

GSMusulin/bm  
2268

S E C R E T

ROUTINE

3 SEPT 69

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84055

CONTACTS LOS ANGELES

FROM O38 (MUSULIN)

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

REF: LANG 0223

RE REF JOE TEREK, TSD/ORD, HAS BEEN IN TOUCH WITH MR. MC DONALD ON MATTERS OF INTEREST TO ORD. 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 ORD 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 ORD 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 DES&T.

SEP 3 12 55 PM '69

S E C R E T

**SECRET**

AUG 29 3 02 PM '69

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

CONTACTS/WASHINGTON

TO OSS

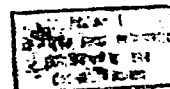
SUBJECT: CASE 52872 (CLOSED)

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/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 FBI. ALSO, PLEASE DETERMINE IF McDONALD IS A DD/S&T CONSULTANT OR CONTRACTOR.

**SECRET**

JOE - TERENK.

X-2901.



S-E-C-R-E-T

DATE 20 August 1969

MEMORANDUM FOR : Chief, LOS ANGELES FIELD OFFICE

ATTENTION :

SUBJECT : AD Sec Clearance 2212

REFERENCE : a) LOS - R - 10 - 30

b) Case 52872 - closed

Re HUGH C. McDONALD, Security Division has  
 granted SA Sec clearance through "Secret" for Denied Area Briefing.

Favorable National Agency Checks were completed APRIL 1969

Current FBI Checks were completed, MAY 1969

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

Coordination for Denied Area Briefing of Subject, in accordance  
 with LOS R - 10 - 30, must be completed separately by the appropriate  
 Headquarters Division.

*Virginia L. Thorne*

VIRGINIA L. THORNE  
 Security Liaison Officer

CC : MISBULIN ✓

VThorne: cak

SECURITY MESSAGE# 7868

GROUP 1  
 EXCLUDED FROM AUTOMATIC  
 DOWNGRADING AND DECLASSIFICATION

S-E-C-R-E-T

7/12/69 4408  
 DDST  
 Security:  
 NO CONNECTION  
 OF NAME  
 from

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

FILE.

DATE 27 May 1960

MEMORANDUM TO : CHIEF, LOS ANGELES FIELD OFFICE

ATTENTION :

SUBJECT : AD HOC CLEARANCE

REFERENCE : CASE 52872

Security Division has granted ad hoc clearance thru

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

on the following:

HUGH C. MC DONALD

Security checks will be completed.

CC: MUSELIN

*Virginia L. Thorne*  
VIRGINIA L. THORNE  
Security Liaison Officer

SECURITY MESSAGE # 1260

VThorne:grv

GROUP I  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

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



World Associates Incorporated

GSF/mulin/bm  
DCS/Operational Support Staff  
900 Key Bldg.

2268

Closed Case 52,872

15 May 1969

TSD  


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

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

DATE 6 May 1969

MEMORANDUM TO : CHIEF, LOS ANGELES FIELD OFFICE  
ATTENTION :  
SUBJECT : AD LEO CLEGGARD  
REFERENCE : CASE 52872

Security Division has granted ad hoc clearance thru  
CONFIDENTIAL TO BE RAISED TO SECRET AFTER THE FBI CHECK IS COMPLETED  
on the following:

HERN C. MC DONALD

C. 52872

Security checks will be completed.  
HAC's will be completed at a later date.

CC: MEMPHIS

997-

Virginia L. Thorne  
VIRGINIA L. THORNE  
Security Liaison Officer

SECURITY MESSAGE # 7065

Viburno:grv

GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

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

World Associates, Inc., Hugh C. McDonald, President

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

DCS Case 52872

2268

5 May 1969

TED/MPB

230 South Building

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

*Financial Inf sent  
to Control for filing.*

*ck - Tolman  
case closed  
on P/S.*

**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.

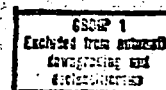
2. McDonald will inform DCS/LAFO of his travel plans when they are firmed up.

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; that DCS/LAFO would follow up later concerning his travels abroad.

- end -

**SECRET**

28 April - Tony Lohman says that  
McDonald will come to D.C. if  
the agency has some real and  
honest problems to discuss.  
He does not have the time to  
come to Washington for a general  
discussion on the subject.

[redacted] has canvassed one  
part of T&D and several people  
are interested in sitting in but  
the interest is not sufficient to  
justify bringing McDonald to  
Washington. [redacted] 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. (Circ 213-393-3564.) Talked to Tony about  
him - We work this one out. Terek will make his  
own arrangement to (bring or not to bring) McDonald to D.C.  
To many Indians about the passage.

14-00000  
GEO:aulia/bm

SECRET

2268

ROUTINE

83050

25 APR 69

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CONTACT LOS ANGELES

FROM OCS (MUSULIN)

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

REFS : WASH-83002 AND LAEG-3077

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WA-TX HAS BASED ON INFORMATION OBTAINED FROM REPRESENTATIVE FROM OED, WHO MAY HAVE OVERESTIMATED MC DONALD'S ENTHUSIASM TO BE OF SERVICE TO HIS FORMER MANUFACTURER. WE ARE POLLING TSD/OND COMPONENTS TO DETERMINE RESPONSE TO HIS OFFER TO COME TO WASHINGTON ON 8 MAY AS INDICATED IN SECOND REF. BELIEVE FIRST WE SHOULD HAVE MEETING OF MINDS ON EXTENT AND SCOPE TO WHICH MC DONALD WOULD AGREE TO DISCUSS OR DEMONSTRATE HIS VOICE IDENT SYSTEM WITH AGENCY REPRESENTATIVES, WHO ARE QUALIFIED TO DISCUSS SUCH MATTERS FROM A SECURITY STANDPOINT. THE EXTENT OF HIS WORLD TRIP 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/OND REFS. HIS POINT OF CONTACT WOULD BE DCS/OCS (MUSULIN) 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 INTACT. SHOULD MC DONALD INDICATE SIGNS OF ANY DISPLEASURE WITH THESE ARRANGEMENTS OR SHOW RELUCTANCE TO DISCUSS HIS VOICE

SECRET

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83050

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

TOP SECRET

SECRET

**SECRET**

APR 24 11 57 AM '69

S E C R E T 241030Z APR 69 CITE CONTACTS/LOS ANGELES 1077

CONTACTS/WASHINGTON

TO OSS, MUSLIV

SUBJ: CASE 52872

MUCH C. McDONALD, WORLD ASSOCIATES INC., INFORMED ME THAT SOMEONE PROVIDED TSD/ORD 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.

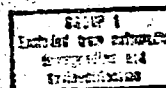
S E C R E T

4/13/69

K5  
3517

Security Logistics

Request about McDonald  
and our interest. They  
have Top Secret Clearance  
Continuing since 1941.





JOE TEREK

ORD/ 3901

HUGH C. McDONALD,  
WORLD ASSOCIATES  
INVC

SANTA MONICA,  
CALIF.

STEVE ROCCA + TSD #

2835- [REDACTED] (PROJECT.

MONITOR)

POS VOICE IDENT [REDACTED]

IDENT KIT.

VISIT WASH IN 3 WEEKS.

JACK TERESKING

JACK  
TERESKING

[REDACTED] S. Louder  
[REDACTED] [REDACTED]

6/11/83  
1000

Chief, TSD/MPS

22 April 1969

ATTN :

Director, Domestic Contact Service

DCS Case 52872 - 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.

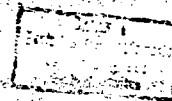
3. Further inquiries should be directed to George S. Musulin, DCS, Operational Support Staff, Extension 2268.

JAMES R. MURPHY

GSMusulin/js

cc: Services Div. (Control)

SECRET



1268

ROUTINE

21 APR 69

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CONTACTS/LOS ANGELES ~~XXXXXXXX~~

83002

FROM OSS (MUSULIN)

NEW CASE 52872 - HUGH (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. ~~DELETED BUSINESS~~ SUBJECT HOLDS DCS SECURITY APPROVED (CAUTION) CLEARANCE (DEC 1954) WHICH SHOULD BE UPDATED. PLEASE EXPEDITE.

SECRET

FILE TITLE/NUMBER/VOLUME:

McDONALD, Hugh C.  
DCD 04-61-88 J

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

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

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

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

DATE RECEIVED	DATE RETURNED	REVIEWED BY (PRINT NAME)	SIGNATURE OF REVIEWING OFFICIAL
			NOT REVIEWED BY HSCA

NO DOCUMENTS MAY BE COPIED OR REMOVED FROM THIS FILE

CONFIDENTIAL  
(When Filled In)

DATE 6 May 1969

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

F-4-61-88

Security Division has granted ad jks clearance thru  
**CONFIDENTIAL TO BE RAISED TO SECRET AFTER THE FBI CHECK IS COMPLETED**

on the following:

NAME C. MC DONALD

Security checks will be completed.

MAC's will be completed at a later date.

**SECURITY**

*Virginia L. Thorne*

CC: MEMPHIS

VIRGINIA L. THORNE  
Security Liaison Officer

SECURITY MESSAGE # 7063

GROUP 1

EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

VBOR:cv

CONFIDENTIAL

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

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 EIT HAC MUST BE COMPLETED BEFORE DAD APPROVAL CAN BE GRANTED

on the following:

ARTHUR C. MC DONALD

Security checks will be completed.

SECURITY

CC: MEMULIN

*Virginia L. Thorne*  
VIRGINIA L. THORNE  
Security Liaison Officer

SECURITY MESSAGE # 7260

VThorne:grv

GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

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

SECRET

F4-61-88

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 Thomas, Ext. 2738.

SECURITY

B. FRANK YOUNG

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

VThomas:grv

SECRET

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

**CONFIDENTIAL**

F-4-61-88

Chief, Personnel Security Division, OS

30 January 1970

Director, Domestic Contact Service  
(Chief, Services Division)

MC DONALD, Hugh C. -- 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.

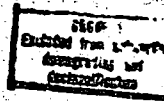
2. As stated in paragraph 3 of the enclosure, our representative told Subject that the Agency has no interest in his plans since his organization has law enforcement affiliations.

3. Any questions pertaining to this memorandum should be directed to Mrs. Virginia L. Thomas, Extension 2731.

E. FRANK YOUNG

Enclosure: As Stated Above

VThomas:cas

**CONFIDENTIAL**



23 January 1970

INTERVIEW 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. 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 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 answer to this, he said that he was planning to put law enforcement officers in the field 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 fraudulent credit cards, or merchandise, in various parts of the country. Basically, he said that if a credit card was stolen or fraudulently issued and used, and once his organization was notified, he would immediately notify his law enforcement contacts, and he would notify all the banks, hotels, etc., in the city to be on the alert and not charge anything to such cards.

2. The trend of the conversation indicated that McDonald was again seeking some assistance in setting up his organization. I asked him whether or not he had set off the ground so 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 for him. He anticipates that he will put these people on a monthly retainer. He feels he will have a real intelligence designation 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.

L  
R. P. B. LORRIS

EPDL/bas

cc: DCS, Services Division

File: GEM/World Associates

CONFIDENTIAL

S-E-C-R-E-T

F.Y. 61-88

DATE 30 August 1969

MEMORANDUM FOR : Chief, LOS ANGELES FIELD OFFICE

ATTENTION :

SUBJECT : A1 EOC Clearance

REFERENCE : a) DCS - R - 10 - 30

b) Case 52872

Re ARTHUR C. MC DONALD, Security Division has  
granted an EOC 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  
DIT's Memorandum dated 25 November 1961.

Coordination for Denied Area Briefing of Subject, in accordance  
with DCS R - 10 - 30, will be completed separately by the appropriate  
Headquarters Division.

*Virginia L. Thorne*  
VIRGINIA L. THORNE  
Security Liaison Officer

CC : MEMPHIS

Viborne: cak

SECURITY MESSAGE# 7868

GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION

S-E-C-R-E-T

CONFIDENTIAL

CLASSIFIED BY: 100-111-2-100

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

## INTEROFFICE MEMORANDUM

DATE : 19 August 1969  
 TO : Director, Domestic Contact Service  
 SUBJECT: MC DONALD, Hugh C  
 FILE NO: 189460

DENIED AREA  
BRIEFING

1. Reference 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.
4. FBI name check was completed May 1969. Other National Agency checks were completed on 11 August 1969.
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

1969  
 OS has coordinated with component having prior interest. There is no objection to DCS use.

APPROVED/SECRET

DENIED AREA  
BRIEFING

28 APR 1969

## CENTRAL INTELLIGENCE AGENCY

NO.

EE-10772

## BIOGRAPHIC DATA

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.)

FROM	TO	COMPLETE ADDRESS
1954	Present	920 Euclid Street, Santa Monica, California 2601 Colonial Avenue, Mar Vista, California  S-46188 ok

☐ CONTINUED

8. EMPLOYMENT

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

☐ 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

20 APR

20 APR 1969

☐ CONTINUED

Looney

Case 52872-  
Mussulini

**CENTRAL INTELLIGENCE AGENCY**

**BIOGRAPHIC DATA**

NO. 1

1. SUBJECT'S LAST NAME - FIRST NAME - MIDDLE NAME  
MC DONALD, Hugh C.

2. ALIASES  
D-46787

3. DATE AND PLACE OF BIRTH  
16 May 1913; Hopkins, Minn.

4. SEX  
M

5. CITIZENSHIP  
US

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

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

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

☐ CONTINUED

8. EMPLOYMENT

FROM	TO	NAME OF EMPLOYER	COMPLETE ADDRESS
	Present	World Associates Inc.	406 Wilshire Blvd., Santa Monica, California
1936	1967	Los Angeles County Sheriff's Office	211 Temple Street, Los Angeles, California

☐ 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 1968

DENIED AREA  
BRIEFING

5 MAY 1968

☐ CONTINUED

~~CONFIDENTIAL~~  
INTEROFFICE MEMORANDUM

TO: Chief, Contact Division, OO

DATE: 8 November 1954

FROM: Chief, Security Division, SO

SUBJECT: McDONALD, Hugh C.  
EE-16772

A-46188

~~INACTIVE~~

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.

*Erma P. Geiss*  
Erma P. Geiss

77A

DEC 6 1954

~~CONFIDENTIAL~~

*Lo Aug*

29 July 1954

A-46189

McDONALD

Hugh

C

10 May 1913

Hopkins, Minn.

W

H

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 650-248)



HUGH C. McDONALD

A-04-61-28

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 4-22-69INITIALS Hct

UNITED STATES GOVERNMENT

# Memorandum

LA 416-70

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

DATE: 15 May 70

SUBJECT: Case 52722

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

2. (Item 1) It was [ ] not [ ] who reported  
on the new radical group at Pitzer; source [ ] 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 [ ] we think he is back at Cornell.  
Our report to you covered all we know to date.

3. (Item 2) [ ] will try and determine what he can  
about [ ] 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 [ ] 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  
[ ] 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".

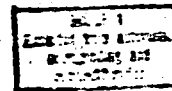
7. (Item 9) I have contacted [ ] and reported.

8. (Item 10) [ ] PHS sent in 14 May.

9. (Item 11) I have told [ ] 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) [ ] says the chance of [ ] providing anything  
is questionable.

SECRET/CONFIDENTIAL



SUBJECT: Case 52722

LA 416-70

11. (Item 13) I have finally figured out [ ] 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 [ ] 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 [ ] wants to know what OS is getting, tell him to contact [ ] in Headquarters/OS. [ ] might want to consider having his requirements levied on OS.

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

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

15. (Item 17) I told [ ] 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, [ ] will not be asked to follow up on [ ] contacts and we will depend on OS police contacts.



R. F. R. SCHMANN

Attachment:

Xerox copy of [ ] notes

RFEL/vla

File: C-52722

- 2 -

SECRET/SENSITIVE

S-E-C-R-E-T

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

10 September 1969

DCS Case 53199

SUBJECT: [REDACTED]

World Associates, Inc. ✓

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 \$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.

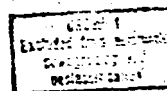
6. Currently, McDonald is in Hawaii and is exploring the possibility of setting up a police intelligence school in Hawaii to train police officers from Asian countries.

7. Attached are copies of data pertaining to prospectus, products, services, etc.

8. [REDACTED]

- end -

S-E-C-R-E-T



F-4-61-88

APR 71 5 07 PM '69

SECRET 212100Z APR 69 CITE CONTACTS/DEM-1000N 03040  
 CONTACT/LOS ANGELES  
 FROM DDB (UNCL) 141

NEW CASE 52572 - WASH. C. 1200010 - WORLD ASSOCIATES INC., SANTA  
 MONICA, CALIFORNIA OFFERS TO ASSIST AGENCY (CLOSED CASE 14441)

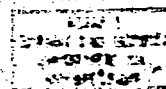
THIS IS NEW CASE OPENED IN YOUR OFFICE.

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 MINISTRIES,  
 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 OS 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 COMPONENTS TO DETERMINE IF THEY 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 DOE SECURITY  
APPROVED (CAUTION) CLEARANCE (DEC 1984) WHICH SHOULD BE UPDATED.  
PLEASE EXPEDITE.

S E C R E T



14-00000  
Joe Terek 7901

He has worked for a res  
ozgr LA Police Dept - Chief  
of detectives - Also worked for  
Army intelligence - In touch  
with underworld - Developed  
method of voice identification  
used by banks. Knows people  
throughout world.

Last month discussed on Lunnis.  
Wanted be more valuable to  
DD/P than to OCS.

- Hugh McDonald -

BA. & Epistemological  
information -

Terek in ORD - Project monitors -  
He has done work in identity  
for TSD - 8 years ago

Who should he talk to -

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

10/27/70 Called Joe Terek/ORD I know Joe Terek from previous encounters. He has been  
trying to peddle Hugh McDonald to various elements of the Agency without success. TSD has  
no interest as I checked it again with West/TSD-WPS. I strongly urged Terek to channel  
him to [redacted] 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.  
SAM

400000  
Joe Derek 2701- ORD -  
Tried to  
arrange - 3166



SECRET

4-61-88

OLC 70-0857

9 December 1970

## MEMORANDUM FOR THE RECORD

*AH 6188*  
SUBJECT: Meeting with Mr. Hugh C. McDonald, President of  
World Associates Inc.  
*MS 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 1963.

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

R-5/OSS/Stetson<sup>2</sup>  
F 4-61-88

15 April 1970

MEMORANDUM FOR THE RECORD BSubject: Hugh McDonald/Telephone Conversation 13 April 1970

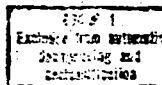
Hugh McDonald telephoned and informed that, "a reliable source" told him that a sum of "several million" dollars had been transferred to the Cathay Bank (Los Angeles) from the Far East for the Commercial Bank of Sweden. He commented that it may be the first substantial payment to militant groups throughout 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. LOHMANN

RFBL/bas

File: Case 52722  
World Associates, Inc.

SECRET



SECRET

4-61-88  
Services  
Div.  
25 March 1970A149859  
MEMO FOR THE RECORD B-11B-#H46188  
Subject: World Associates, Inc. (Hugh McDonald)

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."

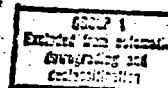
2. At this point I commented that I appreciated his feeling but wondered if he could provide some basis for information passed to us that would permit some evaluation, such as type of person who provided him the information, when, where and his evaluation of his source. McDonald "blew his cool". He said 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

✓  
1  
C. C. Rogers  
given to UT  
SECRET



**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 campuses 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 us 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.

R. P. B. LOHMANN

R22L/sg

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

File: World Associates, Inc.

- 2 -

**SECRET**

**SECRET**

F-4-61-88

LA-254-70

Director, DCS  
for Soviet Bloc Division

18 March 1970

Chief, Los Angeles Office

USSR/China Tension

6

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.

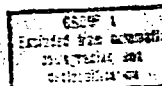
2. McDonald refused to provide any information concerning the qualifications of his source to provide reliable data. In fact, he became a bit vexed when the matter was brought up.

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

RPHL/bas

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

**SECRET**

CONFIDENTIAL

DEC, 5 1970  
4-61-88

23 January 1970

MEMORANDUM FOR THE DIRECTOR

Subject: World Associates (Hugh McDonald, Proprietor)

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 pay 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.

Copy F: 149859

CONFIDENTIAL



CONFIDENTIAL

- 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. E. LORAN

EPCL/bas

cc: DCS, Services Division

File: GEN/World Associates

CONFIDENTIAL

SECRET

F-4-61-88

Chief, Los Angeles Field Office

15 October 1969

Director, Domestic Contact Service, CSS

Case 53,199

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. [redacted] 322/26383-69 and [redacted] 322/26383-69. Cover Staff has received preliminary security reading of [redacted] and Security has again brought up the derogatory information which you have on file. To get full CIA on Birna to override this former report would require extensive field investigation. [redacted] does not feel that he wants to subject [redacted] to this type investigation so Cover will not pursue this lead.

b. [redacted] 322/26383-69. World [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.

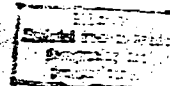
c. [redacted] 322/26384-69. [redacted] Cover Staff would be interested in pursuing this lead if we could pinpoint fewer committing officials for Cover's specific interest. A Cover commitment within an organization is on a "need-to-know" basis, to those officials who would be directly concerned in backstopping 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 1969. [redacted] Sports Clothes. This lead is very interesting and Cover Staff is processing clearance of [redacted] Ben [redacted].

e. [redacted] 752-69. [redacted] Refining Associates (Canada) Ltd. This lead forwarded to Cover Staff in response to a different requirement (case not open to your office). It was decided that [redacted] would not fit the Cover requirement so this lead has been forwarded to the area desk for consideration.

Copy 7 all [redacted]

A11204  
SECRET



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. MURPHY

*Lj* LIGrant/ka  
cc: Services Div. (Control)

100-100000

SEP 3 12 55 PM '69

S E C R E T 831334Z SEP 69 CITE CONTACTS/WASHINGTON 84255

CONTACTS/LOS ANGELES

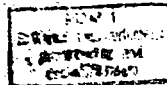
FROM O35 (MUSULIN)

CLOSED CASE 52,870 - HUGH C. McDONALD/ WORLD ASSOCIATES, INC.

REF: LANG 7223

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



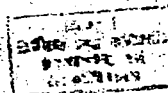
F 4-61-88

AUG 29 3 02 PM '69

SECRET 291840Z AUG 69 CITE CONTACTS/LOS ANGELES 0223  
CONTACTS/WASHINGTON  
TO OSS  
SUBJECT: CASE 52572 (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 TSO/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/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.

SECRET



APR 25 3 09 PM '69

SECRET 291534Z APR 69 CITE CONTACTS/WASHINGTON 24210

CONTACTS/LOS ANGELES

FROM OSS (MUSULIN)

CASE 52,872 - HUGH C. McDONALD / WORLD ASSOCIATES INC.

REFS: WASH-53002 AND LANS-3877

WA-10X 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 FOLLING TSD/ORD COMPONENTS TO DETERMINE RESPONSE TO HIS OFFER TO COME TO WASHINGTON ON R MAY AS INDICATED IN SECOND REF. BELIEVE FIRST WE SHOULD HAVE MEETING OF MINDS ON EXTENT AND SCOPE TO WHICH McDONALD WOULD 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 TRIP 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 DOS/OSS (MUSULIN)

14-00000

PAGE 2 CONTACTS/WASHINGTON 25000 S E 2 2

WHOSE OFFICE TELEPHONE CAN BE FURNISHED TO McDONALD. WHEN WE LEARN NAMES OF THOSE WHO WISH TO ATTEND MEETING WITH McDONALD, WE WILL BE GLAD TO FURNISH NAMES BUT THE CONTACTING ARRANGEMENTS ABOVE MENTIONED WILL REMAIN INTACT. SHOULD McDONALD 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. DDC/LOGISTIC SECURITY BRANCH, INFORMED THEY HOLD TOP SECRET CLEARANCE ON SUBJECT SINCE 1961.

S E C R E T

11-81-88

F-7-61-88

APR 24 11 37 AM '69

SECRET

S E C R E T 241630Z APR 69 CITE CONTACTS/LA ANGELES 3177

CONTACTS/WASHINGTON

TO OSS, MUSULIN

SUBJ: CASE 52672 *B*

HUGH C. McDONALD, WORLD ASSOCIATES INC., INFORMED THAT SOMEONE PROVIDED ISD/ORD 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.

S E C R E T

 GROUP 1  
 Excluded from automatic  
 downgrading and  
 declassification



SECRET

F-4-61-88

Chief, TSD/MPS

22 April 1969

ATTN :  

Director, Domestic Contact Service

*A-46188* *Re: (initials)* *B-5-46188*  
 DCS Case 52872 - 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 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.

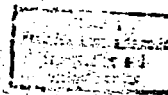
3. Further inquiries should be directed to George S. Musulin, DCS, Operational Support Staff, Extension 2268.

JAMES R. MURPHY

GSMusulin/js

cc: Services Div. (Control)

SECRET



CONFIDENTIAL

F-46188  
Inactive  
19 September 1961

Chief, Los Angeles Office

Chief, Criminal Division, Bureau

Los A.M.

CASE

A-37722

1. Attached is a memorandum from the Office of Training  
regarding contact with the Los Angeles Police Department  
regarding to obtain full-length photographs of a total of 750  
people, as outlined by requester.

A46188 I

2. For your information, the Los Angeles County Sheriff's  
Department, through Chief Mark Johnson, has already contacted  
with this project by obtaining photographs of 750 people. The  
contact with Chief Johnson, was made while he was in Washington,  
D. C. some months back.

3. Please note that requester has not asked a sum of \$100  
to take care of any costs that may be involved in his request to  
the Los Angeles Police Department. He only mentions that sum is  
intended to pay for the work involved, but it may cover on a  
claim to get the job done for us in a cooperative photographing  
or identification office in the Los Angeles Police Department,  
and this sum may be submitted to the Chief or other department  
officials you contact.

4. May thank.

R. E. Anderson

Attachments (2)

1-22-61

cc: Jones

EX-111

032230099

copy filed in  
jacket #

37722

CONFIDENTIAL

IC

Chief, TSO/Security

21 April 1960

Chief, Security Staff, CL

Identi-Kit

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

1. On 5 April 1960 the undersigned interviewed Chief Hubert A. 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 5-3416, Extension 61401.)
2. The attached "Vase 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. Courtesy Orens, Sales Manager of Lansford Engineered Products, regarding the indication of "underwritten 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 Identi-Kit 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 [redacted]

[redacted]  
He was granted a Secret contract security authorization on 26 January 1960. [redacted] was made witting of the sponsor and a secrecy agreement was taken from him.

OL U 2440

25 Apr 60  
Copy fwd to  
A. A. Officer

HHH-6122

SECRET

Subject: "Identikit"

7. [ ] stated that he was not aware of the sponsor (until now), but he had assumed that the Agency was involved. [ ] 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 [ ] 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 [ ]

9. [ ] stated that he has a very close contact with [ ] Los Angeles CO/C Office, but did not indicate if the subject of the Identikit had ever been discussed. [ ] 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 [ ] as stating "the pilot model cost more than \$37,000".

[ ]  
Security Officer, ES/OL

APPROVED:

[ ]  
[ ]  
Chief, SA/OL

Attachment

Distribution:

- Orig. & 1 - Addressee w/a
- 1 - Chief, FID, CS (Attn: Mr. Bardinian) w/a
- 1 - Chief, ES/PSD/CS w/a
- ① - Mr. Travis, CO/C
- 1 - Co. file (Forward) w/a
- 1 - Chrono

[ ] 2517 (21 April 66)

- 2 -

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HH-6122

SECRET  
(When Filled In)

4-61-88

PROCESS SHEET FOR DOMESTIC CONTACT SERVICE COLLECTIONS																																		
FOR FIELD USE ONLY															FOR HEADQUARTERS USE ONLY																			
<b>A. FIELD OFFICE</b>					<b>B. REPORT NUMBER</b>					<b>C. REQ. CODE</b>					<b>D. CASE NUMBER</b>					<b>E. RECEIVED</b>					<b>STATUS NO.</b>					<b>OTHER</b>				
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World Associates, Inc.															37 38 39					40 41 42 43 44														
<b>G. CONTACT (Name, Title, Organization, Address)</b>															<b>INDIVIDUAL NO.</b>					<b>TYPE OOE</b>					<b>NOT DISSEMINATED</b>									
Hugh C. McDonald, President World Associates, Inc. 406 Wilshire Blvd. Santa Monica, California 90401																				S														
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RPELohmann/bas															R. P. B. LOHMANN					ccs					ccs/OSS									

FORM 3-66

Obsolete previous editions

SECRET



2

(20-41)

4-61-88  
S-E-C-R-E-T

MLA 00-A(5) 322/26389-69

10 September 1969

SUBJECT: [REDACTED]  
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.

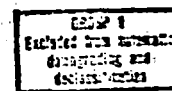
5. The possibility of using foreign offices to promote the activities of the Security Division of the company also exists.

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. [REDACTED]  
[REDACTED]  
[REDACTED]

- and -  
S-E-C-R-E-T



**SECRET**  
(When Filled In)

4-61-88

PROCESS SHEET FOR DOMESTIC CONTACT SERVICE COLLECTIONS																																												
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Request for Information on World Associates, Inc.																																												
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G. CONTACT (Name, Title, Organization, Address)																				INDIVIDUAL NO.										45 TYPE OO-E					46 * NOT DISSEMINATED									
Hugh C. McDonald, President World Associates, Inc. - Suite 203 406 Wilshire Boulevard Santa Monica, California 90401																														S														
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FIELD COMMENTS																				HEADQUARTERS COMMENTS																								
ATTN: OSS (Musulin)  For background (Services Division) attached are data concerning <u>World Associates</u> and their products/services.  May we close case?																				Copy to TSD/ [ ]  Please Close Case																								
C/S																				F.O. Chief					Division/Staff/Desk																			
RPB Lohmann/sg																				R. P. B. LOHMANN					OSS																			

FORM 25  
3-66

Obsolete previous editions

SECRET

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.

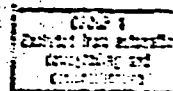
3. McDonald is willing to go to Washington, D.C. himself on 8-9 May and meet with TSD/ORD people there to "discuss" his Voice Ident System, but he is not prepared to do so unless TSD/ORD have some specific problems which his system will help solve. He feels otherwise it would be a waste of time.

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; that DCS/LAFO would follow up later concerning his travels abroad.

- end -

SECRET





(20-41)