasonably expected period of time.
 - e. Former assets who currently offer potential for exploitation.
4. Restrictions
- FBIHQ authority is required prior to conducting detailed background investigation of any of the following individuals as an FCI asset, whether IA or OA. Of course, some investigation must initially be conducted, without disclosing our interest, to sufficiently identify the individual and generally assess his potential, so that FBIHQ can conduct a meaningful indices search and make an intelligent evaluation of the risks versus value involved.
- a. Individual under 21 years of age
 - b. Official or employee of the United Nations or other public international organizations of a governmental or quasi-governmental nature
 - c. Official or employee of foreign diplomatic establishment or government

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- d. Faculty member of an institution of learning
- e. Labor leader
- f. Federal, state, or local government official
- g. News media employee
- h. Prominent entertainment figure
- i. Prominent religious figure
- j. Member of the U. S. Military
- k. U. S. Government employee

After FBIHQ authority to conduct detailed background investigation has been received, and investigation completed, FBIHQ authority is also required to conduct initial interview of the above individuals, whether IA or OA.

5. Development of U. S. Military or other U. S. Government Personnel
 Whenever it becomes desirable to develop a member of the U. S. Military or an employee of another Government agency as an FCI asset, FBIHQ notifies the respective military service or agency of our interest. To facilitate this notification the office desiring to develop such an individual should submit to FBIHQ 5 copies of an LHM setting out:
 - a. Proposed asset's name, rank or position, and current place of assignment.
 - b. Area of FBI interest in the asset, in general, and the foreign intelligence service, and official, if known, against which it is anticipated asset will be directed.
 - c. Extent of anticipated coverage to be provided by the asset, i.e., describe the services he will provide.
 - d. The last paragraph of this LHM should read:
 "It is requested that no further dissemination of the foregoing be made without prior reference to FBI Headquarters. If you agree with our contemplated use of the above individual, please return a copy of this memorandum with your acknowledgement."
 - e. Members of the military: estimated time period within which you wish to utilize the asset; desirability that the asset remain in his current area of assignment for a specified period of time. Upon receipt of clearance from the military, FBIHQ will select code name for future use in identifying the asset. This code name will be furnished to military intelligence component at headquarters level and to FBI field divisions. Every 6 months thereafter, as long as the FBI has continuing operational interest in the asset, an LHM captioned with code name should be transmitted to FBIHQ, by routing slip captioned with informant's symbol number. The LHM is to contain a statement that the asset continues to be of operational use to the FBI, and a statement detailing any difficulties encountered in control or direction of the asset or a statement that no such difficulties exist.

NOTE: Generally, the U. S. Armed Forces may not be utilized to enforce the civilian criminal law; however, they may be utilized for foreign counterintelligence purposes. In foreign counterintelligence investigations in which there is a possibility of criminal prosecution, use of military personnel as assets might jeopardize successful prosecution, and all such cases must be discussed in detail with FBIHQ prior to utilization of such military assets.

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6. Development of personnel of foreign diplomatic establishment or international organization

Whenever it becomes desirable to develop an official or employee of a foreign diplomatic establishment or government, or of a public international organization of a governmental or quasi-governmental nature, who is not a national of a hostile country, e.g., Canadian, Argentinian, or U. S. United Nations Secretariat (UNSEC) employee to target against Soviet-bloc UNSEC employee, FBIHQ asks for authorization from State Department to conduct background investigation. FBIHQ must inform State Department of the proposed asset's name, rank or position, nationality, current place of assignment, and, generally, the type of use we intend to make of the asset. After authorization has been received and background investigation completed, if individual offers asset potential, submit results of background investigation in LHM and in cover communication request authority to interview. FBIHQ will then request authorization from State Department to interview.

7. Development

The development of assets depends on the individual circumstances of each situation. No rigid procedural steps or contact schedules can be imposed which will uniformly apply to all cases; however, the development should proceed with the objective of obtaining valuable results as quickly as feasible, consistent with maintaining the asset's security, credibility, and confidence, and with developing the asset's potential to its fullest.

8. Opening of asset files

Open a 134 file for all individuals at the time they are first considered for development as assets. This file should consist of two parts: a main file which will contain all identifying data, results of background investigation, personal status data, and administrative data; and a subfile which will contain at least one copy of all information provided by asset. The asset is not to be identified, beyond his symbol number, in subfile.

Maintain files of all active assets as pending. Utilize FD-238 as unserialized top document in main file.

Assignment and tickler cards must not reflect name of asset; use symbol and/or file number.

9. Maintenance of FCI asset files and indices

Maintain all FCI asset files, pending and closed, under lock and key under personal supervision of SAC, ASAC, or employee designated by SAC.

Files of FCI assets will be included in calculation of delinquencies in monthly administrative report.

FCI asset indices will be maintained according to the administrative instructions set out under section 107 J, part I, of this manual.

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10. Symbol numbers

Assign a symbol number to all individuals when first considered for development as asset. The symbol number is to consist of two-letter prefix identifying the office, a numerical sequence number (which will never be reassigned to another asset or informant), and suffix which describes the type of asset, e.g., NY 1001-OA (or IA). The numerical sequence is to be the same as that used for all other informants, e.g., potential security informant, security informant, criminal informant, etc. The suffix may change if the nature of the information provided changes, e.g., from IA to OA. Submit identity of asset and symbol number assigned to FBIHQ via coded "Nitel"; this is the only communication ever in which both asset's true name and symbol number are to appear together. Assets must not be informed of their symbol numbers.

11. Captions

In administrative communications dealing solely with asset, indicate in caption the character and the country concerning which the asset is reporting, e.g., NY 1001-OA, IS-R (Russia).

12. Background inquiries and interviews

a. Informative asset

Based on the type of information the IA can provide, the nature and extent of contact with him, and the IA's relationship with the target:

- (1) Conduct sufficient background investigation to satisfy the SAC as to the IA's stability, suitability, reliability, and potential. For example, a more detailed background investigation is required for a social or business contact than for a doorman or building superintendent. A minimal background investigation should include appropriate police and field offices' indices checks.
- (2) Request search of FBIHQ indices.
- (3) Check NCIC.
- (4) Submit FD-165 for search of FBIHQ identification records; make no reference to individual as IA on FD-165. Also utilize FD-165 to place stop.
- (5) Outside of the restrictions set out in 4. above, interview IA prospect on SAC authority.

b. Operational asset

When an individual appears to have OA potential conduct the following background investigation commensurate with OA's security:

- (1) Obtain pertinent data on OA's personal history (date and place of birth, nationality and citizenship, social security number or other identifying numbers, family status, names of immediate family, past and present residences, employments, etc.), and other data such as physical description, patriotism, health, reliability, stability, integrity, reputation, and business connections.
- (2) Check appropriate police and field offices' indices.
- (3) Request search of FBIHQ indices.
- (4) Check NCIC.

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- (5) Submit FD-165 for search of FBIHQ identification records; make no reference to individual as OA on FD-165; and also utilize FD-165 to place stop.
 - (6) If applicable, check armed services records, both at Military Personnel Records Center, St. Louis, Missouri, and at Defense Central Index of Investigations, Ft. Holabird, Maryland.
 - (7) Canvass logical sources, commensurate with OA's security.
 - (8) Upon completion of above investigation submit results to FBIHQ via coded teletype, preferably "Nitel," and interview UACB.
 - c. All leads to auxiliary offices must be sent and replied to, via coded teletype, preferably "Nitel," under caption utilizing asset's true name, followed by "IS-(country)." Do not set out asset's symbol number. Do not send copies of such leads of IAs to FBIHQ. Leads must be covered within 45 days; office of origin notify auxiliary offices of this time limit when setting out leads.
13. Authority to operate assets
 IAs are approved and operated on SAC authority. Inform FBIHQ via coded "Nitel" when SAC approval given, and type of information IA can provide. OAs are approved and operated on FBIHQ authority. After interview of OA submit results of interview via coded "Nitel" requesting FBIHQ approval to operate. Detail OA's potential and your contemplated use of OA.
- In exceptional cases, when the results of the interview and details of the OA's potential and contemplated use are voluminous, the practicality of "Nitel" and the relative security of the mails should be balanced against the sensitivity of the information and the security of the asset. Where the former factors prevail, submit summary by "Nitel" and full results and details by letter or airtel.
14. Contact with assets
 Contact should be maintained commensurate with maximum productivity, security, and development of asset's further potential. If an asset has not been contacted for a period of 45 days, a memorandum to the SAC must be directed to the asset's main file stating the reason(s) why no contact was made.
15. Do not disclose to asset any information not essential to his operation.
 Confidentiality of relationship
 Emphasize to all assets that the effectiveness of the FBI's investigation, and in some instances his own personal security, depend on both sides maintaining the confidentiality of the relationship. If the asset feels he must disclose this relationship to another, e.g., wife, parent, employer, etc., or circumstances develop in which asset requests FBI to disclose the relationship to another, e.g., to an employer threatening dismissal of asset because of his affiliation with certain individuals or groups, notify FBIHQ with recommendation to disclose relationship and continue under these conditions or to terminate relationship with or without disclosing relationship, and reasons for recommendation.

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16. Reliability of assets

Reliability of all assets must be constantly checked. If any doubt exists concerning asset, give consideration to use of various investigative techniques to insure asset is completely reliable and is furnishing accurate information.

17. Assignment of pseudonyms

In sensitive cases, where necessary; if asset will sign reports or receipts; or if asset is an OA receiving operational funds from a foreign intelligence service or payment from the U. S. which requires bookkeeping records, assign pseudonym for these purposes.

18. Recording of information received from asset

When recording information from any asset in a communication prepared for dissemination, characterize the asset either as one "with whom contact has been insufficient to determine reliability," or as one "who has furnished reliable information in the past."

a. Oral information

(1) Information pertaining to asset's personal status is recorded in 134 main file, e.g., marital difficulties, change of employment, change of residence.

(2) Information pertaining to operational administrative matters is recorded in asset's 134 subfile. When this data, e.g., location of meet sites, times of meets, any data which tends to identify asset, is furnished to FBIHQ, it should not be included in communications prepared for dissemination, but in cover pages. When the asset is a member of the military, submit, in addition to the communication for dissemination described immediately above, a communication for dissemination containing all operational administrative details for the information of the asset's service.

(3) Information of intelligence value should be submitted to FBIHQ via appropriate communication, and, if of interest to other U. S. agencies or friendly foreign services, should be submitted to FBIHQ in form suitable for dissemination.

(4) Execute and maintain form FD-209 in asset's main file concerning contacts with asset. If contacts produced information of intelligence value, record only date of contacts; if negative, record as such.

b. Written information

(1) Written information prepared by asset, or by FBI SA for signature of asset, pertaining to operational activities (not a written report passed by asset to his principal) must be dated at the top of page one and signed at the bottom of each numbered page by the asset using his pseudonym. This material may be maintained as an attachment to a serialized memorandum in the asset's subfile (punched holes are allowed), or in a 1a section of the asset's 134 subfile.

(2) Information received in this manner should be devoid of FBI identification, block or time stamps, serialization number or other administrative markings.

(3) Only the original need be maintained; asset must not keep a copy.

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- (4) Any corrections, changes, erasures, additions, or deletions on original must be identified by asset using his pseudonym initials beside it.
 - (5) Handling FBI SA must not make any changes on the original or permit his name to be recorded therein.
 - (6) Written information pertaining to operational activities should not include administrative matters pertaining to asset's personal status.
 - (7) Handle recording of written information and contact with asset in same manner as detailed under recording of oral information.
19. Channelization of information of intelligence value received from the asset
 Important factor in channelizing information of intelligence value received from the asset to substantive case files is the security of the asset.
 Limit information in communication sent to substantive file to only that necessary for that case; i.e., do not send one comprehensive communication to several substantive files if to do so might compromise source or other individual. (Be aware that some of our documents are being made available in response to subpoenas, and the court is sometimes not allowing excision of material not pertinent to case in question. Consequently, other individuals or operations can be "blown" by revealing one such comprehensive memo.)
 a. Extract information of value received from asset and channelize to substantive case files either inter- or intra-office by separate communications under substantive case captions.
 b. A copy of all channelizing communications must be maintained in an asset's subfile.
20. Passage of documents, written report or oral information, to hostile foreign intelligence
 Type of information to be passed depends on circumstances of particular operation, interests of involved foreign intelligence service, the credible access of the OA and the time element involved.
 Great care should be given to the selection of information to be passed to insure the operation accrues to the overall benefit of the U. S.
 a. Authority for passage
 FBIHQ authority required for passage of all classified information and unclassified information prepared for limited use by concerned Federal and local governments, not intended for public consumption.
 Above FBIHQ authority applies to passage of documents, written reports, and oral information.
 SAC authority required for passage of material prepared by commercial concerns, Federal, and local governments for public distribution. Examples are: newspaper and magazine articles, pamphlets and brochures, photographs, background information on companies and organizations. If there is any doubt that material selected to be passed is not in the best interest of the U. S., submit material to FBIHQ for clearance; e.g., see Example (1) following.

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- b. Clearance requirements for information to be passed under FBIHQ authority

Submit original and 9 copies of LHM to FBIHQ bearing appropriate classification via cover communication with appropriate caption. Leave LHM uncaptioned; FBIHQ will insert code name caption.

The first paragraph of the LHM should read: "It is requested that clearance be granted for passage in this operation of the following items to a representative of (name of foreign intelligence service)."

If the information to be passed is a document, set forth an adequate description of it in the LHM.

Examples:

- (1) Article entitled "Moon Rockets," prepared by physicist John Doe, January, 1972, issue of "_____, publication of American Rocket Society.
- (2) Air Force Training Manual captioned "_____, dated July, 1972, classified "Secret."

In addition, also submit to FBIHQ, if possible, a true copy of document for review which will be returned after clearance by FBIHQ is obtained.

If the information to be passed is a written report prepared by OA, set forth report verbatim in the LHM.

If the information to be passed is oral, set forth oral information verbatim in the LHM.

If more than one item of information in any form is to be passed, number each item in the LHM.

The last paragraph of the LHM should contain the sentence: "The above data should not be further disseminated."

Upon receipt of LHM, FBIHQ will submit to appropriate authorities and request clearance. Reply will be promptly furnished to field.

- c. Notification to FBIHQ of passage of document, written report, or oral information which required clearance

After passage, submit original and 9 copies of uncaptioned LHM bearing appropriate classification via cover communication with appropriate caption. FBIHQ will insert code name caption. In LHM refer to LHM which requested clearance. LHM should merely state, "On (date) our source transmitted the information detailed in referenced memorandum to (name of foreign intelligence service)."

If referenced memorandum detailed more than one item, do not list the items unless one or more was not passed. In such an instance list only those items that were passed.

The last paragraph of the LHM should contain the following sentence, "The above data should not be further disseminated."

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- d. Administrative handling of documents, written reports, and oral information selected for passage

(1) Documents and written reports

Field offices should retain a copy of document or written report passed which would be identified by OA as a true copy of item passed by him. No other marks, identifying data, staple or punch holes should be placed on field office copy.

When submitting document or written report to FBIHQ, identify it, in cover communication, as the actual item which will be passed or a copy.

To insure that the actual document to be passed is not contaminated by fingerprints of FBI personnel, maintain in plastic envelope when being handled in field office or when submitted to FBIHQ.

Documents obtained by FBIHQ or other field offices from commercial concerns or other government agencies which will be passed will be handled in similar fashion.

If copy of document is maintained on permanent basis by preparing concern or agency and available at a later date, no need exists to submit copy to FBIHQ or to maintain in field office file. If copy not maintained on permanent basis, a copy should be retained in field office file.

(2) Oral information

Oral information passed must be recorded in a signed statement or FD-302.

Purpose for preserving documents and written reports is for evidence in event of prosecution, persona non grata action, expulsion, etc.

21. Oral information received from debriefing asset

Oral information received upon debriefing an asset (i.e., not necessarily pertaining to information passed) must be recorded in a signed statement or FD-302.

22. Coverage of OA meets with foreign intelligence officer, co-opted worker, or agent.

Coverage of these meets is required except when prohibited by security or other overriding factors.

a. To cross-check the OA. We must be as certain as possible that the OA is reporting details of his meets accurately.

b. To verify identification of principal or agent and to gather information about modus operandi.

c. Consider use of photography and other technological surveillance techniques to provide data for improving future CI operations or improving chances for success of official actions, e.g., prosecution, persona non grata action.

Be aware that these meets are often covered by the principal's intelligence service using photography, radio intercepts, and possible electronic surveillance.

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23. Disinformation

The passage of deceptive information by an OA is a complex operation which requires detailed planning and coordination between field office and FBIHQ. This technique should be employed only in OA operations in which the foreign intelligence service has apparently accepted the bona fides of the OA, when the benefit will clearly outweigh the risk to the overall OA operation.

24. OA cover story

Be aware that a foreign intelligence principal may interrogate an OA in great detail as to how he secured his information, his family situation, his modus operandi, motivation, etc. Handling FBI SA must adequately prepare an OA for this probability. The most credible cover story is the one which involves the least fabrication.

Unless security or other considerations dictate otherwise, the OA should personally obtain the information he passes.

25. Receipt of money or property by OA

Impress upon each OA that money or property received from a foreign intelligence principal or agent must be turned over to the FBI since retention of this money would put the OA in technical violation of Federal statutes, and this money may be used as evidence or exhibit. Compensation to the OA from the FBI for his cooperation is to be handled separately. Nominal or personal gifts, necessary for the OA's security and to maintain his relationship with the principal, may be given back to the OA by his handling FBI SA, following FBIHQ approval. Consider the desirability and feasibility of obtaining a signed statement from each OA reflecting his understanding of this requirement. The obtaining of such a statement is not mandatory, but desirable.

Department attorneys have advised that, while it is not necessary to preserve that actual currency received by an OA, it is highly desirable to do so in cases in which prosecution could ensue. Whether or not the actual currency is retained, obtain a written statement from the OA describing the currency received by [type of note and issuing Federal Reserve Bank,] denomination, series number, and serial number; and also make an independent record of such currency.

The above instructions are not to be interpreted to require the impounding of funds paid to an OA by a foreign government or foreign intelligence service for goods or services rendered by the OA in legitimate, business transactions.

26. Payments to FCI assets - either OA or IA

a. When deemed necessary and expedient, each SAC is authorized to expend up to \$400 to develop FCI assets. This money may be used to pay for services and/or expenses. This authority is renewable by FBIHQ if the initial \$400 has been expended. Blue slip re-claiming payments from FBIHQ need not summarize information obtained since proliferation of this information could possibly jeopardize asset's security.

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AND FOREIGN COUNTERINTELLIGENCE ASSETS]~~"SECRET - NO FOREIGN DISSEMINATION"~~

b. FBIHQ authority

- (1) If FCI asset is of such continuing value to justify regular payments, such payments must be approved by FBIHQ.
- (2) When initially requesting regular payment, submit evaluation via coded "Nitel" in the following order:
 - (a) Amount paid to date, broken down into expenses and services
 - (b) Number of contacts with handling FBI SA since last evaluation
 - (c) Evaluation of stability and reliability
 - (d) Concise summary of most valuable information furnished since last evaluation
 - (e) Miscellaneous - changes in personal status, residence, employment, personal problems, etc., since last evaluation
 - (f) SAC recommendations for authority to pay asset for next six-month period; specify amount to be authorized for services and amount for expenses
- (3) Continuation request should be made two weeks in advance of expiration of authority.
- (4) Submit an interim request for increase in regular payments authorized via coded "Nitel," with full justification.

c. Receipts

When payments are made either on SAC authority or FBIHQ authority, obtain receipts whenever possible. If receipt cannot be obtained, set forth circumstances on blue slip at time reimbursement is claimed.

- (1) Receipts should be self-sufficient so that, if it becomes necessary to introduce receipts in evidence, they will not relate to other documents or files.
- (2) Receipts should show:
 - (a) Date when payment was made
 - (b) Period for which made when asset is paid on period basis
 - (c) Total amount paid broken down into separate amounts for services and expenses
 - (d) Name of FBI SA making payment
 - (e) Signature of asset receiving money using pseudonym assigned
- (3) Receipts are not to be witnessed.
- (4) If necessary to make corrections on receipts, they must be initialed by asset and not by FBI SA.
- (5) When transmitting receipts and itemized statements of expenses to FBIHQ, staple them directly to blue slip so that all information on receipt can be read without detaching it from blue slip.

27. Evaluation of FCI assets

a. OA

Whether OA is paid (under either FBIHQ or SAC authority) or unpaid, submit coded "Nitel" every six months evaluating OA according to the format of 26. b. (2). If the OA has been paid during the preceding six-month period, merely set out the amount paid during that period (under 26. b. (2) (a)).

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27. Evaluation of FCI assets

a. OA

Whether OA is paid (under either FBIHQ or SAC authority) or unpaid, submit coded "Nitel" every six months evaluating OA according to the format of 26. b. (2). [If the OA is unpaid, submit six-month evaluation and request for continued utilization, if appropriate, on UACB basis.] If the OA has been paid during the preceding six-month period, merely set out the amount paid during that period (under 26. b. (2) (a)).

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- b. IA
 - (1) Paid on FBIHQ authority
Submit evaluation as instructed for OA above
 - (2) Paid on SAC authority or unpaid
Every six months submit memorandum to SAC evaluating IA according to the format of 26. b. (2).
- c. Assets who are members of the military, whether IA or OA
See 5. e.
- 28. Income tax returns
 - a. Inform assets who receive compensation for their services to FBI that such compensation must be reported as income when filing an income tax return.
 - b. FBI income should be set forth on Federal income tax return, form 1040, as income received from other sources for personal services rendered through a private enterprise or similar general term applicable to asset's position and station in life.
 - c. If asset is self-employed and files Schedule C as self-employed individual, it may be possible to include his FBI income with his self-employed income from other sources without revealing connection with FBI.
 - d. If asset cannot report payments received from FBI for services without jeopardizing his security, such payments will be subject to 20 percent withholding tax. There are three categories in which taxes will not be withheld from payments to FCI assets:
 - (1) For reimbursement of expenses
 - (2) Under SAC authority
 - (3) To assets who have been able to report FBI income on their Federal tax returns without jeopardizing their security or without challenge from Internal Revenue Service. Each office has detailed instructions and exhibits concerning procedure to be followed in handling and control of money withheld.
 - e. When asset or former asset is considered as potential witness in FBI case, determine whether he paid Federal and state taxes on income he received from FBI for his services. If such taxes have not been paid, obtain all pertinent details and submit recommendations to FBIHQ for handling situation.
- 29. Receipt of unemployment compensation
State law may require all applicants for unemployment compensation to list all sources of income. Payment of out-of-pocket expenses need not be listed as income when applying for unemployment compensation; however, payment for services must be listed. FBIHQ should be consulted in each case where this situation arises.
- 30. Monthly and quarterly letters
For these administrative details, see section 107, part I, M, of this manual.

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31. Corrective action on false information
 - a. When it is determined that current asset or former asset has furnished false information, promptly inform FBIHQ of complete facts.
 - b. Set forth your suggestion relative to wording to be used in describing asset in future, such as "source of known unreliability" or "source who has furnished both reliable and unreliable information in the past."
 - c. FBIHQ will advise which designation to use; the field office will then proceed with review of all data furnished by asset and label information from him accordingly.
 - d. All communications containing information from asset which have been sent to FBIHQ, FBI field offices, and to outside agencies must be corrected. Corrective action should be taken by letter. Identify cases individually by title and character, together with dates of communications containing information from asset. Corrective letters should refer to specific report, page number, and change to be made. Amended pages should not be prepared unless you are so instructed by FBIHQ in accordance with instructions of part II, section 4, Manual of Rules and Regulations.
 - e. Instruct each field office which has made further dissemination of asset's information to follow instructions set forth above.
 - f. Set up control file regarding this corrective action and upon completion of same submit to FBIHQ final letter under asset's caption identifying each case by title, character, FBIHQ file number if known, and date of communication. This letter will be used to check all pertinent FBIHQ files to see that necessary corrective action has been taken.
 - g. If necessary, other field offices which have received information from asset should also be requested to submit summary letters showing what corrections have been made.
 - h. Occasionally, former asset through his speech, writings, or actions raises a doubt as to his reliability subsequent to time he was asset. It is not necessary to go back and change evaluation of information attributed to that former asset in absence of definite indication that he furnished unreliable information while he was asset.
 - i. Dissemination of information from assets of questionable reliability and known unreliability should be made in accordance with part II, section 5, Manual of Rules and Regulations.
32. Discontinuance of assets
Advise FBIHQ under asset's symbol number caption when services of asset are discontinued.

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33. Discontinued assets
 - a. When services of asset are discontinued, mark name card "canceled." Destroy symbol card. Never destroy name card.
 - b. Refile name card in numerical order by symbol number in symbol number index. When discontinued asset is later reactivated, remove name card from symbol number index, mark it reactivated with appropriate date, note type of information he will now be furnishing, and refile it alphabetically in name card section of FCI asset index.
 - c. Inform FBIHQ of date when asset is discontinued and reason therefor, and whether or not asset is willing to testify in open court or before administrative hearing boards. Inform FBIHQ according to instructions in volume II, section 19, of this manual of identity of all Security of Government Employees cases in which asset has furnished information.
 - d. If the discontinued asset is a member of the U. S. Military or another U. S. Government employee, submit LHM to FBIHQ merely stating the fact of discontinuance. FBIHQ will use LHM to notify asset's headquarters.
 - e. Once asset is exposed in any manner, do not carry him as a concealed source in reports or memoranda. His true name is to be set forth.
 - f. If a former asset furnishes information to an office other than the office which originally handled him, the new office should notify the old office of its intended use of the asset and request pertinent background information.
 - g. Remove flash notice on OA's (i.e., the stop placed via FD-165 when conducting original background inquiries on OA) one year after discontinuance.
34. Classification - 134

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b. FBIHQ authority

- (1) If PCI asset is of such continuing value to justify regular payments, such payments must be approved by FBIHQ.
- (2) When initially requesting regular payment, submit evaluation via coded "Nitel" in the following order:
 - (a) Amount paid to date, broken down into expenses and services
 - (b) Number of contacts with handling FBI SA since last evaluation
 - (c) Evaluation of stability and reliability
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27. Evaluation of PCI assets

a. OA

Whether OA is paid (under either FBIHQ or SAC authority) or unpaid, submit coded "Nitel" every six months evaluating OA according to the format of 26. b. (2). [If the OA is unpaid, submit six-month evaluation and request for continued utilization, if appropriate, on UACB basis.] If the OA has been paid during the preceding six-month period, merely set out the amount paid during that period (under 26. b. (2) (a)).

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PART II

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[[W. FOREIGN COUNTERINTELLIGENCE (FCI) ASSETS

This subsection deals with the development and operation of human assets, a field referred to as Human Intelligence or HUMINT. FCI assets are to be handled exclusively under this subsection, except for the administrative instructions pertaining to informant indices, and monthly statistical letters, set out in Part I; such exceptions are noted herein.

1. Definitions

FCI assets fall into two categories: informative assets and operational assets.

a. Informative assets (IA)

Individuals in position to furnish continuing information relative to the location, overt activities, and personalities of the targets of FBI investigations, e.g., doorman, garage attendant, neighbor, tradesman, rental agent, building superintendent, fellow employee, social contact, business contact, banker, ethnic community source, etc.; or individuals who have left or openly defected from a foreign country and can furnish information of intelligence value. An IA is not actively involved in an intelligence operation as such; should he become so involved he then could become an OA.

b. Operational assets (OA)

Individual actively involved in intelligence operations.

This category includes but is not limited to the following individuals:

Defector-in-place: A foreign official who overtly continues to work for his government and covertly provides information to us of intelligence value. A defector-in-place will in most instances be connected with a foreign government's intelligence service;

Double agent: An OA who is cooperating with a foreign intelligence service on our behalf and under our control;

Asset under development: Individuals selected for their apparent attractiveness to foreign intelligence services whom we attempt to put in contact with such services for operational exploitation, sometimes known as a "dangle operation"; or individuals already in contact with a foreign intelligence service who have an immediate potential for development into double agents.

Adoption of the generic term OA does not preclude use of the specific terms, e.g., double agent, where applicable, in official communications.

2. Objectives of OA

a. Penetration

Penetration of legal and illegal networks, identification of intelligence personnel and targets; collection of information regarding methods of operations; collection of positive intelligence.

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- b. Control
 - of information foreign intelligence services obtain;
 - of recruitment, by creating Bureau-controlled OAs;
 - of foreign operations, by keeping foreign intelligence services occupied handling our OAs.
- c. Collection of evidence for prosecution
- d. Deception (Disinformation)

Passing inaccurate or accurate information designed to cause foreign intelligence services to draw conclusions or initiate action to their disadvantage and/or to U. S. advantage.
- e. Neutralization: to provide basis for persona non grata (PNG) action, exclusion, arrest or other disruptive action.
- f. Collection by OA of personality characteristics data on foreign officials for purpose of deflection analysis.
- 3. Individuals to be considered as OAs
 - a. Foreign officials in a position to furnish information of intelligence value. An intelligence officer (IO) is, of course, the most valuable OA. An official who is not an IO, while of lesser value, is still a highly desirable OA because of the positive intelligence and information on the personalities and activities of other officials that he can provide.
 - b. Agents of foreign intelligence services. When these individuals are identified, and the prospect and value of recruiting them outweighs any prosecutive potential, they should be seriously considered for development as OAs.
 - c. Contacts of foreign officials. When contacts of foreign officials are identified as being of interest to a foreign intelligence service, we should attempt to enlist their cooperation and direct them against that intelligence service.
 - d. Individuals who are particularly attractive to a foreign intelligence service. Our objective is to determine the specific interests of foreign intelligence services or individual IOs, and to then recruit asset(s) who would appear to that service or IO to satisfy their needs. Such assets must have potential for operation within a reasonably expected period of time.
 - e. Former assets who currently offer potential for exploitation.
- 4. Restrictions

FBIHQ authority is required prior to conducting detailed background investigation of any of the following individuals as an PCI asset, whether IA or OA. Of course, some investigation must initially be conducted, without disclosing our interest, to sufficiently identify the individual and generally assess his potential, so that FBIHQ can conduct a meaningful indices search and make an intelligent evaluation of the risks versus value involved.

 - a. Individual under 21 years of age
 - b. Official or employee of the United Nations or other public international organizations of a governmental or quasi-governmental nature
 - c. Official or employee of foreign diplomatic establishment or government

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- d. Faculty member of an institution of learning
- e. Labor leader
- f. Federal, state, or local government official
- g. News media employee
- h. Prominent entertainment figure
- i. Prominent religious figure
- j. Member of the U. S. Military
- k. U. S. Government employee

After FBIHQ authority to conduct detailed background investigation has been received, and investigation completed, FBIHQ authority is also required to conduct initial interview of the above individuals, whether IA or OA.

5. Development of U. S. Military or other U. S. Government Personnel
 Whenever it becomes desirable to develop a member of the U. S. Military or an employee of another Government agency as an PCI asset, FBIHQ notifies the respective military service or agency of our interest. To facilitate this notification the office desiring to develop such an individual should submit to FBIHQ 5 copies of an LHM setting out:
 - a. Proposed asset's name, rank or position, and current place of assignment.
 - b. Area of FBI interest in the asset, in general, and the foreign intelligence service, and official, if known, against which it is anticipated asset will be directed.
 - c. Extent of anticipated coverage to be provided by the asset, i.e., describe the services he will provide.
 - d. The last paragraph of this LHM should read:
 "It is requested that no further dissemination of the foregoing be made without prior reference to FBI Headquarters. If you agree with our contemplated use of the above individual, please return a copy of this memorandum with your acknowledgement."
 - e. Members of the military: estimated time period within which you wish to utilize the asset; desirability that the asset remain in his current area of assignment for a specified period of time. Upon receipt of clearance from the military, FBIHQ will select code name for future use in identifying the asset. This code name will be furnished to military intelligence component at headquarters level and to FBI field divisions. Every 6 months thereafter, as long as the FBI has continuing operational interest in the asset, an LHM captioned with code name should be transmitted to FBIHQ, by routing slip captioned with informant's symbol number. The LHM is to contain a statement that the asset continues to be of operational use to the FBI, and a statement detailing any difficulties encountered in control or direction of the asset or a statement that no such difficulties exist.

NOTE: Generally, the U. S. Armed Forces may not be utilized to enforce the civilian criminal law; however, they may be utilized for foreign counterintelligence purposes. In foreign counterintelligence investigations in which there is a possibility of criminal prosecution, use of military personnel as assets might jeopardize successful prosecution, and all such cases must be discussed in detail with FBIHQ prior to utilization of such military assets.

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6. Development of personnel of foreign diplomatic establishment or international organization
 Whenever it becomes desirable to develop an official or employee of a foreign diplomatic establishment or government, or of a public international organization of a governmental or quasi-governmental nature, who is not a national of a hostile country, e.g., Canadian, Argentinian, or U. S. United Nations Secretariat (UNSCB) employee to target against Soviet-bloc UNSC employee, FBIHQ asks for authorization from State Department to conduct background investigation. FBIHQ must inform State Department of the proposed asset's name, rank or position, nationality, current place of assignment, and, generally, the type of use we intend to make of the asset. After authorization has been received and background investigation completed, if individual offers asset potential, submit results of background investigation in LHM and in cover communication request authority to interview. FBIHQ will then request authorization from State Department to interview.
7. Development
 The development of assets depends on the individual circumstances of each situation. No rigid procedural steps or contact schedules can be imposed which will uniformly apply to all cases; however, the development should proceed with the objective of obtaining valuable results as quickly as feasible, consistent with maintaining the asset's security, credibility, and confidence, and with developing the asset's potential to its fullest.
8. Opening of asset files
 Open a 134 file for all individuals at the time they are first considered for development as assets. This file should consist of two parts: a main file which will contain all identifying data, results of background investigation, personal status data, and administrative data; and a subfile which will contain at least one copy of all information provided by asset. The asset is not to be identified, beyond his symbol number, in subfile.
- [] Maintain files of all active assets as pending. Utilize FD-238 as unserialized top document in main file.
 Assignment and tickler cards must not reflect name of asset; use symbol and/or file number.
9. Maintenance of FCI asset files and indices
 Maintain all FCI asset files, pending and closed, under lock and key under personal supervision of SAC, ASAC, or employee designated by SAC.
 Files of FCI assets will be included in calculation of delinquencies in monthly administrative report.
 FCI asset indices will be maintained according to the administrative instructions set out under section 107 J, part I, of this manual.

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10. Symbol numbers

Assign a symbol number to all individuals when first considered for development as asset. The symbol number is to consist of two-letter prefix identifying the office, a numerical sequence number (which will never be reassigned to another asset or informant), and suffix which describes the type of asset, e.g., NY 1001-OA (or IA). The numerical sequence is to be the same as that used for all other informants, e.g., potential security informant, security informant, criminal informant, etc. The suffix may change if the nature of the information provided changes, e.g., from IA to OA. Submit identity of asset and symbol number assigned to FBIHQ via coded "Nitel"; this is the only communication ever in which both asset's true name and symbol number are to appear together. Assets must not be informed of their symbol numbers.

11. Captions

In administrative communications dealing solely with asset, indicate in caption the character and the country concerning which the asset is reporting, e.g., NY 1001-OA, IS-R (Russia).

12. Background inquiries and interviews

a. Informative asset

Based on the type of information the IA can provide, the nature and extent of contact with him, and the IA's relationship with the target:

- (1) Conduct sufficient background investigation to satisfy the SAC as to the IA's stability, suitability, reliability, and potential. For example, a more detailed background investigation is required for a social or business contact than for a doorman or building superintendent. A minimal background investigation should include appropriate police and field offices' indices checks.
- (2) Request search of FBIHQ indices.
- (3) Check NCIC.
- (4) Submit FD-165 for search of FBIHQ identification records; make no reference to individual as IA on FD-165. Also utilize FD-165 to place stop.
- (5) Outside of the restrictions set out in 4. above, interview IA prospect on SAC authority.

b. Operational asset

When an individual appears to have OA potential conduct the following background investigation commensurate with OA's security:

- (1) Obtain pertinent data on OA's personal history (date and place of birth, nationality and citizenship, social security number or other identifying numbers, family status, names of immediate family, past and present residences, employments, etc.), and other data such as physical description, patriotism, health, reliability, stability, integrity, reputation, and business connections.
- (2) Check appropriate police and field offices' indices.
- (3) Request search of FBIHQ indices.
- (4) Check NCIC.

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- (5) Submit FD-165 for search of FBIHQ identification records; make no reference to individual as OA on FD-165; and also utilize FD-165 to place stop.
 - (6) If applicable, check armed services records, both at Military Personnel Records Center, St. Louis, Missouri, and at Defense Central Index of Investigations, Ft. Holabird, Maryland.
 - (7) Canvass logical sources, commensurate with OA's security.
 - (8) Upon completion of above investigation submit results to FBIHQ via coded teletype, preferably "Nitel," and interview UACB.
 - c. All leads to auxiliary offices must be sent and replied to, via coded teletype, preferably "Nitel," under caption utilizing asset's true name, followed by "IS-(country)." Do not set out asset's symbol number. Do not send copies of such leads of IAs to FBIHQ. Leads must be covered within 45 days; office of origin notify auxiliary offices of this time limit when setting out leads.
13. Authority to operate assets
 IAs are approved and operated on SAC authority. Inform FBIHQ via coded "Nitel" when SAC approval given, and type of information IA can provide. OAs are approved and operated on FBIHQ authority. After interview of OA submit results of interview via coded "Nitel" requesting FBIHQ approval to operate. Detail OA's potential and your contemplated use of OA.
- In exceptional cases, when the results of the interview and details of the OA's potential and contemplated use are voluminous, the practicality of "Nitel" and the relative security of the mails should be balanced against the sensitivity of the information and the security of the asset. Where the former factors prevail, submit summary by "Nitel" and full results and details by letter or airtel.
14. Contact with assets
 Contact should be maintained commensurate with maximum productivity, security, and development of asset's further potential. If an asset has not been contacted for a period of 45 days, a memorandum to the SAC must be directed to the asset's main file stating the reason(s) why no contact was made.
15. Do not disclose to asset any information not essential to his operation.
 Confidentiality of relationship
 Emphasize to all assets that the effectiveness of the FBI's investigation, and in some instances his own personal security, depend on both sides maintaining the confidentiality of the relationship. If the asset feels he must disclose this relationship to another, e.g., wife, parent, employer, etc., or circumstances develop in which asset requests FBI to disclose the relationship to another, e.g., to an employer threatening dismissal of asset because of his affiliation with certain individuals or groups, notify FBIHQ with recommendation to disclose relationship and continue under these conditions or to terminate relationship with or without disclosing relationship, and reasons for recommendation.

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16. Reliability of assets
Reliability of all assets must be constantly checked. If any doubt exists concerning asset, give consideration to use of various investigative techniques to insure asset is completely reliable and is furnishing accurate information.
17. Assignment of pseudonyms
In sensitive cases, where necessary; if asset will sign reports or receipts; or if asset is an OA receiving operational funds from a foreign intelligence service or payment from the U. S. which requires bookkeeping records, assign pseudonym for these purposes.
18. Recording of information received from asset
When recording information from any asset in a communication prepared for dissemination, characterize the asset either as one "with whom contact has been insufficient to determine reliability," or as one "who has furnished reliable information in the past."
 - a. Oral information
 - (1) Information pertaining to asset's personal status is recorded in 134 main file, e.g., marital difficulties, change of employment, change of residence.
 - (2) Information pertaining to operational administrative matters is recorded in asset's 134 subfile. When this data, e.g., location of meet sites, times of meets, any data which tends to identify asset, is furnished to FBIHQ, it should not be included in communications prepared for dissemination, but in cover pages. When the asset is a member of the military, submit, in addition to the communication for dissemination described immediately above, a communication for dissemination containing all operational administrative details for the information of the asset's service.
 - (3) Information of intelligence value should be submitted to FBIHQ via appropriate communication, and, if of interest to other U. S. agencies or friendly foreign services, should be submitted to FBIHQ in form suitable for dissemination.
 - (4) Execute and maintain form FD-209 in asset's main file concerning contacts with asset. If contacts produced information of intelligence value, record only date of contacts; if negative, record as such.
 - b. Written information
 - (1) Written information prepared by asset, or by FBI SA for signature of asset, pertaining to operational activities (not a written report passed by asset to his principal) must be dated at the top of page one and signed at the bottom of each numbered page by the asset using his pseudonym. This material may be maintained as an attachment to a serialized memorandum in the asset's subfile (punched holes are allowed), or in a 1a section of the asset's 134 subfile.
 - (2) Information received in this manner should be devoid of FBI identification, block or time stamps, serialization number or other administrative markings.
 - (3) Only the original need be maintained; asset must not keep a copy.

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- (4) Any corrections, changes, erasures, additions, or deletions on original must be identified by asset using his pseudonym initials beside it.
 - (5) Handling FBI SA must not make any changes on the original or permit his name to be recorded therein.
 - (6) Written information pertaining to operational activities should not include administrative matters pertaining to asset's personal status.
 - (7) Handle recording of written information and contact with asset in same manner as detailed under recording of oral information.
19. Channelization of information of intelligence value received from the asset

Important factor in channelizing information of intelligence value received from the asset to substantive case files is the security of the asset.

Limit information in communication sent to substantive file to only that necessary for that case; i.e., do not send one comprehensive communication to several substantive files if to do so might compromise source or other individual. (Be aware that some of our documents are being made available in response to subpoenas, and the court is sometimes not allowing excision of material not pertinent to case in question. Consequently, other individuals or operations can be "blown" by revealing one such comprehensive memo.)

- a. Extract information of value received from asset and channelize to substantive case files either inter- or intra-office by separate communications under substantive case captions.
- b. A copy of all channelizing communications must be maintained in an asset's subfile.

20. Passage of documents, written report or oral information, to hostile foreign intelligence

Type of information to be passed depends on circumstances of particular operation, interests of involved foreign intelligence service, the credible access of the OA and the time element involved.

Great care should be given to the selection of information to be passed to insure the operation accrues to the overall benefit of the U. S.

- a. Authority for passage

FBIHQ authority required for passage of all classified information and unclassified information prepared for limited use by concerned Federal and local governments, not intended for public consumption.

Above FBIHQ authority applies to passage of documents, written reports, and oral information.

SAC authority required for passage of material prepared by commercial concerns, Federal, and local governments for public distribution. Examples are: newspaper and magazine articles, pamphlets and brochures, photographs, background information on companies and organizations. If there is any doubt that material selected to be passed is not in the best interest of the U. S., submit material to FBIHQ for clearance; e.g., see Example (1) following.

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- b. Clearance requirements for information to be passed under FBIHQ authority

Submit original and 9 copies of LHM to FBIHQ bearing appropriate classification via cover communication with appropriate caption. Leave LHM uncaptioned; FBIHQ will insert code name caption.

The first paragraph of the LHM should read: "It is requested that clearance be granted for passage in this operation of the following items to a representative of (name of foreign intelligence service)."

If the information to be passed is a document, set forth an adequate description of it in the LHM.

Examples:

- (1) Article entitled "Moon Rockets," prepared by physicist John Doe, January, 1972, issue of "_____, publication of American Rocket Society.
- (2) Air Force Training Manual captioned "_____, dated July, 1972, classified "Secret."

In addition, also submit to FBIHQ, if possible, a true copy of document for review which will be returned after clearance by FBIHQ is obtained.

If the information to be passed is a written report prepared by OA, set forth report verbatim in the LHM.

If the information to be passed is oral, set forth oral information verbatim in the LHM.

If more than one item of information in any form is to be passed, number each item in the LHM.

The last paragraph of the LHM should contain the sentence: "The above data should not be further disseminated."

Upon receipt of LHM, FBIHQ will submit to appropriate authorities and request clearance. Reply will be promptly furnished to field.

- c. Notification to FBIHQ of passage of document, written report, or oral information which required clearance

After passage, submit original and 9 copies of uncaptioned LHM bearing appropriate classification via cover communication with appropriate caption. FBIHQ will insert code name caption. In LHM refer to LHM which requested clearance. LHM should merely state, "On (date) our source transmitted the information detailed in referenced memorandum to (name of foreign intelligence service)."

If referenced memorandum detailed more than one item, do not list the items unless one or more was not passed. In such an instance list only those items that were passed.

The last paragraph of the LHM should contain the following sentence, "The above data should not be further disseminated."

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- d. Administrative handling of documents, written reports, and oral information selected for passage

(1) Documents and written reports

Field offices should retain a copy of document or written report passed which would be identified by OA as a true copy of item passed by him. No other marks, identifying data, staple or punch holes should be placed on field office copy.

When submitting document or written report to FBIHQ, identify it, in cover communication, as the actual item which will be passed or a copy.

To insure that the actual document to be passed is not contaminated by fingerprints of FBI personnel, maintain in plastic envelope when being handled in field office or when submitted to FBIHQ.

Documents obtained by FBIHQ or other field offices from commercial concerns or other government agencies which will be passed will be handled in similar fashion.

If copy of document is maintained on permanent basis by preparing concern or agency and available at a later date, no need exists to submit copy to FBIHQ or to maintain in field office file. If copy not maintained on permanent basis, a copy should be retained in field office file.

(2) Oral information

Oral information passed must be recorded in a signed statement or FD-302.

Purpose for preserving documents and written reports is for evidence in event of prosecution, persona non grata action, expulsion, etc.

21. Oral information received from debriefing asset

Oral information received upon debriefing an asset (i.e., not necessarily pertaining to information passed) must be recorded in a signed statement or FD-302.

22. Coverage of OA meets with foreign intelligence officer, co-opted worker, or agent.

Coverage of these meets is required except when prohibited by security or other overriding factors.

- a. To cross-check the OA. We must be as certain as possible that the OA is reporting details of his meets accurately.
- b. To verify identification of principal or agent and to gather information about modus operandi.
- c. Consider use of photography and other technological surveillance techniques to provide data for improving future CI operations or improving chances for success of official actions, e.g., prosecution, persona non grata action.

Be aware that these meets are often covered by the principal's intelligence service using photography, radio intercepts, and possible electronic surveillance.

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23. Disinformation

The passage of deceptive information by an OA is a complex operation which requires detailed planning and coordination between field office and FBIHQ. This technique should be employed only in OA operations in which the foreign intelligence service has apparently accepted the bona fides of the OA, when the benefit will clearly outweigh the risk to the overall OA operation.

24. OA cover story

Be aware that a foreign intelligence principal may interrogate an OA in great detail as to how he secured his information, his family situation, his modus operandi, motivation, etc. Handling FBI SA must adequately prepare an OA for this probability. The most credible cover story is the one which involves the least fabrication.

Unless security or other considerations dictate otherwise, the OA should personally obtain the information he passes.

25. Receipt of money or property by OA

Impress upon each OA that money or property received from a foreign intelligence principal or agent must be turned over to the FBI since retention of this money would put the OA in technical violation of Federal statutes, and this money may be used as evidence or exhibit. Compensation to the OA from the FBI for his cooperation is to be handled separately. Nominal or personal gifts, necessary for the OA's security and to maintain his relationship with the principal, may be given back to the OA by his handling FBI SA, following FBIHQ approval. Consider the desirability and feasibility of obtaining a signed statement from each OA reflecting his understanding of this requirement. The obtaining of such a statement is not mandatory, but desirable.

Department attorneys have advised that, while it is not necessary to preserve that actual currency received by an OA, it is highly desirable to do so in cases in which prosecution could ensue. Whether or not the actual currency is retained, obtain a written statement from the OA describing the currency received by denomination, series number, and serial number; and also make an independent record of such currency.

The above instructions are not to be interpreted to require the impounding of funds paid to an OA by a foreign government or foreign intelligence service for goods or services rendered by the OA in legitimate, business transactions.

26. Payments to FCI assets - either OA or IA

a. When deemed necessary and expedient, each SAC is authorized to expend up to \$400 to develop FCI assets. This money may be used to pay for services and/or expenses. This authority is renewable by FBIHQ if the initial \$400 has been expended. Blue slip re-claiming payments from FBIHQ need not summarize information obtained since proliferation of this information could possibly jeopardize asset's security.

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b. FBIHQ authority

- (1) If FCI asset is of such continuing value to justify regular payments, such payments must be approved by FBIHQ.
- (2) When initially requesting regular payment, submit evaluation via coded "Nitel" in the following order:
 - (a) Amount paid to date, broken down into expenses and services
 - (b) Number of contacts with handling FBI SA since last evaluation
 - (c) Evaluation of stability and reliability
 - (d) Concise summary of most valuable information furnished since last evaluation
 - (e) Miscellaneous - changes in personal status, residence, employment, personal problems, etc., since last evaluation
 - (f) SAC recommendations for authority to pay asset for next six-month period; specify amount to be authorized for services and amount for expenses
- (3) Continuation request should be made two weeks in advance of expiration of authority.
- (4) Submit an interim request for increase in regular payments authorized via coded "Nitel," with full justification.

c. Receipts

- When payments are made either on SAC authority or FBIHQ authority, obtain receipts whenever possible. If receipt cannot be obtained, set forth circumstances on blue slip at time reimbursement is claimed.
- (1) Receipts should be self-sufficient so that, if it becomes necessary to introduce receipts in evidence, they will not relate to other documents or files.
 - (2) Receipts should show:
 - (a) Date when payment was made
 - (b) Period for which made when asset is paid on period basis
 - (c) Total amount paid broken down into separate amounts for services and expenses
 - (d) Name of FBI SA making payment
 - (e) Signature of asset receiving money using pseudonym assigned
 - (3) Receipts are not to be witnessed.
 - (4) If necessary to make corrections on receipts, they must be initialed by asset and not by FBI SA.
 - (5) When transmitting receipts and itemized statements of expenses to FBIHQ, staple them directly to blue slip so that all information on receipt can be read without detaching it from blue slip.

27. Evaluation of FCI assets

a. OA

Whether OA is paid (under either FBIHQ or SAC authority) or unpaid, submit coded "Nitel" every six months evaluating OA according to the format of 26. b. (2). If the OA has been paid during the preceding six-month period, merely set out the amount paid during that period (under 26. b. (2) (a)).

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- b. IA
 - (1) Paid on FBIHQ authority
Submit evaluation as instructed for OA above
 - (2) Paid on SAC authority or unpaid
Every six months submit memorandum to SAC evaluating IA according to the format of 26. b. (2).
- c. Assets who are members of the military, whether IA or OA
See 5. e.
- 28. Income tax returns
 - a. Inform assets who receive compensation for their services to FBI that such compensation must be reported as income when filing an income tax return.
 - b. FBI income should be set forth on Federal income tax return, form 1040, as income received from other sources for personal services rendered through a private enterprise or similar general term applicable to asset's position and station in life.
 - c. If asset is self-employed and files Schedule C as self-employed individual, it may be possible to include his FBI income with his self-employed income from other sources without revealing connection with FBI.
 - d. If asset cannot report payments received from FBI for services without jeopardizing his security, such payments will be subject to 20 percent withholding tax. There are three categories in which taxes will not be withheld from payments to FCI assets:
 - (1) For reimbursement of expenses
 - (2) Under SAC authority
 - (3) To assets who have been able to report FBI income on their Federal tax returns without jeopardizing their security or without challenge from Internal Revenue Service. Each office has detailed instructions and exhibits concerning procedure to be followed in handling and control of money withheld.
 - e. When asset or former asset is considered as potential witness in FBI case, determine whether he paid Federal and state taxes on income he received from FBI for his services. If such taxes have not been paid, obtain all pertinent details and submit recommendations to FBIHQ for handling situation.
- 29. Receipt of unemployment compensation
State law may require all applicants for unemployment compensation to list all sources of income. Payment of out-of-pocket expenses need not be listed as income when applying for unemployment compensation; however, payment for services must be listed. FBIHQ should be consulted in each case where this situation arises.
- 30. Monthly and quarterly letters
For these administrative details, see section 107, part I, M, of this manual.

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31. Corrective action on false information
 - a. When it is determined that current asset or former asset has furnished false information, promptly inform FBIHQ of complete facts.
 - b. Set forth your suggestion relative to wording to be used in describing asset in future, such as "source of known unreliability" or "source who has furnished both reliable and unreliable information in the past."
 - c. FBIHQ will advise which designation to use; the field office will then proceed with review of all data furnished by asset and label information from him accordingly.
 - d. All communications containing information from asset which have been sent to FBIHQ, FBI field offices, and to outside agencies must be corrected. Corrective action should be taken by letter. Identify cases individually by title and character, together with dates of communications containing information from asset. Corrective letters should refer to specific report, page number, and change to be made. Amended pages should not be prepared unless you are so instructed by FBIHQ in accordance with instructions of part II, section 4, Manual of Rules and Regulations.
 - e. Instruct each field office which has made further dissemination of asset's information to follow instructions set forth above.
 - f. Set up control file regarding this corrective action and upon completion of same submit to FBIHQ final letter under asset's caption identifying each case by title, character, FBIHQ file number if known, and date of communication. This letter will be used to check all pertinent FBIHQ files to see that necessary corrective action has been taken.
 - g. If necessary, other field offices which have received information from asset should also be requested to submit summary letters showing what corrections have been made.
 - h. Occasionally, former asset through his speech, writings, or actions raises a doubt as to his reliability subsequent to time he was asset. It is not necessary to go back and change evaluation of information attributed to that former asset in absence of definite indication that he furnished unreliable information while he was asset.
 - i. Dissemination of information from assets of questionable reliability and known unreliability should be made in accordance with part II, section 5, Manual of Rules and Regulations.
32. Discontinuance of assets
Advise FBIHQ under asset's symbol number caption when services of asset are discontinued.

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33. Discontinued assets
 - a. When services of asset are discontinued, mark name card "canceled." Destroy symbol card. Never destroy name card.
 - b. Refile name card in numerical order by symbol number in symbol number index. When discontinued asset is later reactivated, remove name card from symbol number index, mark it reactivated with appropriate date, note type of information he will now be furnishing, and refile it alphabetically in name card section of FCI asset index.
 - c. Inform FBIHQ of date when asset is discontinued and reason therefor, and whether or not asset is willing to testify in open court or before administrative hearing boards. Inform FBIHQ according to instructions in volume II, section 19, of this manual of identity of all Security of Government Employees cases in which asset has furnished information.
 - d. If the discontinued asset is a member of the U. S. Military or another U. S. Government employee, submit LHM to FBIHQ merely stating the fact of discontinuance. FBIHQ will use LHM to notify asset's headquarters.
 - e. Once asset is exposed in any manner, do not carry him as a concealed source in reports or memoranda. His true name is to be set forth.
 - f. If a former asset furnishes information to an office other than the office which originally handled him, the new office should notify the old office of its intended use of the asset and request pertinent background information.
 - g. Remove flash notice on OA's (i.e., the stop placed via FD-165 when conducting original background inquiries on OA) one year after discontinuance.
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