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25 March 1957

MEMORANDUM FOR: Deputy Director (PLANE)

FROM: Chief, Inspection and Review Staff

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

I. Introduction.

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

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

3. On 25 February 1957, Mr. William PAMLEY, 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 PHEIFFER's conversation with Foreign Minister of the Dominican Republic.

4. In addition to Mr. PAMLEY's statement, the WH Division has copies of Embassy dispatches No. 464 and 465 of 9 and 11 February 1957 entitled, "The MURPHY and de la MAZA cases" which report Ambassador W.T. PHEIFFER's conversation with the Dominican Republic's Foreign Minister, HERRERA. The Foreign Minister, in conversation with the Ambassador, had informally complained of the "disrespect and impudence" of U.S. Charge d' Affairs, Richard H. STEPHENS and the alleged "innuendoes" of Mr. [redacted] questioning the veracity of official Dominican statements pertaining to the death of a Dominican national, de la MAZA. From his conversation with the Foreign Minister, the Ambassador reported that the Foreign Minister went on to say that the attitudes of STEPHENS and [redacted] indicated they harbored hostility

to his country, causing the Dominican Government to question whether the presence in the Dominican Republic of STEPHENS and [] was desirable. The Foreign Minister further informed the Ambassador that [] was 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 unsympathetic toward the present Dominican regime.

IV. Liaison Relations in the Dominican Republic.

6. Since the unsuccessful attempt to bribe [] made by the Chief of Dominican Republic's Intelligence Services about a year ago, and since the disappearance of Jesus Maria de CALDERON, an alleged Basque Intelligence agent, a marked coolness has developed in [] liaison 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 [] participation in that case, appear further to have impaired the liaison relationship. These developments have been previously reported to the WH Division by [] in detailed dispatches.

V. Results of Interviews with Embassy Personnel.

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

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

8. These officers without exception spoke highly of [] 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 [] was indiscreet. Several officers mentioned that [] was an incessant talker and that he has amused people with exceedingly inexhaustible accounts of history and social sciences. (The study of

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 Front Office members, and he would usually mention 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 Terace Company in Ciudad Trujillo, who has formerly been cleared by CIA, and his wife, Stephany, a [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 PHILLIPS 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

informed that all of his officers had stated that [] appeared to be too secretive in not revealing his sources of information. The Ambassador commented that he himself had [] on several occasions for sources without any success. He did this without expectation of learning the sources but merely to test [] security. The Ambassador stated that he is completely satisfied with the work of [] and added, "You tell Allan Willis that if he wants a letter from me or [] I shall be glad to send it to him".

III. Interviews with Deputy []

14. [] was interviewed regarding his knowledge of any incident which might have led to allegations of indiscretion on his part. He said that possibly Mr. Mahard STEPHENS, at the time the latter was Charge d' Affaires, had singled him out as the "fall guy" for several of STEPHENS's actions in the KURPIE case. He said that he and STEPHENS often do not see eye to eye in their work on the KURPIE case. (This belief appears to be contrary to STEPHENS's statements made earlier to representatives of DIA and VII Division. STEPHENS had stated unequivocally that [] was highly regarded by the Embassy staff and by himself personally; in his high praise of [] STEPHENS volunteered to put into writing the above statement.)

15. Further, [] said that the Dominican's displeasure of him was probably due to his assignment to the KURPIE case by STEPHENS, when Charge d' Affaires, after it was taken out of the hands of the General. According to [] inquiry into the KURPIE case, in collaboration with and at the behest of, STEPHENS, probably prompted the informal action taken by the Dominican Foreign Minister which was reported by Ambassador PHILLIPS. In addition, an order from STEPHENS, [] had accompanied GALLY CALIN (the Counselor of KURPIE) from Ciudad Trujillo to Miami after obtaining permission to do so from Headquarters. It was [] belief that this was an additional factor in the Dominican Republic's displeasure with him.

II. A discussion with Mr. PHILIP.

16. According to [] and other Embassy officials, there are many U.S. citizens who have reacted adversely 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 GENTHERBERG, a former Foreign Service officer, and Mr. William PHILIP, a former U.S. Ambassador. [] particularly aware of the latter's closeness to General TRUJILLO. [] stated that he had discussed with PHILIP on a number of occasions some of the implications of foreign interests in Latin America. This was done because [] 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 leaned over backwards in not presenting an anti-TEJILLO position because he was aware of PANLEY's close ties with TEJILLO.

17. [redacted] did state that at one time he asked PANLEY for information on the CALDERON 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 I&A and WE 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.

X. Conclusions.

19. On the basis of the foregoing, it is concluded that:

- a. There was no serious evidence that the [redacted] [redacted] was indiscreet in the conduct of his office.
- b. The Ambassador and other Embassy officials highly praised [redacted] for his industry and dedication to duty.
- c. Interviews both within and without the Embassy indicated that the American business community in general regretted [redacted] highly.
- d. [redacted] is an intensely garrulous person who has annoyed Embassy officials at social and political functions and others outside the Embassy with his academic discussions of history and social sciences. These same officials have been equally annoyed at what they regard as a "cloak and dagger" air on his part. None of these personal characteristics, however, seems to have seriously impaired his usefulness which under present conditions is limited.

e. The recent difficulty with the Government of the Dominican Republic has not terminated the usefulness of [redacted] It has impaired his official liaison 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.

20. It is recommended that:

a. [redacted] complete his present tour of duty which will expire on 30 September 1957.

b. CIA evaluate the necessity for maintaining representation 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. DeMARRIEN
Chief, Inspection and Review Staff

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Attachments:

*** The Director:

In view of your decision to continue CIA representation 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.