

APPROVED FOR RELEASE 1983

**EYES ONLY**

3 March 1957

**TO :** Deputy Director (Plans)

**FROM :** Chief, Inspection and Review Staff

**SUBJECT :** Alleged indiscretions of [redacted]  
 Chief of Station, Ciudad Trujillo,  
 Dominican Republic.

I. Introduction

1. This is a report of an inquiry into alleged indiscretions of [redacted], Chief of Station, Ciudad Trujillo.
2. This inquiry was conducted in Ciudad Trujillo between the dates of 11 and 15 March 1957, by representatives of the I&R Staff and WE Division.

II. Allegations of Mr. William PANLEY, former U.S. Ambassador.

1. On 25 February 1957, Mr. William PANLEY, former U.S. Ambassador to Brazil, in conversation with the Director had stated, in part, that [redacted] was "...a busybody and an extremely conceited boy...he wants to be in the middle of everything and he talks to everybody in the world...he is always trying to milk me for information because he sees I am from the government and he is trying to get information out of me...I have seen few people who are less discreet...I believe that he is not a man who can evaluate a situation on its merits...not only the Dominicans are scared to death of him but all the Americans are scared of him, I am scared of him, and I am afraid to talk to the guy and that isn't the type of man you want in CIA".

III. Ambassador PEREYRE's conversation with Foreign Minister of the Dominican Republic.

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to his country, causing the Dominican Government to question whether the presence in the Dominican Republic of STEPHENS and [redacted] was desirable. The Foreign Minister further informed the Ambassador that [redacted] persona non grata but if they persisted in their attitudes of "hostility" he would be compelled to make further representations in the premises.

5. The Ambassador's dispatches to the Department of State indicated that he did not share the views of the Foreign Minister. The dispatches, however, reveal the extent to which the Dominican Republic would apparently pursue a course of action against U.S. personnel whom they considered unympathetic toward the present Dominican regime.

#### IV. [redacted] Relations in the Dominican Republic.

6. Since the unsuccessful attempt to bribe [redacted] made by the [redacted] about a year ago, and since the disappearance of Jesus Maria de GALLINER, an alleged Basque Intelligence agent, a marked coolness has developed in [redacted] relations with the Dominicans. Newspaper and magazine reports in the United States on the political atmosphere in the Dominican Republic (such as those shown in the attachments) and on the mysterious disappearance of a U.S. citizen, Gerald MURPHY, coupled with [redacted] participation in that case, appear further to have impaired the [redacted] relationship. These developments have been previously reported to the WE Division by [redacted] in detailed dispatches.

#### V. Results of Interviews with Embassy Personnel.

7. In order to determine whether or not [redacted] has been indiscreet as alleged, the following officers of the U.S. Embassy in Ciudad Trujillo were interviewed:

William T. PEKIVER, Ambassador  
 Francis L. SPALDING, Counsellor of Embassy and First Secretary  
 Robert N. ALLEN, Second Secretary  
 Harry H. LOFTON, Second Secretary and Consul  
 Richard H. STEPHENS, Second Secretary for Economic Affairs  
 Commander Ralph C. McGUI, U.S. Naval Attaché

8. These officers without exception spoke highly of [redacted] and of his integrity, loyalty, cooperation and capability. They stated that he was energetic, he had extensive contacts and sources, and he maintained a wide coverage of the local scene. None of the persons interviewed recalled any incident which would indicate that [redacted] was indiscreet. Several officers mentioned that [redacted] was an incessant talker and that he has annoyed people with seemingly inexhaustible accounts of history and social sciences. (The study of

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history and social sciences has long been a hobby with [redacted]) The Naval Attache stated that the extensive knowledge of history by [redacted] probably was above the comprehension of some of the Peace Service officers, and he could easily understand their annoyance as he, in conversations with [redacted] has had to plead ignorance of some of the fine points to which [redacted] addressed himself.

9. On the other hand, Embassy officials have found [redacted] to be "secretive". His reluctance to reveal sources of information was annoying to Embassy officers. Intelligence which [redacted] obtained frequently was found to be valuable and timely. The reluctance of [redacted] to reveal his sources, although admittedly he was within his rights to withhold such sensitive data, did cause misunderstanding among some officials as to his services for the Embassy.

10. Except as noted above [redacted] was held in high esteem by his associates. They felt that in his discussions with Americans and Dominicans he was discreet.

11. The Ambassador was particularly high in his praise of [redacted]. He stated that [redacted] was an asset to the Embassy and that he (the Ambassador) really used [redacted] as a Special Assistant in both social and official functions. He stated that "If Allen DULLES gave me the pick of his shop, I would choose [redacted]"

#### VI. Interviews with personnel outside the Embassy.

12. In addition to Embassy personnel, Mr. Roger RICE, Manager of the Texaco Company in Ciudad Trujillo, who has formerly been cleared by CIA, and his wife, Stephany, a former [redacted] were interviewed independently of each other. Mr. RICE said that [redacted] was highly regarded in the American business community and that no one had any fear of being in his company. RICE stated that he played golf with the members of the American business community and had never heard [redacted] name mentioned as a person to avoid. Stephany RICE teaches at the American school and spends considerable time playing bridge with the wives of American businessmen. She said that apart from a dislike which some people have for [redacted] because of the amount of talking that he does about history and related subjects, he was well liked in the community and she has never heard it said that he was indiscreet or a person to be avoided.

#### VII. Briefing of Ambassador PHILPOTTS following the interviews.

13. Following the above interviews the Ambassador was informed that the inquiry produced no evidence of indiscretion on the part of [redacted]. He stated that he was very pleased to hear this and that he had hoped that such an inquiry would clear him. The Ambassador was

II. Discussions with Mr. PAMLEY.

16. According to [redacted] and other Embassy officials, there are many U.S. citizens who have vested interests in the Dominican Republic, among whom several are mentioned as apologists for the Dominicans for business reasons. Two of those frequently mentioned during the course of this inquiry were a Mr. Robert CHRISTENSEN, a former Foreign Service officer, and Mr. William PAMLEY, a former U.S. Ambassador. [redacted] is particularly aware of the latter's closeness to General TRUJILLO. [redacted] stated that he had discussed with PAMLEY on a number of occasions some of the implications of revolutions in Latin America. This was done because [redacted] believed that

PANLEY's long service in the U.S. government and known position justified confidence in him. So far as [redacted] was aware, he believed that he gave no cause for Mr. PANLEY to label him either for

of PANLEY as a former U.S. Ambassador. [redacted] believes he looked over backwards in not presenting an anti-YERJILLO position because he was aware of PANLEY's close ties with YERJILLO.

17. [redacted] did state that at one time he asked PANLEY for information on the GALIENZI case. In that particular conversation, when he informally and "quite bluntly" requested this information, Mr. PANLEY stated that he did not mix business and politics, and that in the Dominican Republic he was in business. [redacted] stated that in view of the answer he received he wished he had not asked the question.

18. In the opinion of the HR and WH representatives it is a moot question whether or not that question posed to PANLEY was indiscreet. Regarded after the event, it probably was indiscreet. But regarded in the light of Mr. PANLEY's previous sensitive employment and stature in the U.S. government and previous relations with [redacted] it was a question which probably could have been asked by the most discreet U.S. employee in similar circumstances.

c. The recent difficulty with the Government of the Dominican Republic has not terminated the usefulness of [redacted] - It has impaired his official [redacted] relations but not to the extent of requiring his removal at this time which the Dominican Government is apparently trying to bring about.

**II. Recommendations.**

30. It is recommended that:

a. [redacted] complete his present tour of duty which will expire on 28 September 1957.

b. CIA evaluate the necessity [redacted] in the Dominican Republic.

c. The question of [redacted] future assignment be evaluated and resolved by Chief, WH Division on the basis of over-all performance.

**D. DEBARKLESEN**  
Chief, Inspection and Review Staff

**Distributions:**

- Original - Addressee
- 1 - Chief, WH Division
- 1 - I&R Subject file
- 1 - I&R Chrono file

**Attachments:**

**\*\* The Director:**

In view of your decision to continue [redacted] in the Dominican Republic, our evaluation will be directed at whether or not a new man should be identified to the Dominican authorities as [redacted] was.

/s/ R. H.