

### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Watergate Incident

FROM:  Howard J. Osborn Director of Security	EXTENSION  6777	NO.  
	DATE  28 June 1972	

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. Deputy Director for Support		29 JUN 1972	CJ
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3. Executive Director-Comptroller 7D59 HQS	6/29	6/30	LFC WJ?
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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

**EYES ONLY**

A supplemental report.

**EYES ONLY**

WATERGATE INCIDENT1. BACKGROUND

Reference is made to the previous summary of 26 June 1972, which provided details on the arrest of five men by the Washington Metropolitan Police, after having been discovered breaking into the Democratic National Headquarters on 17 June 1972. The five primary figures included Messrs. James Walter McCord, Jr., a former CIA Staff Employee (1951-1970); Bernard L. Barker, a former Agency Asset (1960-1966); Frank Anthony Sturgis, who has never been employed by CIA; Eugenio Rolando Martinez Careaga, who worked on an Agency project from 1961 to 1969, and has since been on a \$100.00 a month retainer; and Virgilio Ramon Gonzales-Rosabel, who has never had any ties with CIA.

2. EVERETTE HOWARD HUNT, JR.

Much of the publicity on the case has centered on Mr. Everette Howard Hunt, Jr., a White House Consultant who formerly served as a CIA Staff Employee from 1949 to 1970. Mr. Hunt was initially interviewed by the Federal Bureau of Investigation in the evening of 17 June 1972, but he refused to discuss details of his involvement on Constitutional grounds. Information has now developed which indicates that in 1960 he had a documented alias in the name of Edward V. Hamilton; he used the name Edward J. Hamilton in 1963; and in 1968-1970, he was seriously considering the publication of a book under the name of Edward J. Hamilton. Recent news articles indicate that Mr. Frank Anthony Sturgis had registered at the Watergate and gave the police the name of "Edward Hamilton" at the time of his arrest. As of 27 June 1972, the Federal Bureau of Investigation gave indications that the whereabouts of Mr. Hunt is unknown. The Bureau is checking on Mr. Hunt's handwriting.

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3. FEDERAL BUREAU OF INVESTIGATION INTERVIEWS

A. (Donald Read Heath, Jr.)<sup>03</sup>

Mr. (Donald Read Heath, Jr.)<sup>03</sup>, a GS-14, Operations Officer assigned to WH Division/DDP, was contacted by a Special Agent of the Federal Bureau of Investigation on 26 June 1972, who made inquiries directly relating to Juan Rigoberto RUIZ Villegas, a former (Agency asset)<sup>24</sup> recruited by Mr. (Heath)<sup>03</sup>. By memorandum dated 27 June 1972, the Federal Bureau of Investigation was furnished information concerning the Agency's previous affiliation with RUIZ Villegas, and his 1971-72 ties with McCord Associates.

B. Juan Rigoberto RUIZ Villegas

Juan Rigoberto RUIZ Villegas was last known to be residing in a boarding house in Gaithersburg, Maryland. The Federal Bureau of Investigation acquired his address as of 26 June 1972, and it was expected that he would be interviewed by the Bureau in the morning of 27 June 1972. The results of the interview are not yet known.

C. Ross Ward Lambert

Mr. Ross Ward Lambert, a former GS-13, Contract Employee, who served with the Agency from 1965 to 1971, applied for a position with McCord Associates but took a job elsewhere. On 27 June 1972, information was received that he had been interviewed by a Special Agent of the Federal Bureau of Investigation assigned to the Chicago Field Office. He apparently was asked why he applied at McCord Associates, but we have no other information on the interview.

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D. (John Freeman Caswell)

Mr. (John Freeman Caswell)<sup>03</sup> a GS-15, Executive Officer of the Europe Division/DDP, was traced to Agency extension 6640. The Federal Bureau of Investigation was specifically interested in developing information concerning possible ties to Mr. Everette Howard Hunt, Jr. A Special Agent of the Federal Bureau of Investigation interviewed Mr. (Caswell)<sup>03</sup> on 27 June 1972, but there were no significant Agency implications in this.

4. AGENCY DEPENDENT

Stephen Tingley Anderson

Mr. Stephen Tingley Anderson, the 27-year-old son of Mr. Charles Anderson, a current WH Division Staff Employee, worked as a "Summer Employee" in 1963 and 1965. Mr. Stephen Anderson was voluntarily interviewed by an Office of Security representative on 27 June 1972, at which time he indicated that he is currently employed by the Committee for the Re-election of the President, and he had been working as a Security Officer under the supervision of Mr. James Walter McCord, Jr. Young Anderson stated that he was somewhat concerned about a possible interview by the Federal Bureau of Investigation, and he mentioned that his present boss, Mr. Robert L. Houston, has advised all Committee employees to have a Committee attorney present during any discussions with Special Agents of the Federal Bureau of Investigation.

5. FORMER AGENCY STAFF EMPLOYEES

A. Edward William Naehar

Mr. Edward William Naehar was previously mentioned as being a Bookkeeper and Accountant for Robert R.

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Mullen and Company, which has been utilized by the Central Cover Staff/DDP, since 1963. Office of Security records reflect that Mr. Naeher served as an Agency Staff Employee from 1952 to 1969. A Covert Security Approval was granted for his operational use on 18 December 1970.

B. John Eugene Kelly

Mr. John Eugene Kelly, a Contract Employee assigned to Saigon Station from May 1969 to February 1970, was of considerable security interest to the Far East Division in May 1970, when he was reported to be writing a book on American inefficiency and corruption in Vietnam. On 21 June 1972, Mr. Kelly contacted the Miami Office of Domestic Contact Service and offered to write a favorable report to CBS on the Watergate incident, in exchange for the Agency perspective and interpretation of the bugging story. This matter was referred to Mr. John Unumb, Deputy Assistant to the Director, and the decision was made not to go along with the deal.

6. FORMER OPERATIONAL ASSET

Mrs. Bernard L. Barker

Mrs. Bernard L. Barker has been mentioned in the press as the individual who initially called an attorney, Michael Douglas Caddy, after the arrest of her husband in connection with the Watergate incident. There has been an increased focus of attention on him because of his financial interests. Office of Security records now reflect that Clara Elena Fernandez Collazo de Barker, the wife of Bernard L. Barker, was granted a provisional operational approval on 20 February 1961, so that she might assist her husband on translation work.

7. FINANCIAL SUPPORT

The Federal Bureau of Investigation has apparently traced large sums of money to banking establishments in Mexico City, Mexico. Mr. Bernard L. Barker has been questioned extensively on the funding aspects of the operation, and his explanations on real estate deals are not being accepted as the truth. As of 27 June 1972, the Federal Bureau of Investigation continued to show considerable interest in the financial aspects of the Watergate incident.

8. MEDIA GRAPHIX

The Federal Bureau of Investigation expressed an interest in Media Graphix, a Washington, D. C. firm with offices at 1730 "K" Street, Northwest, and 919 18th Street, Northwest, Suite 130. On 27 June 1972, the Federal Bureau of Investigation was advised that we have no record of the organization.

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