

CSMusulin/bm  
2268

S E C R E T

ROUTINE

3 SEPT 69

0930

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84055

CONTACTS LOS ANGELES

FROM OAS (MUSULIN)

CLOSED CASE 52,872 - HUGH C. MC DONALD/WORLD ASSOCIATES, INC.

REF: LANG 0223

RE REF JOE TEREK, TSD/OED, HAS BEEN IN TOUCH WITH MR. MC DONALD ON MATTERS OF INTEREST TO OED. HOWEVER, THIS INTEREST DOES NOT PRESENTLY HAVE ANYTHING TO DO WITH MC DONALD'S TRIP ABROAD. THERE IS NO OBJECTION WHATEVER TO YOUR BRIEFING OR DEBRIEFING OF MC DONALD ON POSSIBLE FPI POTENTIAL. TEREK PLANS TO BE IN YOUR AREA AGAIN IN ABOUT THREE WEEKS TO DISCUSS OED MATTERS WITH MC DONALD AND WILL CONTINUE TO MEET WITH HIM AND TO DISCUSS RELATED ACTIVITIES. WE HAVE BEEN ASSURED THAT MC DONALD'S RELATIONSHIP WITH OED AND POSSIBLY OTHER CS COMPONENTS WILL IN NO WAY CONFLICT WITH YOUR INTENDED USE OF MCDONALD, AS A SOURCE OF FPI. MC DONALD IS NEITHER A CONTRACTOR NOR A CONSULTANT FOR DTS&T.

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S E C R E T

**SECRET**

AUG 29 3 02 PM '69

S E C R E T 291840Z AUG 69 CITE CONTACTS/LDS ANGELES 0223

CONTACTS/WASHINGTON

TO OSS

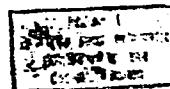
SUBJECT: CASE 52872 (CLOSED)

I HAVE AN APPOINTMENT WITH HUGH MCDONALD FOR SEPTEMBER 4 TO DISCUSS HIS TRAVEL ABROAD. HE INDICATED HE HAS BEEN DISCUSSING HIS TRIP WITH "PEOPLE IN WASHINGTON". I GOT THE IDEA THAT TSD/ORD ARE THE "PEOPLE" AND THAT THEY MAY HAVE THOUGHTS ABOUT BRIEFING HIM. IF SO I DO NOT WANT TO APPEAR NOT WITTING TO THE DEGREE OF STUPIDITY. PLEASE DETERMINE IF DD/SAT ELEMENTS ARE PLANNING TO TASK MCDONALD IN ANY WAY CONCERNING HIS TRIP FOR I WANT TO DETERMINE IF HIS TRIP OFFERS ANY POTENTIAL FOR FBI. ALSO, PLEASE DETERMINE IF MCDONALD IS A DD/SAT CONSULTANT OR CONTRACTOR.

S E C R E T

JOE - TERBK.

X- 3981.



3-5 CLK-R-F-7

DATE 20 August 1969

REBROADCAST FOR : Coler, LOS ANGELES FIELD OFFICE

REFERENCE :

SUBJECT : Ad hoc Clearance

REFERENCE : a) DCS - R - 10 - 30

b) Case 52872 - closed.

g7112

Re HUGH C. MC DONALDSecurity Division has  
granted ad hoc clearance through "Secret" for Denied Area Briefing.Permitable External Agency Checks were completed APRIL 1969.Current FBI Checks were completed, MAY 1969.CG has no objections to your use of Subject in accordance with the  
DCI's Memorandum dated 25 November 1961.Coordination for Denied Area Briefing of Subject, in accordance  
with DCS R - 10 - 30, must be completed separately by the appropriate  
Headquarters Division.

Virginia L. Horne

VIRGINIA L. HORNE  
Security Liaison OfficerCC : MISULLIN

VIA FAX: eak

FILE

7/1/69 440 a  
DDST  
Priority:  
NO Connection  
NO OVERHEAD  
NO FAXSECURITY MESSAGE # 7868GROUP I  
EXCLUDED FROM AUTOMATIC  
DECLASSIFICATION AND DESENSITIZATION

S-E-C-R-F-T

C-O-H-F-I-D-E-N-T-I-A-L  
(When Filled In)

FILE

DATE 27 May 1962

MEMORANDUM TO : CHIEF, LOS ANGELES FIELD OFFICE

ATTENTION : [REDACTED]

SUBJECT : AD HOC CLEARANCE

REFERENCE :

CASE 52872

Security Division has granted ad hoc clearance thru

SECRET BUT EAC MUST BE COMPLETED BEFORE DAB APPROVAL CAN BE GRANTED

on the following:

BEN C. McDONALD

Security checks will be completed.

CC: MOBULIN

*Virginia L. Horne*  
VIRGINIA L. TERRAK  
Security Liaison Officer

SECURITY MESSAGE # T260

GROUP I  
EXCLUDED FROM AUTOMATIC  
DEGRADED AND DECLASSIFICATION

VHorne:grw

C-O-H-F-I-D-E-N-T-I-A-L

14-00000  
World Associates Incorporated

GSpaulin/bm  
DCS/Operational Support Staff  
900 Key Bldg.

2268

Closed Case 52,872

15 May 1969

TSD  
Col. West

For your retention.

Attached per your request is  
copy of current data concerning  
World Associates, Inc, their  
products and services.

REF: OO-A(S)-322/12039-69

14-00000  
C-7-M-F-I-D-E-H-T-I-A-L  
(Date Filled In)

DATE 6 May 1969

MEMORANDUM TO : WIEF, LOS ANGELES FIELD OFFICE  
ATTENTION :  
SUBJECT : AD HIC CLEARANCE  
REFERENCE : CASE 52872

Security Division has granted an ad clearance thru  
CONFIDENTIAL TO BE RADED TO SECRET AFTER THE FBI CHECK IS COMPLETED

on the following:

**HUGH C. MC DONALD**

*C. 52872*

Security checks will be completed.

HIC's will be completed at a later date.

CC: **MISBULL**

*qmm*

*Virginia L. Morris*

VIRGINIA L. MORRIS  
Security Liaison Officer

SECURITY MESSAGE # 7065

GROUP I  
EXCLUDED FROM AUTOMATIC  
DEGRADING AND DECLASSIFICATION

C-7-M-F-I-D-E-H-T-I-A-L

14-00000 34  
World Associates, Inc., Hugh C. McDonald, President

Daniel J. Shine for GSMusulin/ja  
DCS/Operational Support Staff  
900 Key Building

2268

DCS Case 52872

5 May 1969

TSD/MPS  
Col. West  
230 South Building

Attached is copy of OO-A(5)  
322/12039-69 for your information.

General info sent  
to Comptrol for filing

c/s - forwarded  
and closed  
as per P/S.

14-00008  
**SECRET**

COUNTRY: --

MLA 00-A(S) 322/12039-69

SUBJECT: World Associates, Inc.  
Hugh C. McDonald, President  
406 Wilshire Boulevard  
Suite 203  
Santa Monica, Calif. 90401

30 April 1969

DCS Case 52872

1. Interviewed 23 Apr 69, Hugh C. McDonald, a cleared DCS source, informed that there appeared to be a misunderstanding in connection with his visiting Washington. First, he does not plan on going to Washington himself; a representative from the Chicago Office is going for the purpose of meeting with the Financial Group Company. Next, McDonald said he has not offered to demonstrate his Voice Ident System. Finally, he does not plan a "world tour". Rather, sometime this Fall he plans on visiting bankers and government security people in various Latin American countries. He will return to the US; then, later on, visit various European countries. Again he will return to the US and then visit various Far Eastern countries. His purpose in making these trips is to sell Hughes helicopters to foreign police departments combined with possible sale of his check cashing security system to banking institutions.
2. McDonald will inform DCS/LAPO of his travel plans when they are firmed up.
3. McDonald is willing to go to Washington, D.C. himself on 8-9 May and meet with TSD/ORD people there to "discuss" his Voice Ident System, but he is not prepared to do so unless TSD/ORD have some specific problems which his system will help solve. He feels otherwise it would be a waste of time. *Ref. Carrick*
4. The above discussed with DCS/OSS (Musulin) 29 Apr 69. It was decided that since G&D (Carrick) has been in contact with McDonald previously that Carrick discuss the possible meeting on the Voice Ident System directly with McDonald. *Ref. Carrick*
5. McDonald was informed 29 April to expect a call from Carrick; that DCS/LAPO would follow up later concerning his travels abroad.

- end -

**SECRET**

6500P 1  
Excluded from automatic  
downgrading and  
declassification

28 April - Tony Lehman says that  
McDonald will come to D.C. if  
the Agency has some real and  
short problems to discuss.

He does not have the time to  
come to Washington for a general  
discussion on the subject.

Cal West has canvassed one  
part of TSD and several people  
are interested in sitting in but  
the interest is not sufficient to  
justify bringing Joe Donald to  
Washington. Cal West approached  
his D & E people and was told  
that Joe Terek had asked  
them some time ago and he had  
already arranged a meeting.

4/29/69 to (Cica 213-393-3564.) Talked to Tony about  
him - We wish this one out. Terek will make his  
own arrangement to (bring or not to bring) McDonald to D.C.  
to many Indians split the passage.

14-00000  
GSA/ASULIN/bm

SECRET

2268

EXECUTIVE

83050

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25 APR 69 1030 1 2

CONTACT LOS ANGELES

FROM OSS (KUSULIN)

CASE 52,872 - RICH C. MC DONALD, WORLD ASSOCIATES INC.

REPS : WASH-83002 AND LAKE-3977

WA-TEN WAS BASED ON INFORMATION OBTAINED FROM REPRESENTATIVE FROM QED, WHO MAY HAVE OVERESTIMATED MC DONALD'S ENTITLEMENT TO BE OF SERVICE TO HIS FORMER EMPLOYERS. WE ARE PULLING TSD/QED CONFIDENTIAL TO DETERMINE RESPONSE TO HIS OFFER TO COME TO WASHINGTON ON 6 MAY AS INDICATED IN SECURED REW. BELIEVEABLE WE SHOULD HAVE MEETING OF MINDS ON EXTENT AND SCOPE TO WHICH MC DONALD COULD AGREE TO DISCUSS OR DEMONSTRATE HIS VOICE IDENT SYSTEM WITH AGENCY REPRESENTATIVES, WHO ARE QUALIFIED TO DISCUSS SUCH MATTERS FROM A SECURITY STANDPOINT. THE EXACT ITINERARY OF HIS WORLD TOUR IS IMPORTANT BUT NOT A PRESSING MATTER AT THIS TIME. IF THERE IS SUFFICIENT OPERATIONAL INTEREST, WE CAN SERVE REQUIREMENTS LATER WHEN MORE INFORMATION IS AVAILABLE REGARDING HIS SO CALLED WORLD TOUR IN THE FALL. SHOULD MC DONALD BE DISPOSED TO COME TO WASHINGTON, D.C. WE WILL MAKE THE NECESSARY ARRANGEMENTS FOR THE APPOINTMENT AND INTRODUCTION TO TSD/QED REPS. HIS POINT OF CONTACT WOULD BE DCS/OSS (KUSULIN) WHOSE OFFICE TELEPHONE CAN BE FURNISHED TO MC DONALD. WHEN WE LEARN NAMES OF THOSE WHO WISH TO ATTEND MEETING WITH MC DONALD, WE WILL BE GLAD TO FURNISH NAMES BUT THE CONTACTING ARRANGEMENTS ABOVE MENTIONED WILL REMAIN INFFECT. SHOULD MC DONALD INDICATE SIGNS OF ANY DISPLEASURE WITH THESE ARRANGEMENTS OR SHOW RELUCTANCE TO DISCUSS HIS VOICE

SECRET

2 2

83050

IDENT SYSTEM AED/CR OTHER GADGETS WHICH MAY BE OF INTEREST TO CIA, WOULD  
SUGGEST DISMEMBERMENT. DDC/LOGISTIC SECURITY BRANCH, INFORMED THEY HELD  
TOP SECRET CLEARANCE ON SUBJECT SINCE 1961.

T-  
WAS-  
E-  
G

SECRET

APR 24 1969  
69-1454

**SECRET**

S E C R E T 241630Z APR 69 CITE CONTACTS/LOS ANGELES 4377  
CONTACTS/WASHINGTON

TO OSS, WASHINGTON

SUBJ: CASE 52872

MUCH CO. MCDONALD, WORLD ASSOCIATES INC., INFORMS ME THAT SOMEONE PROVIDED TSD/DRD WITH INCORRECT INFORMATION. HE DID NOT OFFER TO DEMONSTRATE HIS VOICE IDENTIFICATION SYSTEM, WHICH HE REGARDS AS A HIGHLY SENSITIVE SYSTEM FROM A SECURITY STANDPOINT. HE ALSO DID NOT PLAN TO BE IN WASHINGTON WITHIN THE NEXT THREE WEEKS. HIS SO CALLED WORLD TOUR WILL BEGIN SOMETIME THIS FALL WITH A VISIT FIRST TO LATIN AMERICA, A RETURN TO US, A TRIP TO EUROPE, RETURN US AND A FINAL TRIP TO FAR EAST. THE CHICAGO REPRESENTATIVE OF THE FIRM PLANS ON REPRESENTING THE FIRM AT AN 8 MAY MEETING WITH FINANCIAL GENERAL GROUP CO. IN WASHINGTON.

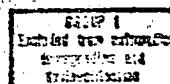
MCDONALD AGREEABLE TO GOING HIMSELF AND TO MEETING WITH AGENCY PEOPLE IF YOU WILL PROVIDE US WITH NAMES, TELEPHONE NUMBERS, ETC. ADVISE.

**SECRET**

9/13/69  
FABCO-561

Security Logistics

Against start McDonald  
and our interest. They  
have Top Secret clearance  
Continuing losses since 1968.



JOE TEREK

ORD/ 3901

ROGER C. McDONALD,

WORLD ASSOCIATES

INC.

SANTA MONICA,  
CALIF.

STEVE RACINE & TSD #  
No. 2635 - ED. SUDER (Project.  
Monitor)  
No Voice IDENT

IDENT KIT

VISIT WASH IN 300ECS.

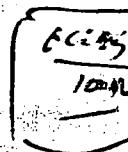
-JACK TEREK

JACK  
TEREK

TEREK

FARGO  
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14-00000  
Chief, TSD/NPS

22 April 1969

ATTN : Colonel West

Director, Domestic Contact Service

DCS Case 528?2 - Hugh C. McDonald - World Associates, Inc., Santa Monica, California, Offers to Assist Agency

1. Subject is well known to TSD and ORD components as developer of Identi-Kit. More recently he has been involved in developing a positive voice identification system (not to be confused with voice prints). McDonald is willing to demonstrate this system to interested TSD consumers and other components of the Agency. More importantly, subject is planning a world tour or foreign ministries, banking and business institutions, police organizations and friendly intelligence services, to demonstrate his various products. Subject's itinerary has not been firmed up but will be available when plans are completed for the world tour. He plans to be in Washington on other business matters in the next three weeks and would be glad to demonstrate his voice identification system to TSD and ORD representatives and accept any operational requirements which may be generated by appropriate TSD consumers, in connection with his world tour.
2. We would appreciate TSD's reaction to Mr. McDonald's offer and some indication of the number of Agency representatives who would be interested in meeting with Mr. McDonald in Washington, D. C.
3. Further inquiries should be directed to George S. Musulin, DCS, Operational Support Staff, Extension 2268.

JAMES R. MURPHY

GSMusulin/jjs

cc: Services Div. (Control)

3268

ROUTINE

21 APR 69 1600

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83002

CONTACTS/LOS ANGELES [REDACTED]

FROM OSS (MUSULIN)

NEW CASE 52872 - HUGH R. A. C. MCDONALD - WORLD ASSOCIATES INC., SANTA MONICA, CALIFORNIA  
OFFERS TO ASSIST AGENCY (Closed Case 34441)

THIS IS NEW CASE OPENED TO YOUR OFFICE.

SUBJECT IS WELL KNOWN TO TSD/ORD COMPONENTS AS THE DEVELOPER OF IDENTI-KIT.  
MORE RECENTLY INVOLVED IN DEVELOPMENT OF POSITIVE VOICE IDENTIFICATION SYSTEM (NOT TO  
BE CONFUSED WITH VOICE PRINTS). SUBJECT PLANNING WORLD TOUR TO DEMONSTRATE HIS  
PRODUCTS TO FOREIGN BUSINESS AND BANKING INSTITUTIONS, FOREIGN MINISTRY'S POLICE  
ORGANIZATION AND FRIENDLY INTELLIGENCE SERVICES. IN APPRECIATION FOR PAST ASSISTANCE  
PROVIDED HIM BY TSD/ORD FOR DEVELOPMENT OF IDENTI-KIT, HE IS OFFERING TO DEMONSTRATE  
HIS VOICE IDENTIFICATION SYSTEM TO INTERESTED CS COMPONENTS AND TO SERVICE OPERATIONAL  
REQUIREMENTS WHICH MAY BE OF INTEREST TO TSD AND OTHER AGENCY COMPONENTS, IN CONNECTION  
WITH HIS WORLD TOUR. SUBJECT PLANS TO VISIT WASHINGTON, D. C., WITHIN NEXT THREE WEEKS.  
PLEASE CONTACT SUBJECT, OBTAIN ITINERARY AND ADVISE HIM WE SOLICITING TSD CONSUMERS  
TO DETERMINE THOSE INTERESTED IN HIS VOICE IDENTIFICATION SYSTEM AND OTHERS WHO MAY  
WISH TO TASK HIM WITH POSSIBLE OPS REQUIREMENTS. ~~SECRET~~  
SUBJECT HOLDS DCS SECURITY APPROVED (CAUTION) CLEARANCE (DEC 1954) WHICH SHOULD BE  
UPDATED. PLEASE EXPEDITE.

SECRET

SECRET

FILE TITLE/NUMBER/VOLUME: McDONALD, Hugh C.  
DCD 04-6188

**INCLUSIVE DATES:** \_\_\_\_\_

CUSTODIAL UNIT/LOCATION: \_\_\_\_\_

ROOM: \_\_\_\_\_

**DELETIONS, IF ANY:** \_\_\_\_\_

**NO DOCUMENTS MAY BE COPIED OR REMOVED FROM THIS FILE**

0-0-0-0-0-0-0-0-0-0  
 (been filled in)

6 May 1969

REFERENCE TO : CHIEF, LOS ANGELES FIELD OFFICE

ATTENTION TO :

SECURITY : AD 303 CLEARANCE

REFERENCE : CASE 52872

F-4-61-88

Security Division has granted ad hoc clearance thru

**CONFIDENTIAL TO BE RAISED TO SECRET AFTER THE FBI CHECK IS COMPLETED**

on the following:

GEN C. MC BREW

Security checks will be completed.

EMC's will be completed at a later date.

# SECURITY

*Virginia L. Horne*

CC: MISTLETOE

VIRGINIA L. HORNE  
 Security Liaison Officer

SECURITY MESSAGE # 7063

GROUP I

EXCLDED FROM AUTOMATIC  
 DOWNgrading AND DECLASSIFICATION

O-A-Y-F-I-B-E-F-T-I-A-L

*Virginia L. Horne*

14-00000  
C-O-N-P-I-D-E-H-T-I-A-L  
(When Filled In)

F-41-61-88

DATE 27 May 1969

MEMORANDUM TO : CHIEF, LOS ANGELES FIELD OFFICE  
ATTENTION :  
SUBJECT : AD HOC CLEARANCE  
REFERENCE : CASE 52872

Security Division has granted ad hoc clearance thru

SECRET FILE MAC MUST BE COMPLETED BEFORE DAB APPROVAL CAN BE GRANTED  
on the following:

BETH C. MC DONALD

Security checks will be completed.

**SECURITY**

*Virginia L. Horne*

VIRGINIA L. TROCH  
Security Liaison Officer

CC: MISCELLANEOUS

SECURITY MESSAGE # 7260

GROUP I

EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

VTHorne:grw

C-O-N-P-I-D-E-H-T-I-A-L

1400000  
**SECRET**

FY-61-88

Chief, Personnel Security Division, OS

1 June 1970

Director, Domestic Contact Service  
(Chief, Services Division)

MC DONALD, Hugh C. — Alleged Shipment of New Missiles to Cuba/Possible  
#189 460 Exaggeration

REF : DCS memorandum to OS dated 30 January 1970

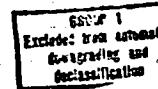
1. The information reported in the enclosed copies of MEMORANDA FOR THE RECORD from our Los Angeles Office, concerning our field representative's recent interview and telephone conversation with Subject, may be of interest. The information reported in paragraphs 4 and 5 of the 25 March memorandum may be of particular interest.
2. Any questions pertaining to this memorandum should be directed to Mrs. Virginia Thurns, Ext. 2738.

**SECURITY**  
B. FRANK YOUNG

Enclosures: As stated above  
Memo-dtd. 25 March 1970  
Memo-dtd. 15 April 1970

VThurns:grv

**SECRET**



~~CONFIDENTIAL~~

F-4-61-88

Chief, Personnel Security Division, OS

30 January 1970

Director, Domestic Contact Service  
(Chief, Services Division)

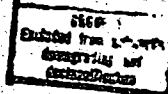
HUGH C. MC DOEALD -- Meeting With Proprietor of World Associates, Inc.

1. The information reported in the enclosed self-explanatory memorandum from our Los Angeles Office, concerning Subject's organization and his belief that it will have a real intelligence potential for providing economic, political and other information, is forwarded as of possible interest and future reference.
2. As stated in paragraph 3 of the enclosure, our representative told Subject that the Agency has no interest in his plans since his organization has law enforcement affiliations.
3. Any questions pertaining to this memorandum should be directed to Mrs. Virginia L. Thomas, Extension 2711.

H. FRANK YOUNG

Enclosure: As Stated Above

File#: caa



~~CONFIDENTIAL~~

14-00000  
23 January 1970

INFORMATION FOR THE RECORD

Subject: World Associates (Hugh McDonald, Proprietor)

1. On 13 January 1970, at the request of McDonald, I met with him for lunch. We went into the same routine about his organization anticipating spreading throughout the world in various countries in connection with bank security work. Queried specifically on this security dimension, he informed me that he hoped to work with the Bank of America and Inter-Bank of Rochester, New York, in setting up security measures which would prevent credit card losses in foreign countries. In arriving at this date, he said that he was planning to put law enforcement officers in his office in various countries who would have access to government information and who would, in turn, act in liaison for him with the local police, bankers, bank credit cards, or merchants, in various cities in the country. Specifically, he said that if a credit card is stolen or fraudulently issued and used, and once his organization is notified, all his law enforcement employees, he would notify all the banks, hotel, etc., in the city to be on the alert and not charge anything to such card.

2. The trend of the conversation indicated that McDonald was again seeking some assistance from the Agency in setting up his organization. I asked him whether or not he had started it off the ground as yet and he said he had not, but that he was planning a trip to Europe sometime in February 1970 during which he would sign up law enforcement officers in different cities to work with him. He anticipates that he will put these people on a monthly retainer. He feels he will have a real intelligence organization going in different countries that will provide economic, political, and other types of information. Obviously, McDonald has not yet made any firm arrangements with the Bank of America or Inter-Bank.

3. I told McDonald that I had previously forwarded information concerning his plans to my headquarters and that the reply I had received was that, inasmuch as his organization had law enforcement affiliations that it would be of no interest to the Agency. McDonald then switched the conversation completely and said that he was merely interested in informing us of the existence of his organization abroad. On this basis, I said that I would be glad to make a record of the conversation.

- 2 -

4. After meeting with McDonald on two occasions now I have come to the conclusion that he has some grandiose plans but has nothing to back them up.

R. P. D. LOURIA

EPL/bas

cc: EGS, Services Division

File: GMI/World Associates

CONFIDENTIAL

S-E-C-R-E-T

F-9-61-88

Date 20 August 1969

MAILING POS : Chief, LOS ANGELES FIELD OFFICE

ATTACHEE :

SUBJECT : All Sec Clearance

REFERENCE : a) DCS - R - 10 - 50

b) Case 50872

To MR. C. MC DONALD, Security Division has  
 granted ad hoc clearance through "Secret" for Denied Area Briefing.

Favorable National Agency Checks were completed APRIL 1969.Current FBI Checks were completed, MAY 1969.

OS has no objection to your use of Subject in accordance with the  
 DDCI's Memorandum dated 25 November 1961.

Coordination for Denied Area Briefing of Subject, in accordance  
 with DCS R - 10 - 50, will be conducted directly by the appropriate  
 Headquarters Division.

**SECURITY**

*Virginia L. Thorne*

VIRGINIA L. THORNE  
 Security Liaison Officer

CC : MSULIN

Whence: cak

SECURITY MESSAGE 7009

GROUP I  
 EXCERPT FROM AUTOMATIC  
 DESTRANING AND DECLASSIFICATION

S-E-C-R-E-T

CONFIDENTIAL

QF-4-61-88  
Los Angeles F.O.

INTEROFFICE MEMORANDUM

DATE : 19 August 1969

TO : Director, Domestic Contact Service

SUBJECT: MC DONALD, Hugh C.

FILE NO: 189460

DENIED AREA  
BRIEFING

1. Preference is made to your request for security checks on the subject person as a source of intelligence information.
2. This is to inform you that the necessary checks have been completed with the following results:
  - a.  No additional information has been obtained, except for such biographic information as indicated below or in the attachment.
  - b.  Information has been received that Subject was investigated with favorable results in 1953
  - c.  Certain information has been received and appears in the attachment which your Division will wish to consider in determining the extent and level of your use of Subject.
3. It is to be noted that our checks were made on the basis of the identifying information you furnished or in an attachment to this memorandum. Should it be disclosed that this information is erroneous or that Subject is known by a different name, this Division should be notified immediately.
- X 4. FBI name check was completed May 1969. Other National Agency checks were completed on 11 August 1969.
- X 5. This office has no objection to Subject being used in accordance with the DCI's memorandum dated 25 November 1961.

Chief, Personnel Security Division  
for/Charles S. Phalen

RCM Lead

OS has coordinated with companies having prior interest. There is no objection to DCS use.

APPROVED/SECRET

DENIED AREA  
BRIEFING

88 APR 1969

## CENTRAL INTELLIGENCE AGENCY

*Large  
Signature  
C-1072*

## BIOGRAPHIC DATA

NO. EE-10772

1. SUBJECT'S LAST NAME - FIRST NAME - MIDDLE NAME

McDONALD Hugh C.

3. DATE AND PLACE OF BIRTH

16 May 1913 - Hopkins, Minn.

2. ALIASES

*A-46188*

4. SEX 5. CITIZENSHIP

M US

6. FULL NAME OF SPOUSE, DATE AND PLACE OF BIRTH, CITIZENSHIP

7. RESIDENCES (Including No., and Street, Zone, R.F.D., etc.)

## COMPLETE ADDRESS

FROM	TO	COMPLETE ADDRESS
	Present	920 Euclid Street, Santa Monica, California
1954		2601 Colonial Avenue, Mar Vista, California

*ok* CONTINUED

8. EMPLOYMENT

FROM	TO	NAME OF EMPLOYER	COMPLETE ADDRESS
	Present	World Associates Inc.	406 Wilshire Blvd., Santa Monica, California
1936		Los Angeles County Sheriff's Office	211 Temple Street, Los Angeles California

*DELETED APPROX  
07-1969* CONTINUED

9. EDUCATION (High school, college, graduate work, etc.)

FROM	TO	NAME OF SCHOOL	DEGREE OR MAJOR
	1945	Stanford University	Military Affairs
	1944	University of Virginia	Military Government
	1943	University of Michigan	Japanese Language
	1935	Univ. of Southern California	Political Science

 CONTINUED

10. ADDITIONAL PERTINENT INFORMATION, INCLUDING FULL NAME, CITIZENSHIP DATA ON PARENTS AND CHILDREN.

Major in Army Reserve (File 0504248)

01 MAY 1969

*DELETED APPROX  
07-1969*28 Apr  
29 APR 1969  
 CONTINUED

Policy  
Case 53872-  
Presentation

CENTRAL INTELLIGENCE AGENCY			
BIOGRAPHIC DATA			NO.
1. SUBJECT'S LAST NAME - FIRST NAME - MIDDLE NAME		3. DATE AND PLACE OF BIRTH	
MC DONALD, Hugh C.		16 May 1913; Hopkins, Minn.	
2. ALIASES		4. SEX 5. CITIZENSHIP	
D - 4/1/1978		M	US
6. FULL NAME OF SPOUSE, DATE AND PLACE OF BIRTH, CITIZENSHIP			
7. RESIDENCES (Including No. and Street, Zone, R.F.D., etc.)			
FROM		TO	
1954		Present	
		920 # Euclid Street, Santa Monica, California	
		2601 Colonial Avenue, Mar Vista, California	
D - 4/1/1978			
<input type="checkbox"/> CONTINUED			
8. EMPLOYMENT			
FROM		TO	
1936		Present	
		World Associates Inc.	
		406 Wilshire Blvd., Santa Monica, California	
1936		1967	
		Los Angeles County Sheriff's Office	
		211 Temple Street, Los Angeles, California	
D - 4/1/1978			
<input type="checkbox"/> CONTINUED			
9. EDUCATION (High school, college, graduate work, etc.)			
FROM		TO	
11.		1945	
		Stanford University	
		Military Affairs	
		1944	
		University of Virginia	
		Military Government	
		1943	
		University of Michigan	
		Japanese Language	
		1935	
		Univ. of Southern California	
		Political Science	
D - 4/1/1978			
<input type="checkbox"/> CONTINUED			
10. ADDITIONAL PERTINENT INFORMATION, INCLUDING FULL NAME, CITIZENSHIP DATA ON PARENTS AND CHILDREN			
Major in Army Reserve (File 0504248)			
01 MAY 1968			
DENIED AREA BRIEFING			
5 MAY 1968 P: D-53872- <input type="checkbox"/> CONTINUED			

**CONFIDENTIAL**  
INTELLIGENCE MEMORANDUM

TO: Chief, Contact Division, OO  
FROM: Chief, Security Division, SO  
SUBJECT: McDONALD, Hugh C.  
BS-10772

DATE: 8 November 1954

A-46188  
*INITIATIVE*

Reference is made to your request for a security check on the Subject person as a potential source of foreign intelligence information.

Based on information available as a result of our checks, Subject has been placed in the designated category:

- Approved - Subject may be given information classified up to and including SECRET.
- Approved (Caution) - Subject may be given information classified up to and including SECRET provided discretion is exercised in development as a source.
- Limited - Subject may be given information classified up to and including CONFIDENTIAL.
- Disapproved - Subject may not be furnished any classified information.

Any pertinent information developed on Subject and not set forth in the data sheet furnished by your Division, is set forth below, or in an attachment. This additional information is for your confidential use only and is not to be disseminated outside of CIA.

It is to be noted that our checks were made on the basis of the identifying information you furnished, as outlined below, or in an attachment to this memorandum. Should it be disclosed that this information is erroneous or that Subject is known by a different name, this Division should be notified immediately.

*Ermal P. Geiss*  
Ermal P. Geiss

*77A*  
DEC 6 1954

**CONFIDENTIAL**

29 July 1954

A-46189

MALONALD

Hugh

C

16 May 1913

Hopkins, Minn.

W

K

US

Present 3601 Colonial Ave., Mar Vista, California

1936

Present Los Angeles County Sheriff's  
Office (Main Office)

211 Temple Street  
Los Angeles, Calif.

1935, Univ. of Southern Calif, Political Science; 1943, University of Michigan, Japanese  
Language; 1944, University of Virginia, Military Government; 1945, Stanford University,  
Military Affairs

Major in Army Reserve (File 6504248)

4-04-61-88

HUGH C. McDONALD

NOTE: Prior material on this source was retired to Records Center under Box 17 and Job 60-018, and has subsequently been destroyed in accordance with the disposition instructions authorized in the DCS Records Control Schedule.

BUSINESS:

Subject is with:

All-98-59 - World Associates, Inc., Santa Monica, California

ACTIVATED  
DATE 4-22-69  
INITIALS H.C.M.

UNITED STATES GOVERNMENT

# Memorandum

LA 416-70

TO : Director, DCS  
ATTN : OSS (Walker)  
FROM : Chief, Los Angeles Office  
  
SUBJECT: Case 52722

DATE: 15 May 70

1. John Purfrey passed the attached to me on Saturday, 9 May.  
FYI I would like to comment as follows.

2. (Item 1) It was Herbert White, not Beske, who reported on the new radical group at Pitzer; source Linda Knolles. We doubt that we can obtain much more in response to CI/SO questions. We will try, but with caution, since we are dealing with a young, obvious liberal female. As for Tom Clark, we think he is back at Cornell. Our report to you covered all we know to date.

3. (Item 2) R. D. Beske will try and determine what he can about Dr. and Mrs. Leo Kuper at UCLA. If everything appears favorable and we can clear we may contact. However, they are unknown to us. Ask CI/SO what they can tell us about them. It will help.

4. (Items 3, 4, 5, 6) These people unknown to us. Who are they? Where did Purfrey get their names? What does he know about them? What does he want us to do about them?

5. (Item 7) As I have reported, I will not personally contact John Cole. The FBI regards him as unsuitable to help them and, based upon their assessment, I will not serve any requirements on him. (Sorry my memo on this had an incomplete sentence.)

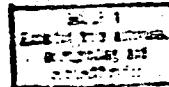
6. (Item 8) Answer is "no".

7. (Item 9) I have contacted Reid and reported.

8. (Item 10) Joseph Charles' PHS sent in 14 May.

9. (Item 11) I have told Purfrey that Hugh McDonald is an opinionated, egotistical ass who refuses to provide any data to support his statements, thereby making it impossible to assess the information he supplies.

10. (Item 12) Beske says the chance of Baum providing anything is questionable.



SECRET//COMINT

14-00000

SECRET//  
SUBJECT: Case 52722

LA 416-70

11. (Item 13) I have finally figured out Purfey's West Pointer. During one of our initial conversations I facetiously remarked, in response to types he was looking for, that what he wanted was a red, white and blue Negro, a graduate of West Point, who is now in the export-import business dealing with Africa.

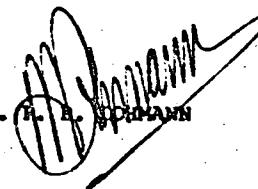
12. (Item 14) I told Purfey on Saturday that the local OS people are and have been in contact with the LAPD and the Sheriff's Office on militant matters; that the OS people are known as Agency; that OS is reporting whatever they learn and for us to involve ourselves would be confusing and duplicative. If Purfey wants to know what OS is getting, tell him to contact Ralph True in Headquarters/OS. Purfey might want to consider having his requirements levied on OS.

13. (Item 15) Beske reports nothing new, and not likely to be anything soon on the Connover-Clarks affair. Connover has changed jobs and is too busy to do much.

14. (Item 16) Beske reports Gonzales may have something on V.B. but he doubts it. He will check.

15. (Item 17) I told Purfey that I do not want to get involved in any activity that would put us in the position of being accused of investigating militants. We are on thin ice as it is. Therefore, DeVanon will not be asked to follow up on "Compton" contacts and we will depend on OS police contacts.

R. M. H. SCHMIDT



Attachment:

Xerox copy of Purfey's notes

RPEL/vla

Pile: C-52722

- 2 -

SECRET//  
SENSITIVE

S-E-C-R-E-T

MLA OO-A(S) 322/26389-69

10 September 1969

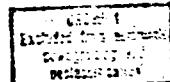
DCS Case 53199

**SUBJECT:** Cover Potential of  
World Associates, Inc.

1. On 4 September 1969, Chief, LAPO, met with Hugh C. McDonald, President of World Associates Inc. A former law enforcement officer (Chief of Detectives, Los Angeles County Sheriff's Office, retired) he has an excellent reputation among law enforcement agencies. He has cooperated with the Agency fully in the past. He is a cleared source of LAPO/DCS.
2. Since his retirement McDonald has started World Associates Inc., a company with two divisions, the Security Division and the Aircraft Division.
3. The Security Division provides, as its primary service, a bank security system, designed to provide banking institutions with a means to control and curtail losses from fraud and robbery.
4. The Aircraft Division was set up because of the exclusive contract World Associates has with the Hughes Tool Company (Hughes Aircraft) for the sale of helicopters to law enforcement agencies, to operate a helicopter pilot training school for municipal and other law enforcement agencies and to handle the installation of helicopter patrol systems. This contract applies to all countries except the US. McDonald said he expects to sell the Hughes Model 300 helicopter to foreign law enforcement agencies. None of these has been sold abroad, with the exception of the Philippines. He will have to open up offices in order to demonstrate, sell and arrange for servicing of the helicopters. A helicopter pilot-salesman and a technical representative would be needed at a beginning cost of about \$18,000 per year. McDonald said he would have a good, plausible reason for setting up such an office in Hong Kong, not only to sell and service police helicopters in the Crown Colony, but also to use as a base for other Asian country activities. McDonald expects to start exploring the foreign police potential for helicopters in the near future, beginning with a trip to South America.
5. The possibility of using foreign offices to promote the activities of the Security Division of the company also exists.
6. Currently, McDonald is in Hawaii and is exploring the possibility of setting up a police intelligence school in Hawaii to train police officers from Asian countries.
7. Attached are copies of data pertaining to prospectus, products, services, etc.
8. In the event Cover Division has any interest in this matter, Chief, LAPO, will be glad to discuss it further at Headquarters during week of 5-11 October 1969.

- end -

S-E-C-R-E-T



F-4-61-88

S E C R E T EYESORE APR 69 CITE CONTACTS/WASHINGTON 93749

CONTACTS/LOS ANGELES

FROM DDCI WASH DC

BEN CASE 52572 - HIGH C. 100% S.D. WORLD ASSOCIATES INC., SANTA  
MONICA, CALIFORNIA OFFERS TO ASSIST AGENCY (CASED CASE 54441)

THIS IS NEW CASE OPENED TO YOUR OFFICE.

SUBJECT IS WELL KNOWN TO TSD/ORD COMPONENTS AS THE DEVELOPER  
OF IDENTI-KIT. MORE RECENTLY INVOLVED IN DEVELOPMENT OF POSITIVE  
VOICE IDENTIFICATION SYSTEM (NOT TO BE CONFUSED WITH VOICE PRINTS).

SUBJECT PLANNING WORLD TOUR TO DEMONSTRATE HIS PRODUCTS TO  
FOREIGN BUSINESS AND BANKING INSTITUTIONS, FOREIGN MINISTRY'S,

POLICE ORGANIZATION AND FRIENDLY INTELLIGENCE SERVICES. IN

APPRECIATION FOR PAST ASSISTANCE PROVIDED HIM BY TSD/ORD FOR  
DEVELOPMENT OF IDENTI-KIT, HE IS OFFERING TO DEMONSTRATE HIS

VOICE IDENTIFICATION SYSTEM TO INTERESTED CS COMPONENTS AND TO  
SERVICE OPERATIONAL REQUIREMENTS WHICH MAY BE OF INTEREST TO

TSD AND OTHER AGENCY COMPONENTS, IN CONNECTION WITH HIS WORLD  
TOUR. SUBJECT PLANS TO VISIT WASHINGTON, D.C., WITHIN NEXT

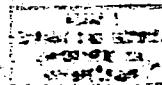
THREE WEEKS. PLEASE CONTACT SUBJECT, OBTAIN ITINERARY AND ADVISE  
HIM WE SOLICITING TSD CONSIDERS TO DETERMINE THOSE INTERESTED IN

PAGE 2 CONTACTS/WASHINGTON 83082 S E C R E T

HIS VOICE IDENTIFICATION SYSTEM AND OTHERS WHO MAY WISH TO TALK  
HIM WITH POSSIBLE OPS REQUIREMENTS. SUBJECT HOLDS DCS SECURITY  
APPROVED (CAUTION) CLEARANCE (DEC 1964) WHICH SHOULD BE UPATED.

PLEASE EXPEDITE.

S E C R E T



Joe Terek 7901

He has worked for a rea  
of yr LA Police Dept - they  
of elections - also worked w/  
Army intelligence - in touch  
with underworld - developed  
method of voice identification  
used by bank. Known people  
thoroughly worked.

Last month dresses on Luccia.

wanted he make available to  
DD/P than to OCS.

- Hugh McDonald -

Bw. & Epidemiological  
information -

Work in ORD - Project monitors -  
He has done work in ~~intelligence~~  
for TSD - 8 years ago

Who should be talk to -

If we can't direct him he could  
use own methods -

10/27/70 Called Joe Terek/ORD I know Joe Terek from previous encounters. He has been trying to peddle Hugh Mc Donald to various elements of the Agency without success. TSD has no interest as I checked it again with West/TSD-MPS. I strongly urged Terek to channel him to John Schubert-LANG so that we can establish what he has on his mind and just what he wants. Subject's file contains information of little or no value from previous contacts.

14-00000

see Derek 2701 - ORD -  
Tak to  
Dowell - 3166

~~SECRET~~

4-61-88

OLC 70-0857

9 December 1970

## MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Mr. Hugh C. McDonald, President of  
World Associates Inc.

A/S  
A149859

1. In response to a request from Mr. Killgore, on the staff of Senator Barry Goldwater (R., Ariz.), I met with Mr. Hugh C. McDonald at the Madison Hotel this afternoon. McDonald explained that he is in the banking and security business, having previously worked in the Los Angeles County Sheriff's Office. He also said he had a contractual relationship with the Agency some years ago and served as chief of security for Senator Goldwater during his campaign for the presidency in 1953.

2. Mr. McDonald talked this morning with Senator Goldwater about his interest in meeting with someone from the Agency to discuss a report which he has prepared on the subject of highly sensitive Soviet bacteriological warfare activities on the island of Vozrozhdeniya in the Aral Sea. McDonald said he originally became aware of the existence of the secret Soviet activity in this locality while in Europe on a business trip. He decided to follow it up and was referred from one contact to another until he was virtually at the Russian border and decided he had investigated the matter as far as he felt he could without the possibility of personal risk. McDonald pointed out that the information in his report was obtained from sources who spoke freely to him without any remuneration whatsoever. He added that he understood from some of his sources that they had been in touch with the Agency or with U.S. intelligence representatives and had become reluctant to deal further with these representatives because they were not treated properly by them and the sources feared the Agency had been penetrated by Soviet agents.

1 C  
~~SECRET~~

3. The reasons for McDonald's contact with us are threefold;

a. After preparing the 65-page report (a copy of which he gave me) he became concerned that publication of this document might not be in the national interest. He is anxious for our advice on this.

b. He is interested in knowing whether the information is reasonably accurate. He quite naturally does not want to publish a story that contains errors.

c. He is interested in knowing whether the Agency wants to delve further into this matter.

4. With regard to the possible publication of the report, McDonald said he planned to talk in very general terms this afternoon with representatives of Time/Life. He will make no commitments to them and will treat his meeting as strictly exploratory. It is McDonald's opinion that the story would appeal to publishers and would bring approximately \$200,000 to \$300,000.

5. Mr. McDonald claims he has no real interest in pursuing this subject further unless the Agency feels there is real merit in it. He said his sources are "wide open" and he is confident that further information could be developed although he has no direct contact with them as individuals and would probably have to go through the same laborious process of contacting one person through another as he did before.

6. McDonald plans to leave Washington tomorrow, but said he could stay in town through Friday if this was necessary. He said he came here for the express purpose of discussing this report with us. He said he did not consider Senator Goldwater a personal friend, but indicated he had traveled thousands of miles with the Senator during his presidential campaign and although he argued with him on many subjects had a very high regard for him. It was agreed that I would get the report in the hands of the appropriate Agency people as soon as possible and attempt to give him a preliminary reaction some time tomorrow.

SECRET

7. The report has been forwarded to Dr. Karl Weber, of OSI, for review. A check with the Domestic Contact Service disclosed that McDonald had been a contact of the California Field Office and, although considered by DCS to be somewhat of a phony and a nuisance, his clearances were verified by them. McDonald does not appear to me to be a crackpot although I have not read his report. He gave no indication at this meeting of making a "pitch." He appeared concerned about the information he has uncovered and seems to want to do what is right under the circumstances. Mr. Killgore, in Senator Goldwater's office, has asked that we give him a followup report on our contact with McDonald.

/s/ GEORGE L. CARY, JR.

GEORGE L. CARY, JR.  
Deputy Legislative Counsel

Distribution:

Orig. - Subj.

1 - Dr. Weber (OSI)

1 - Chrono

1 - DCS

OLC/GLC:rw (11 Dec 70)

3  
SECRET

SECRET

Ross/OSS | Stetson<sup>2</sup>

F 4-6188

15 April 1970

MEMORANDUM FOR THE RECORD

B

Subject: Hugh McDonald/Telephone Conversation 13 April 1970

Hugh McDonald telephoned and informed that, "a reliable source" told him that a sum of "several million" dollars had been transferred to the Cathay Bank (Los Angeles) from the Far East for the Commercial Bank of Sweden. He commented that it may be the first substantial payment to militant groups throughout the world from the Red Chinese. The information was about 10-12 days old as of 13 April 1970, he informed me. Because of his refusal to provide any data concerning his sources in the past, I merely thanked him for the information.

  
R. P. B. LOHMAN

RFBL/bas

File: Case 52722  
World Associates, Inc.

SECRET

EX-5 1  
Exhibit to automatic  
destruction and  
recycling

~~SECRET~~

4-61-88

Service Div.

25 March 1970

~~MEMO FOR THE RECORD~~Subject: World Associates, Inc. (Hugh McDonald)

B-4446188

1. McDonald asked me to meet with him on 24 Mar 70. I did. He started the conversation by stating, "We are getting bigger all the time and are on the way of becoming the largest, private intelligence organization in the world. And we are picking up intelligence that I want to pass to someone, anyone in government. I feel you should get it."

2. At this point I commented that I appreciated his feeling but wondered if he could provide some basis for information passed to us that would permit some evaluation, such as type of person who provided him the information, when, where and his evaluation of his source. McDonald "blew his cool". He said if he did so, we would figure out who his source was and contact the source directly and push the source around to get what we wanted. I told McDonald we did not push people around; that I had personally heard the Director comment years ago that he would not permit any pressure on anyone, anytime, anywhere. McDonald replied, "Then he has changed. I know that people have been pushed around by CIA". I asked who, when and where. He replied it happened after WWII in "1947, 48 or 50 in connection with the Katyn Massacre investigation". I told him that to the best of my knowledge we had nothing to do with the Katyn inquiries; that it was a Congressional Commission that looked into the matter.

3. I asked McDonald if he felt he could not trust us then why bother to pass along information to us. He said that he wants the government to have the information that he feels is important; that he trusts me to pass it along; that he keeps a record of what he passes to us in the event it is ever said he had information and failed to pass it along.

4. McDonald then proceeded to tell me that "new, short, fat missiles" have been shipped into Cuba; that they are so-called defensive missiles but are a type that can take a "multi-head offensive warhead". The shipment to Cuba from the USSR took place three-four months ago. These new type missiles can reach targets in the US.

5. Next, McDonald said that there are two sets of people involved in the current bombings of banks, offices, etc. One is a racial group made up of black militants and the other a group of white US and Canadian trained "sappers" who aim at disrupting everything. He stated that he

C

(c) Confidential ~~SECRET~~

~~SECRET~~  
Excluded from automatic  
downgrading and  
declassification

~~SECRET~~

has a list of large companies to be targeted in this area (probably the All Points Bulletin I received 10 days ago which listed four companies).

6. Again, McDonald said he would not reveal his sources or anything about them that would enable us to identify them.

7. McDonald went on to say, "We are spending a lot of money on a lot of computers to obtain intelligence." When asked for some details he backed off and said they were just starting and had to be careful how much they spent.

8. A little later on he spoke of talking to a 20 year old senior who had been in his office and the attitude expressed by this student about young people and the establishment (this could be one of his impeccable sources of information).

9. McDonald then said his organization had gathered together some very interesting statistics on student protests." He said there are 25 million college students; one-quarter of these are freshmen who do not involve themselves; one-half of the 25 million are sophomores and juniors. These are the real source of trouble. The seniors are concerned about graduation and a job and inclined to forget protests and lean towards the establishment as of now. However, as time passes and students are promoted by the time they will become students they will remember being part of a protest, their pictures being on file and will feel they will never get a job and will, therefore, become part of the permanent anti-establishment group. (These "statistics" were not supported by any written reports or other data.)

10. During the conversation McDonald said that, "Nixon personally sent 20 Washington people out to me to consult with us on a program." Further remarks revealed that the Washington, DC police department was contacted by one of McDonald's people in an attempt to sell a helicopter-police patrol training program.

11. Obviously, McDonald is overly impressed with himself; is prone to a high degree of exaggeration and truth-stretching; is not inclined to cooperate fully and one should be careful not to be taken in by him.

RPL/sg

R. P. B. LOHMAN

cc: DCS, International Division (Heller)  
DCS, Services Division ✓

File: World Associates, Inc.

~~SECRET~~

SECRET

F-4-61-88

LA-254-70

Director, DCB  
for Soviet Bloc Division

18 March 1970

Chief, Los Angeles Office

USSR/China Tension

b

1. Hugh C. McDonald, World Associates, Inc., Santa Monica, a former Deputy Sheriff of Los Angeles County and now in a private detective-security business, telephoned me on 17 March 1970. He said he has learned from "an impeccable source" that, "by August 1970 the USSR will hit China." Also, that the Soviets have solved the problems they have been having with their MIRV system.

2. McDonald refused to provide any information concerning the qualifications of his source to provide reliable data. In fact, he became a bit vexed when the matter was brought up.

3. I regard McDonald as a prima donna, an opportunist and one inclined to exaggerate. However, I pass the above along for the record.

R. P. B. LOHMANN

BPRM/bas

File: World Associates, Inc.  
(Hugh C. McDonald)

SECRET  
EX-REF ID: A62451  
RECORDED BY COMPUTER AND  
PRINTED ON 03/18/70

SECRET

DCS, 5-11-1983

4-61-88

23 January 1970

149859

REBUTTAL FOR THE RECORD  
Subject: World Associates (Hugh McDonald, Proprietor)

46188

1. On 13 January 1970, at the request of McDonald, I met with him for lunch. He went into the same routine about his organization, anticipating spreading throughout the world in various countries in connection with bank security work. Queried specifically on this security designation, he informed us that he hoped to work with the Bank of America and Inter-Bank of Rochester, New York, in setting up security measures that would prevent credit card losses in foreign countries. In arranging to do this, he said that he was planning to put law enforcement officers on the payroll in various countries who would have access to government information and who would, in turn, act in liaison for him with banks that might be honoring such credit cards, or merchants, in various cities in the country. Basically, he said that if a credit card is stolen or fraudulently issued and used, and once his organization is notified through his law enforcement employees, he would notify all the banks, hotels, etc., in the city to be on the alert and not charge anything to such card.

2. The trend of the conversation indicated that McDonald was again seeking some assistance from the Agency in setting up his organization. I asked him whether or not he had gotten it off the ground as yet and he said he had not, but that he was planning a trip to Europe sometime in February 1970 during which he hoped to sign up law enforcement officers in different cities to work for him. He anticipated that he will put these people on a monthly retainer. He feels he will have a real intelligence organization going in different countries that will provide economic, political, and other types of information. Obviously, McDonald has not yet made any firm arrangements with the Bank of America or Inter-Bank.

3. I told McDonald that I had previously forwarded information concerning his plans to my headquarters and that the reply I had received was that, inasmuch as his organization had law enforcement affiliations this would be of no interest to the Agency. McDonald then switched the conversation completely and said that he was merely interested in informing us of the existence of his organization abroad. On this basis, I said that I would be glad to take a record of the conversation.

Copy F: 149859

- 2 -

4. After meeting with McDonald on two occasions now I have come to the conclusion that he has some grandiose plans but has nothing to back them up.

R. P. B. LOWMEYER

EPML/bas

cc: DCS, Services Division

File: GM/World Associates

CONFIDENTIAL

F-4-61-88

Chief, Los Angeles Field Office

15 October 1968

Director, Domestic Contact Service, OSS

Case 53,199 Cover Possibilities in Hong Kong and Japan

1. The leads which you have forwarded in response to this case have been very much appreciated by Cover Staff. The following comments have been received concerning several of these leads:

a. MIA-CO-A(S)-322/26383-68 and 1413 14-716-68 [REDACTED] and [REDACTED] Cover Staff has received preliminary security reading of [REDACTED] BIRNS and Security has again brought to the derogatory information which you have on file. To get full CSA on Birns to override this former report would require extensive field investigation. Taylor does not feel that he wants to subject Mr. Birns to this type investigation so Cover will not pursue this lead.

b. MIA-CO-A(S)-322/26383-68 [REDACTED] Because of Mr. Hugh C. McDonald's former law enforcement career and his continuing involvement in that field, this lead will not be pursued.

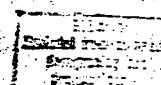
c. MIA-CO-A(S)-322/26454-68 Person [REDACTED] Cover Staff would be interested in pursuing this lead if we could pinpoint fewer committing officials for Cover's specific interest. A Cover commitment within an organization is on a "need-to-know" basis, to those officials who would be directly concerned in backstopping the commitment. Would you please review this organization and if the committing officials can be limited please identify them and provide biographic data if we do not have the biographic data available in Headquarters files.

d. Memo For The Record, 12 September 1968 [REDACTED] Sports Clothes. This looks very interesting and Cover Staff is processing clearance of Mr. Ben Korman.

e. LA-752-68 Mr. Harold Hutton, Paffinco Associates (Canada) Ltd. This lead returned to Cover Staff in response to a different requirement (case not open to your office). It was decided that Mr. Hutton would not fit the Cover requirement so this lead has been forwarded to the area desk for consideration.

①  
Copies of all junks

A11204



14-00000

2. Thank you for your response to this case. We would appreciate any additional data you can provide on (c) above and we will try to keep you advised of further interest in leads which you forward.

JAMES R. MULKEY

cc: LIGrant/bm  
cc: Services Div. (Control)

SECRET  
S E C R E T

S E C R E T 031538Z SEP 69 CITE CONTACTS/WASHINGTON 84255

CONTACTS LOS ANGELES

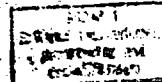
FROM OSS (MUSULIN)

CLOSED CASE 52,872 - HUGH C. MCDONALD WORLD ASSOCIATES, INC.

REF: LANG 2223

RE REF JOE TEREK, TSD/ORD, HAS BEEN IN TOUCH WITH MR. MCDONALD ON MATTERS OF INTEREST TO ORD. HOWEVER, THIS INTEREST DOES NOT PRESENTLY HAVE ANYTHING TO DO WITH MCDONALD'S TRIP ABROAD. THERE IS NO OBJECTION WHATEVER TO YOUR BRIEFING OR DEBRIEFING OF MCDONALD ON POSSIBLE FPI POTENTIAL. TEREK PLANS TO BE IN YOUR AREA AGAIN IN ABOUT THREE WEEKS TO DISCUSS ORD MATTERS WITH MCDONALD AND WILL CONTINUE TO MEET WITH HIM AND TO DISCUSS RELATED ACTIVITIES. WE HAVE BEEN ASSURED THAT MCDONALD'S RELATIONSHIP WITH ORD AND POSSIBLY OTHER CS COMPONENTS WILL IN NO WAY CONFLICT WITH YOUR INTENDED USE OF MCDONALD AS A SOURCE OF FPI. MCDONALD IS NEITHER A CONTRACTOR NOR A CONSULTANT FOR DDS&T.

S E C R E T



F 4-61-88

Aug 29 3 22 PM '69

S E C R E T 291840Z AUG 69 CITE CONTACTS/LOS ANGELES 0223

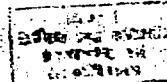
CONTACTS/WASHINGTON

TO: OSS

SUBJECT: CASE 52672 (CLOSED)

I HAVE AN APPOINTMENT WITH HUGH MCDONALD FOR SEPTEMBER 4 TO  
DISCUSS HIS TRAVEL ABROAD. HE INDICATED HE HAS BEEN DISCUSSING  
HIS TRIP WITH "PEOPLE IN WASHINGTON". I GOT THE IDEA THAT TSD/CRD  
ARE THE "PEOPLE" AND THAT THEY MAY HAVE THOUGHTS ABOUT BRIEFING  
HIM. IF SO I DO NOT WANT TO APPEAR NOT WITTING TO THE DEGREE OF  
STUPIDITY. PLEASE DETERMINE IF DD/S&T ELEMENTS ARE PLANNING TO  
TASK MCDONALD IN ANY WAY CONCERNING HIS TRIP FOR I WANT TO  
DETERMINE IF HIS TRIP OFFERS ANY POTENTIAL FOR FFI. ALSO, PLEASE  
DETERMINE IF MCDONALD IS A DD/S&T CONSULTANT OR CONTRACTOR.

S E C R E T



APR 25 1969  
63 H 523 C 284

SECRET 231530Z APR 69 CITE CONTACTS/WASHINGTON 24230

CONTACTS/LOS ANGELES

D - 14186

FROM OSS (MUSULIN)

B

B

A-149859

CASE 52,872 - [HUGH C. MCDONALD] / WORLD ASSOCIATES INC.

REFSE WASH-63082 AND LANG-3877

WASHDC WAS BASED ON INFORMATION OBTAINED FROM REPRESENTATIVE FROM ORD, WHO MAY HAVE OVERESTIMATED MCDONALD'S ENTHUSIASM TO BE OF SERVICE TO HIS FORMER BENEFACTORS. WE ARE TELLING TSD/BRO COMPONENTS TO DETERMINE RESPONSE TO HIS OFFER TO COME TO WASHINGTON ON OR MAY AS INDICATED IN SECOND REF. BELIEVE FIRST: WE SHOULD HAVE MEETING OF MINDS ON EXTENT AND SCOPE TO WHICH MCDONALD COULD AGREE TO DISCUSS OR DEMONSTRATE HIS VOICE IDENT SYSTEM WITH AGENCY REPRESENTATIVES, WHO ARE QUALIFIED TO DISCUSS SUCH MATTERS FROM A SECURITY STANDPOINT. THE ITINERARY OF HIS WORLD TOUR IS IMPORTANT BUT NOT A PRESSING MATTER AT THIS TIME. IF THERE IS SUFFICIENT OPERATIONAL INTEREST, WE CAN SERVE REQUIREMENTS LATER WHEN MORE INFORMATION IS AVAILABLE REGARDING HIS SO CALLED WORLD TOUR. IN THE FALL, SHOULD MCDONALD BE DISPOSED TO COME TO WASHINGTON D.C., WE WILL MAKE THE NECESSARY ARRANGEMENTS FOR THE APPOINTMENT AND INTRODUCTION TO TSD/ORD REPS.. HIS POINT OF CONTACT WOULD BE OSS/OSS (MUSULIN).

PAGE 2 CONTACTS/WASHINGTON BUREAU  
WHOSE OFFICE TELEPHONE CAN BE FURNISHED TO MCNAULD. WHEN WE LEARN  
NAMES OF THOSE WHO WISH TO ATTEND MEETING WITH MCNAULD, WE WILL  
BE GLAD TO FURNISH NAMES BUT THE CONTACTING ARRANGEMENTS ABOVE  
MENTIONED WILL REMAIN INTACT. SHOULD MCNAULD INDICATE SIGNS OF ANY  
DISPLEASURE WITH THESE ARRANGEMENTS OR SHOW RELUCTANCE TO DISCUSS  
HIS VOICE IDENT SYSTEM AND/OR OTHER GADGETS WHICH MAY BE OF INTEREST  
TO CIA, WOULD SUGGEST DISENGAGEMENT. DDS/LOGISTIC SECURITY BRANCH,  
INFORMED THEY HOLD TOP SECRET CLEARANCE ON SUBJECT SINCE 1961.

SECRET

F-7-61-88

14-00000  
**SECRET**  
241601Z APR 69 CITE CONTACTS/LC LOS ANGELES 3777

CONTACTS/WASHINGTON

TO OSS, MUSULIN

SUBJ: CASE 52672 *b*

HUGH C. McDONALD, WORLD ASSOCIATES INC., INFORMS ME THAT SOMEBODY PROVIDED ISD/GRO WITH INCORRECT INFORMATION. HE DID NOT OFFER TO DEMONSTRATE HIS VOICE IDENTIFICATION SYSTEM, WHICH HE REGARDS AS A HIGHLY SENSITIVE SYSTEM FROM A SECURITY STANDPOINT. HE ALSO DID NOT PLAN TO BE IN WASHINGTON DURING THE NEXT THREE WEEKS. HIS SO CALLED WORLD TOUR WILL BEGIN SOMETIME THIS FALL WITH A VISIT FIRST TO LATIN AMERICA, A RETURN TO US, A TRIP TO EUROPE, RETURN US AND A FINAL TRIP TO FAR EAST. THE CHICAGO REPRESENTATIVE OF THE FIRM PLANS ON REPRESENTING THE FIRM AT AN 8 MAY MEETING WITH FINANCIAL GENERAL GROUP CO. IN WASHINGTON. McDONALD AGREEABLE TO GOING HIMSELF AND TO MEETING WITH AGENCY PEOPLE. IF YOU WILL PROVIDE US WITH NAMES, TELEPHONE NUMBERS, ETC. ADVISE.

**SECRET**

14-00000  
ATTN : Chief, TSD/MPS  
Colonel West

F-4-61-88

22 April 1969

Director, Domestic Contact Service

A-46188 (Re-Order)  
DCS Case 52872 - Hugh C. McDonald - World Associates, Inc., Santa Monica,  
California, offers to Assist Agency

U.S.  
B-5-46188  
A-14-98-59

1. Subject is well known to TSD and ORD components as developer of Identikit. More recently he has been involved in developing a positive voice identification system (not to be confused with voice prints). McDonald is willing to demonstrate this system to interested TSD consumers and other components of the Agency. More importantly, subject is planning a world tour of foreign ministries, banking and business institutions, police organizations and friendly intelligence services, to demonstrate his various products. Subject's itinerary has not been firmed up but will be available when plans are completed for the world tour. He plans to be in Washington on other business matters in the next three weeks and would be glad to demonstrate his voice identification system to TSD and ORD representatives and accept any operational requirements which may be generated by appropriate TSD consumers, in connection with his world tour.
2. We would appreciate TSD's reaction to Mr. McDonald's offer and some indication of the number of Agency representatives who would be interested in meeting with Mr. McDonald in Washington, D. C.
3. Further inquiries should be directed to George S. Musulin, DCS, Operational Support Staff, Extension 2268.

JAMES R. MURPHY

GSMusulin/js  
cc: Services Div. (Control)

SECRET



CONFIDENTIAL

F-46188

Pratt

19 August 1961

Los Angeles Police Department

Case Number \_\_\_\_\_

John J. Moak

CASE

A 37722

b. Attached is a communication from the Office of Senator [redacted] concerning contact with the Los Angeles Police Department regarding the release of full names and addresses of a total of 400 persons, as outlined by request.

A46188 I

b. No new information. The Los Angeles County Sheriff's Department, through Sheriff Hugh McDonald, has already communicated with this request by furnishing names and addresses of 350 people. The contact with Sheriff McDonald, says who while he was in Washington, D. C. some months back.

b. Please note that approximately one and one-half hours of time out of my time that may be afforded for this request by the Los Angeles Police Department. We fully realize that you as law enforcement to pay for the time involved, but it may prove to be difficult to get the job done due to the large number of personnel and administrative officials at the Los Angeles Police Department and this can only be explained to the best of our knowledge.

b. Many thanks.

E. E. [redacted]

[redacted] (2)

Cloud 126  
[redacted] 3/27

INITIALS

SAC: [redacted]

06220 XLR

03220094

CONFIDENTIAL

copy filed in  
jacket #

37722

IC

File  
114-6122

Chief, TSD/Security

21 April 1960

Chief, Security Staff, CL

Identikit

EVIDENCE: Memo from Chief, TSD/Security, to Chief, SS/CL, dated 21 March 1960, Subject as above.

1. On 5 April 1960 the undersigned interviewed Chief William McDonald, Los Angeles County Sheriff's Department, in his office, Room 123, New Court House Building, located at 111 North Hill Street, Los Angeles, California. (Telephone: MADison 5-3616, Extension 61401.)

2. The attached "Two Building" article taken from the February 1960 issue of the "Science and Mechanics" Magazine, was reviewed and discussed. Chief McDonald stated that he was aware of the article and had talked with Mr. Courtney Osens, Sales Manager of Farnand Engineered Products, regarding the identification of "waterwritten by an arm of the U. S. Intelligence".

3. The article was written by a free lance reporter by the name of Joseph Frank. Writer Joseph Frank was present at a press meeting in Chief McDonald's office at the time the information regarding the Identikit was made public, however, Chief McDonald made it very clear that the sponsor of the program was not mentioned and that a general figure of \$60,000 to \$65,000 was given as the cost of the project. Chief McDonald thought back and then stated that he had announced the sponsor as being "an Eastern customer".

4. Chief McDonald stated that he was at a complete loss as to how the writer associated the sponsor with any intelligence component of the government. He believed that it was a "shot in the dark" assumption by writer Joseph Frank.

5. Chief McDonald was very much disturbed by this article and stated that if he could uncover any information regarding same he would promptly notify the appropriate Agency persons.

6. On 8 April 1960, the undersigned interviewed Mr. Courtney Elwell Osens, Sales Manager of the Farnand Engineered Products Co., Santa Ana, California. He was granted a Secret contract security authorization on 26 January 1960. Mr. Osens was made witting of the sponsor and a secrecy agreement was taken from him.

UL U 2440 2564-160

Copy fwd to  
L.A. Office

HHS-W2-2

SECRET

JUDGEMENTS: "Identikit"

7. Mr. Owens stated that he was not aware of the sponsor (until now), but he had assumed that the Agency was involved. Mr. Owens has worked in the government in Washington, D. C., and he stated that this project sounded like it would be of Agency interest.

8. When Mr. Owens came to Los Angeles, he worked as a free lance reporter between April 1957 and December 1957. He stated that all articles written by him were under his true name and that no "pen-name" was ever used. He did not know of a Joseph Frank.

9. Mr. Owens stated that he has a very close contact with Mr. McDonald, Los Angeles CO/C Office, but did not indicate if the subject of the Identikit had ever been discussed. Mr. Owens gave the undersigned the attached press notices that he uses in connection with his publicity program. It is noted that none of the releases reveal Agency interest; however, the newspaper "Independent" quotes Chief McDonald as stating "the pilot model cost more than \$67,000".

*H. Edward Jones*  
H. Edward Jones  
Security Officer, ES/OL

APPROVED:

*John M. Curran*  
JOHN M. CURRAN, CALIF., ES/OL

Attachment

Distribution:

- Orig. & 1 - Addressee w/a  
1 - Chief, FBI, CO (Attn: Mr. Swerdloff) w/o/a  
1 - Chief, ES/FBI/DO/US w/o/a  
 1 - Mr. Travis, CO/OL  
1 - Co. file (FBI/DO) w/o/a  
1 - Curran

CL/ES/EJJ:mcn:bjw/2517 (21 April 60)

- 2 -

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CLASSIFIED

HH-6122

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(When Filled In)

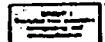
4-61-88

## PROCESS SHEET FOR DOMESTIC CONTACT SERVICE COLLECTIONS

FOR FIELD USE ONLY					FOR HEADQUARTERS USE ONLY				
A. FIELD OFFICE	B. REPORT NUMBER	C. PRO. CODE	D. CASE NUMBER	E.	RECEIVED		DATA NO.		I.U.D.
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F. SUBJECT AND AREA					EXTRA DISSEM. RECORD				
Cover Potential of World Associates, Inc.					MO.	DA.	TR.	RELEASED	
					57	30	30	40	61 42 43 44
G. CONTACT (Name, Title, Organization, Address)					INDIVIDUAL NO.	45	TYPE OO-E	FACT DISSEMINATED	
Hugh C. McDonald, President World Associates, Inc. 406 Wilshire Blvd. Santa Monica, California 90401						S	GRAPHICS, MAPS, PUBLICATIONS, REPORTS, OTHER		
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					P O L	3. DATA SUPPLIED BY OTHER AGENCIES	2 1 N Y		
					M I L	4. OTHER/MISC.			
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						6 G E O	6. INSUFFICIENT INTEREST		
						7 B I O			
						8 M I S			
J. METHOD OF COLLECTION					EVALUATION REQUESTED FROM	USSR ONLY EXCHANGES (CHECK ONE)	RESPONSIVE TO SPECIFIC REQUIREMENTS		
<input checked="" type="checkbox"/> Interview <input type="checkbox"/> Trip Report <input type="checkbox"/> Other Documents <input type="checkbox"/> Other (specify below)						NO	CCS		
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						FROM USSR			
FIELD COMMENTS					HEADQUARTERS COMMENTS				
ATTN: OSS					CCS CCB				
					8-000				
C/S RPHLohmann/bas		F.O. Chief R. P. B. LOHMANN		Case Officer Lia		Division/Unit/Desk OSS			

FORM 25  
3-66 Obsolete previous editions

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2

(20-41)

4-61-86

S-E-C-R-E-T

MLA 00-A(S) 322/26389-69

10 September 1969

**SUBJECT:** Cover Potential of  
World Associates, Inc.

DCS Case 53199

1. On 4 September 1969, Chief, LAFO, met with Hugh C. McDonald, President of World Associates Inc. A former law enforcement officer (Chief of Detectives, Los Angeles County Sheriffs' Office, retired) he has an excellent reputation among law enforcement agencies. He has cooperated with the Agency fully in the past. He is a cleared source of LAFO/DCS.
2. Since his retirement McDonald has started World Associates Inc., a company with two divisions, the Security Division and the Aircraft Division.
3. The Security Division provides, as its primary service, a bank security system, designed to provide banking institutions with a means to control and curtail losses from fraud and robbery.
4. The Aircraft Division was set up because of the exclusive contract World Associates has with the Hughes Tool Company (Hughes Aircraft) for the sale of helicopters to law enforcement agencies, to operate a helicopter pilot training school for municipal and other law enforcement agencies and to handle the installation of helicopter patrol systems. This contract applies to all countries except the US. McDonald said he expects to sell the Hughes Model 300 helicopter to foreign law enforcement agencies. None of these has been sold abroad, with the exception of the Philippines. He will have to open up offices in order to demonstrate, sell and arrange for servicing of the helicopters. A helicopter pilot-salesman and a technical representative would be needed at a beginning cost of about \$19,000 per year. McDonald said he would have a good, plausible reason for setting up such an office in Hong Kong, not only to sell and service police helicopters in the Crown Colony, but also to use as a base for other Asian country activities. McDonald expects to start exploring the foreign police potential for helicopters in the near future, beginning with a trip to South America.
5. The possibility of using foreign offices to promote the activities of the Security Division of the company also exists.
6. Currently, McDonald is in Hawaii and is exploring the possibility of setting up a police intelligence school in Hawaii to train police officers from Asian countries.
7. Attached are copies of data pertaining to prospectus, products, services, etc.
8. In the event Cover Division has any interest in this matter, Chief, LAFO, will be glad to discuss it further at Headquarters during week of 5-11 October 1969.

S-E-C-R-E-T

EX-1  
FBI - LOS ANGELES  
Bengaluru - India

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(When Filled In)

4-61-82

PROCESS SHEET FOR DOMESTIC CONTACT SERVICE COLLECTIONS

FOR FIELD USE ONLY

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FOR HEADQUARTERS USE ONLY

F. SUBJECT AND AREA	G. CONTACT (Name, Title, Organization, Address)	H. SOURCE (Name, Title, Organization, Address)	I. SUB-SOURCE (Name, Title, Organization, Address)	J. METHOD OF COLLECTION	K. FIELD COMMENTS	L. HEADQUARTERS COMMENTS																																												
Request for Information on World Associates, Inc. (--)				<input checked="" type="checkbox"/> Interview <input type="checkbox"/> Trip Report <input type="checkbox"/> Other Document <input type="checkbox"/> Other (specify below)	<p>Hugh C. McDonald, President World Associates, Inc. - Suite 203 406 Wilshire Boulevard Santa Monica, California 90401</p> <p>Same</p>																																													
				<table border="1"><tr><td>INDIVIDUAL NO.</td><td>45</td><td>TYPE OO-E</td><td>46</td><td>"NOT DISSEMINATED"</td></tr><tr><td colspan="2">S</td><td>GRAPHICS, MAPS, PUBLICATIONS, REPORTS, OTHER</td><td colspan="2"></td></tr></table>	INDIVIDUAL NO.	45	TYPE OO-E	46	"NOT DISSEMINATED"	S		GRAPHICS, MAPS, PUBLICATIONS, REPORTS, OTHER			<table border="1"><tr><td>ORGANIZATION NO.</td><td>SUBJECT</td><td>AREA</td></tr><tr><td>O E C O</td><td>1. SUFFICIENTLY DETAILED 2. TOO GENERAL</td><td>1. 52 53 54 2. I S O V</td></tr><tr><td>I S B T</td><td>3. DATA SUPPLIED BY OTHER AGENCIES</td><td>2. I N T</td></tr><tr><td>2 P O L</td><td>4. -</td><td>3.</td></tr><tr><td>3 M I L</td><td>5. OTHER/MISC.</td><td>4.</td></tr><tr><td>4 -</td><td>6. COMBINED WITH</td><td></td></tr><tr><td>5 S O C</td><td>7. INSUFFICIENT INTEREST</td><td></td></tr><tr><td>6 G E O</td><td></td><td></td></tr><tr><td>7 B I O</td><td></td><td></td></tr><tr><td>A - -</td><td></td><td></td></tr><tr><td>9 M 1 S</td><td></td><td></td></tr></table>	ORGANIZATION NO.	SUBJECT	AREA	O E C O	1. SUFFICIENTLY DETAILED 2. TOO GENERAL	1. 52 53 54 2. I S O V	I S B T	3. DATA SUPPLIED BY OTHER AGENCIES	2. I N T	2 P O L	4. -	3.	3 M I L	5. OTHER/MISC.	4.	4 -	6. COMBINED WITH		5 S O C	7. INSUFFICIENT INTEREST		6 G E O			7 B I O			A - -			9 M 1 S			<p>ATTN: OSS (Busulin) For background (Services Division) attached are data concerning <u>World Associates</u> and their products/services.</p> <p>May we close case?</p>	<p>Copy to TSD/ColWest Please Close Case</p>
INDIVIDUAL NO.	45	TYPE OO-E	46	"NOT DISSEMINATED"																																														
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FORM 25 9-66		Obsolete previous editions		2	(20-41)																																													

~~SECRET~~

4-61-88

COUNTRY: --

MLA 00-A(S) 322/12039-69

SUBJECT: World Associates, Inc.  
Hugh C. McDonald, President  
406 Wilshire Boulevard  
Suite 203  
Santa Monica, Calif. 90401

30 April 1969

DCS Case 52872

1. Interviewed 23 Apr 69, Hugh C. McDonald, a cleared DCS source, informed that there appeared to be a misunderstanding in connection with his visiting Washington. First, he does not plan on going to Washington himself; a representative from the Chicago Office is going for the purpose of meeting with the Financial Group Company. Next, McDonald said he has not offered to demonstrate his Voice Ident System. Finally, he does not plan a "world tour". Rather, sometime this Fall he plans on visiting bankers and government security people in various Latin American countries. He will return to the US; then, later on, visit various European countries. Again he will return to the US and then visit various Far Eastern countries. His purpose in making these trips is to sell Hughes helicopters to foreign police departments combined with possible sale of his check cashing security system to banking institutions.

2. McDonald will inform DCS/LAFO of his travel plans when they are firmed up.

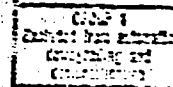
3. McDonald is willing to go to Washington, D.C. himself on 8-9 May and meet with TSD/ORD people there to "discuss" his Voice Ident System, but he is not prepared to do so unless TSD/ORD have some specific problems which his system will help solve. He feels otherwise it would be a waste of time.

4. The above discussed with DCS/OSS (Musulin) 29 Apr 69. It was decided that since ORD (Carrick) has been in contact with McDonald previously, that Carrick discuss the possible meeting on the Voice Ident System directly with McDonald.

5. McDonald was informed 29 April to expect a call from Carrick; *Terry* that DCS/LAFO would follow up later concerning his travels abroad.

- end -

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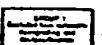
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(When Filled In)

4-61-88

PROCESS SHEET FOR DOMESTIC CONTACT SERVICE COLLECTIONS

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F. SUBJECT AND AREA Case 52722										G. CONTACT (Name, Title, Organization, Address) Hugh C. McDonald World Associates, Inc. 406 Wilshire Blvd. Santa Monica, California										INDIVIDUAL NO.	43 TYPE OO-E S GRAPHICS, MAPS, PUBLICATIONS, REPORTS, OTHER	44 NOT DISSEMINATED
H. SOURCE (Name, Title, Organization, Address) Same										ORGANIZATION NO.	SUBJECT 1. SUFFICIENTLY WELL KNOWN 2. TOO GENERAL 3. DATA SUPPLIED BY OTHER 4. ASSOCIATED WITH 5. OTHER/WHITE	AREA 51 52 53 54 5 5 O V 2 1 I N T 3 4										
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J. METHOD OF COLLECTION <input type="checkbox"/> Interview <input type="checkbox"/> Trip Report <input type="checkbox"/> Other Document <input type="checkbox"/> Other (specify below)										EVALUATION REQUESTED FROM	USSR ONLY EXCHANGES (CHECK ONE) <input type="checkbox"/> NO <input type="checkbox"/> TO USSR <input type="checkbox"/> FROM USSR	RESPONSIVE TO SPECIFIC REQUIREMENTS C										
FIELD COMMENTS <b>THIS IS A SENSITIVE REPORT.</b>										HEADQUARTERS COMMENTS T-507/SO 8-000												
C/S R.P.B. Lohmann/vla FORM 25 3-66					F.O. Case R. P. B. LOHMANN Obsolete previous editions					Case Officer					Division/Staff/Desk							

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(20-41)