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JFK ASSASSINATION SYSTEM
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Vol. 1 OF 3

NATIONAL SECURITY INFORMATION
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The United States Senate

Report of Proceedings

INVENTORIED ON 2/15/77 BY BC

Hearing held before

Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities

76000111259

Thursday, January 22, 1976

Washington, D.C.

(Stenotype Tape and Waste turned over to the Committee for destruction)

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FOREIGN AND MILITARY SUBCOMMITTEE MEETING

- - -

Thursday, January 22, 1976

- - -

United States Senate,
Select Committee to Study Governmental
Operations with Respect to
Intelligence Activities,
Washington, D. C.

The Committee met, pursuant to notice, at 2:10 o'clock p.m., in Room S-407, the Capitol, the Honorable Gary Hart presiding.

Present: Senators Hart of Colorado (presiding), and Schweiker.

Also present: William G. Miller, Staff Director; and Joseph diGenova, Charles Kirbow, Jim Johnston, Britt Snider, Loch Johnson, Elliot Maxwell, Elizabeth Culbreath, Bob Kelley, Michael Epstein, Rick Inderfurth, Charles Lombard, and Pat Shea, Professional Staff Members.

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PROCEEDINGS

Senator Hart of Colorado. Gentlemen, let's go ahead and be sworn and get under way if you don't mind.

Do you swear the testimony you're about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Angleton. I do.

Mr. Miler. I do.

Senator Hart of Colorado. Thank you very much.

Mr. Angleton at least has been before us before, and routinely we remind all witnesses that they preserve all of their constitutional rights, including the right to counsel, the right to remain silent and so forth and so on, and to have a member of the Committee present during all of the testimony.

It is my understanding we have no prepared statements to start with, so I think I'll just open it up to staff questions and interject some of my own, and I understand that the general subject matter to be discussed here today -- and we are interested in your expertise regarding the question of counterintelligence. So, we'll just have the staff members start.

TESTIMONY OF JAMES ANGLETON

ACCOMPANIED BY SCOTTY MILER

Mr. Johnson. I wonder if we could begin by having both of your gentlemen give us some information on your backgrounds, beginning with Mr. Angleton.

Mr. Angleton. I entered the OSS in 1943 from the Army, went into training in Washington and environs and then to London, and then eventually to Italy, and I took over as Chief, Counterintelligence in Italy, and eventually took over as Chief, OSS.

I returned in about '47, '48, and various jobs in both espionage and counterintelligence. At one time Chief of Operations and eventually Chief of Counterintelligence, and that was from about 1954 until 1974.

Mr. Johnson. Mr. Miler?

Mr. Miler. I entered OSS in 1946. I was sent to China. I was in China until 1949, transferred to Japan, became involved in intelligence aspects of the Korean War. I served in Thailand, the Philippines, as I said, China, Japan, Ethiopia. I traveled extensively, was a station chief abroad, and for the last ten years I have been in Counterintelligence, first in the Special Investigations, and subsequently as Chief of Operations for Mr. Angleton's Counterintelligence Staff.

And when I left the Agency in December of '74, that was my position.

Mr. Johnson. So both of you left the CIA in December, 1974.

Since that time we understand there have been some changes in how counterintelligence is conducted at the CIA.

Could you give us some understanding of those changes?

Mr. Angleton. I would like to defer to Mr. Miler on this, if I may?

Mr. Miler. Yes.

My understanding is there have been some rather fundamental and substantive changes which are a continuation, actually, of changes that were made first in 1973, in July of 1973 when many of the centralized counterintelligence functions were decentralized and reallocated to different components of the Directorate of Operations. Such things as agent approvals and security, operational security reviews for intelligence collection and covert action operations, the oversight on intelligence operations, and oversight on counterintelligence operations in the field were decentralized. Research and Analysis has been curtailed, and the emphasis on it has changed.

There have been changes in the record procedures.

Mr. Johnson. Could you be more specific on these changes, for example, in research?

Mr. Miler. In research, the research is now, as I understand it, pretty much on a case by case basis, not in an overall perception of worldwide or national counterintelligence problems. There is no -- the application of historical cases,

historical problems is not being applied, as I understand it, to current operational efforts or investigative needs. There is an entirely different philosophy being applied as to what may be required in terms of understanding the counterintelligence threat to this nation. There is very little emphasis, if any, or concern with such things as deception and disinformation. There is little application of analytical and assessment work to the overall role of foreign intelligence and security services in political action.

There have been some fundamental changes in operational philosophies stemming from an application of what is termed management by objectives as it is being applied in the CIA to operations, and there is a -- has been a distinct change in some of the attention which has been previously placed on the problem of penetration from foreign and particularly hostile intelligence services into the American community.

And there has been a very, very substantive change in the perception and the conduct of counterintelligence in that there has been what is in my view a very serious erosion of security and compartmentation of operations, and leakage of information which has not been to the best interests of a national counterintelligence effort.

Mr. Johnson. So, from going from a rather centralized apparatus to a decentralized situation, the dangers of penetration have increased.

Mr. Miler. The dangers of penetration have increased significantly, and this extends also to the methods by which relations with foreign intelligence services are conducted.

Mr. Johnson. But how do you respond to the criticism that during your tenure and Mr. Angleton's tenure, too tight a rein was kept on counterintelligence information, and individuals in the field at the station level failed to get the information they needed to conduct their counterintelligence operation?

Mr. Miler. I would have to respond to that, Mr. Johnson, and I could only respond to it in the context of specifics. To my knowledge, and as practiced from my position as Chief of Operations, whenever there was information which was judged to be of significance, importance to a field station, that field station was advised, unless there was some overriding security source protection or other considerations, and the decision then not to advise them was made at the Deputy Director for Operations, as it is now called, or the Director level.

There was, certainly, a very tight security, a very tight compartmentation of counterintelligence information and activities, which in my view was essential, and still is essential, and will be even more essential in the future if we are to regain a counterintelligence initiative and to do our job in the future. And I think this is the fundamental question that the management of the CIA and the Senate and the

Executive have to decide, is do we want a counterintelligence effort, and if so, then we have to get to it, and we have to put our best minds to it.

Mr. Johnson. Were there instances during your period in counterintelligence where the Counterintelligence Staff would conduct its own counterespionage activities, without the knowledge of the various geographic division chiefs?

Mr. Miler. There were very few of them, with the chiefs. There may have been some.

Mr. Johnson. In those cases where there were such operations, were they cleared with the DDO?

Mr. Miler. Every single one of them was cleared with the DDO and/or the Director and/or the Deputy Director.

Mr. Johnson. On important counterespionage operations, could you tell us in more detail what the approval and clearance process is?

We know that for covert action the 40 Committee frequently becomes involved. What about for important counterespionage operations?

Mr. Miler. Well, Mr. Angleton might want to qualify my response, because obviously he was involved more in this than I was, but there would be the two primary considerations. One was a strictly CIA, counterintelligence or counterespionage activity. The derivation of the authority for this came from the statutes which set up the CIA and from National Security

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Council directives 53, 55 and so forth. The authority rested in there. The approval would go to the then DDP, now Deputy Director for Operations, the Deputy Director and/or the Director.

The authorities, if it were a significant counterintelligence or counterespionage case, the authorities, as I understood it then, might require the Director to go outside the Agency to the White House or the Attorney General and so forth.

Alternatively, we in the CI Staff might be directed to coordinate this with the FBI. We would go to the FBI, explain the case and so forth. The FBI would then go to the Attorney -- the Department of Justice and get authorities, whatever authorities they would require in order to pursue the investigations, conduct the case, and do it according to whatever stipulations that the Department of Justice would put on it in order to either neutralize the suspected spy or agent, and/or conclude the case by prosecution.

And I am talking now of primarily in terms of a serious counterespionage case involving an American citizen.

Mr. Johnson. Mr. Angleton, do you know of any instances where the CI Staff or higher authority within the CIA went outside the Agency for approval for important counterespionage operations?

Mr. Angleton. I know of cases, yes.

Mr. Johnson. And what would the approval system be?

Mr. Angleton. Well, it would be an ad hoc discussion between the Director and the Secretary, and probably others, the Attorney General.

Mr. Johnson. Does this happen frequently? Is this a typical procedure for a major counter operation?

Mr. Angleton. If it's a major matter, it's on the basis of need to know.

You have another kind of case where a foreigner came to me and stated his government had a defector from the Bloc, an excellent agent, and they would be prepared to give us the agent if we would take it over lock, stock and barrel, handle it in such a fashion that there would be no exposure, because of the political consequences to their government.

I would go to the Director and the Deputy Director, spell out the matter, and come to a determination with them whether we wanted to take the case on. This particular case involved not only a person who had been in the intelligence service of the opposition a long time, but he had access to codes, and also a great deal of deciphered material. So it was kicked back and forth, and there was a determination made that we would take it over, the staff would take it over in its entirety.

And therefore, it meant that I called in Scotty and we pulled together our team, we sent them abroad. We handled the man in the field for a long time, and then eventually brought him back here.

In a case of that sort, the instruction was agreed upon by all concerned, and the Director's instruction was that the Division was not to be informed, the Division where this individual came from, the Bloc area, should not be informed; that the Bureau, only two or three people in the Bureau, by name, should be informed, and that we would run the operation and bury the individual at the end.

Now, it went along --

Mr. Johnson. Did you say "bury the individual"?

Mr. Angleton. I'm not using it in your Committee terms.

Mr. Kirbow. You'd better clear that up for the record.

Mr. Miler. We would integrate him in to the American society in such a way that he would be non-identifiable.

Mr. Angleton. He would be buried.

Mr. Miler. May I just add here also that the authorities, the approval are very specific in terms of the agents' and the CIA's responsibility to advise and get the approval of the Attorney General in bringing someone like this into the United States.

The Director got this approval. It was a formal letter to the Attorney General, a formal reply. There was a formal but very limited advice to the Immigration. All of the legal requirements required by the Attorney General, Immigration, all other agencies, were done. However, in this instance, they were done on a very narrow, select basis, directly to Attorney

General and so forth, rather than to go through the normal bureaucratic chain of command out of the CIA and its various components.

Mr. Angleton. With the added fact that we did not disclose all of the facts, nor identity.

Now, this is important, because the individual was of such prominence that the country concerned would be placed in jeopardy diplomatically, the place where he was residing on tour. There would be intensive investigations by his headquarters, and therefore we had to have covers. And so we laid on in such a fashion that another service received information regarding the target country that would induce them to take certain observable actions, and then to spread the word that the fellow had actually defected to another country, so that their entire investigative thrust would be directed toward that country.

Senator Hart of Colorado. So far we've talked about process, and I think we'll keep going on it, and return to it, but I would like to quantify some of this if I can.

First of all, by terms of definition, is the phrase or the term "counterintelligence" interchangeable with counterespionage?

Mr. Angleton. It can be. I think technically counterintelligence is regarded to be all forms of investigative activity, travel control, your data files, your dossiers, all

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begin 2

of the systems that go into counterintelligence as such.

Out of that emerges a product, and one of the products is counterespionage.

Senator Hart of Colorado. I see.

How big was the Counterintelligence Staff?

Mr. Angleton. When? Well, when it was in its prime it was around, it was 200 some odd people. After this decentralization took place, when we lost international Communism, which in no service in the world has it ever been divorced from counterintelligence; we lost our police division where we train police from throughout the world; we lost operational approval, which is approval of agents; we lost our controls over the Technical Services Division; we lost the geographic representation; we lost liaison, which was the liaison was with the FBI and 26 other government agencies who do investigations.

Mr. Miler. They took counterintelligence and liaison away from the counterintelligence component, if you can imagine such a situation.

Mr. Angleton. So that reduced us to less than 80 people, and this comes to, Senator, if I can just point to one of the most important things in the legislation or in whatever the Executive does, is that you cannot have in my view a Director of the FBI and a Director of CIA who are independent of one another. You have to have some higher authority to whom you can make an appeal when decisions of this sort are made so that

it is aired, and it is not done without the knowledge of anyone, and then breaks, as it did, in the New York Times and what not.

Mr. Johnson. Yesterday we had the Bureau representatives telling us that there was really no problem or conflict when it came to questions of this, and that there was no problem with higher authority. Apparently you would not disagree with that.

Mr. Angleton. I disagree in total with that. I'm saying the decline in the Bureau over 20 years from when they had very high grade counterintelligence until today when there has probably been -- well, it is least effective.

Senator Hart of Colorado. Why is that?

Mr. Angleton. Well, I think it has to do with the number of diversions it had in the days of the Vietnam war, when internal security lost a tremendous number of men to other assignments and duties.

Second, I don't think that counterintelligence or the real thrust of Soviet Bloc intelligence has ever been brought up to policy level, and, more important, anything that involves penetration has always been swept under the rug. In other words, the question of penetration in this government or penetration in any agency has never been brought to a responsible level of finding out how it happened and what has gone wrong.

And let's take one defector who said -- in this case he spent 16 years in the Soviet Union in the KGB. He gave us

over 180 leads of penetration in France, and it occasioned my drafting a letter for Mr. McCone to give to President Kennedy to give to DeGaul. DeGaul secretly sent to this country one of his highest trusted military men. He was here incognito. He met with the defector for three days.

The French original reaction to President Kennedy's letter was, it was Soviet provocation, because this was at the stage when France was making certain very sensitive agreements in the atomic field and otherwise with the United States, and therefore these allegations of penetration had a very direct bearing on those negotiations. And so the General who came over was totally prepared to believe this was provocation, but after three days with the defector, in a meeting with Helms and myself, he stated without any question that this man was 100 percent bona fide, because he could ask him those questions right on the nerve of their secrets, and he got the responses.

Now, this defector also gave considerable data on the status of penetration in the U.S. Government, documents which he had seen in Moscow, cryptonyms of operating agents, documents which could only have been prepared by our organization, and many other cases going back into the early '50s, going almost to Cabinet level. So all of this information was made available to the Bureau. But in due course Mr. Hoover regarded or made the pronouncement -- and I won't say when he makes a pronouncement that it is one that has been recommended to him from higher

level -- that the defector in question was probably a provocation, and the Bureau ceased contact with that individual, and I would say they have not had any contact with him since 1965.

Senator Hart of Colorado. Why did Hoover make that decision?

Mr. Angleton. Well, among other things, this defector wanted to have access to ongoing and to past cases with the view that he had a tremendous amount of data that he could not relate to anything, but if he could see things that were going on, then it would be meaningful to him in terms of what he had to contribute. And I can take the example that, with another allied service; immediately we brought them into it and he had seen certain naval documents that dealt with infrastructure and budget. This happened to be British.

In time they found the documents, and when they presented them to him, he could identify those he had seen and those he had not seen. This led to the apprehension of Vassil, who was in the admiralty. And this was the quality of his information.

All through the west agents were apprehended on the basis of his information. But there is a tremendous bulk of it which is made up of fragments, made up of documents he's seen where we have not been able to identify the document; a great number of cryptonyms of reporting sources where we cannot find the body to fit the cryptonym. So this is the reality. And he is

being contacted perhaps by nine different intelligence services.

Now, there is no one who has supported the question of his mala fides. In other words, everyone, to a man, has stated that he is bona fide, that they have never been able to disprove a statement of fact that he has given as a statement of fact, although they do not necessarily agree with his hypotheses. That is the official statement.

Mr. Miler. May I just add two things on this?

First, Mr. Johnson, it goes back to the business of compartmentation and not advising stations. In the case Mr. Angleton cited, the Paris station of the CIA was not told anything about the information, and I think this is a very good example of why you would not.

The second point I would like to follow up on is with respect to this defector's information, there were five leads which were passed to the FBI about penetration which involved the CIA, for action. And one case was solved, but it was solved only after the FBI officially sent us a letter saying that they concluded that there was no substance to this information.

They had to reopen the investigation --

Mr. Angleton. And they also said: send it to the Army.

Mr. Miler. Yes, send it to the Army.

Now, they had to reopen the investigation when their surveillance spotted a man coming out of the Soviet embassy, and

it was subsequently proved that he was a Soviet spy.

Mr. Angleton. Now, that individual had performed four separate missions for Soviet intelligence since about 1938 or '39. One, he had been dropped in by the Soviets into Germany on a mission with the WT set, to be captured in order to be played back and to penetrate the German intelligence.

Second, he had moved from that into the penetration of the Vassilov movement, which were the captured Russians in the German -- in the Vassilov Army.

Third, he had penetrated the anti-Soviet forces in Germany, and then he was taken on by us in 1948 or '51 is when they sent to renew his inks.

So he was with us from '51 to around '60.

Well, when the defection occurred, it was '62.

Mr. Johnson. And Mr. Angleton, you used a term that is unfamiliar to us: his inks.

Mr. Miler. Secret inks.

Mr. Angleton. Secret inks. In other words, the Germans had captured a Soviet agent who had the same kind of inks, and so therefore the inks were compromised, so they laid on a large operation in Berlin and trained him in highly sophisticated inks. And he is now residing not too far distant from us.

But I might add that it is very important to note that while we maintained that he is a Soviet agent, and the Bureau disagreed

and told us to send this off, we had a development occur which it is not necessary for me to go into, it's still a relatively live case, in which proof positive came that he was a Soviet agent, and it was in the face of that proof positive that the Bureau moved in and interrogated him. And that is what prompted him to go to the Soviet embassy.

And after some hours there he came out, he was asked why did you go to the Soviet embassy, and he said I went there to get my personal history and particulars regarding my family since those are the questions you have been asking me. In other words, instead of -- in this case the man had a wife who was having an affair off and on with a Japanese military person here -- instead of recruiting the Japanese and the wife to work in to him, because what we wanted was a confession, because the point I want to stress here is in a case of this sort, a penetration there, he is not there as a solo person. He is there as a spotter. He is a person used for entrapment abroad. He is a person who can originate an operation, induce you to go into the operation and bring in a weak element, and put them in a position for further recruitment. And I can stretch this on and on.

And the classic example is the Philby case. Philby would have been Chief of British Intelligence. He was also identified positively in the end by this defector. When the defector first knew about it, it was called the Ring of Five

in the Soviet intelligence, five people, Philby being one.

But from the time he knew about it, in actual fact it was a ring that went into the twenties, because the purpose of the penetration is simply not to be a passive figure; it is to be an aggressive figure who creates situations for recruitment. And that case has never been prosecuted. The man has never confessed. He's never been broken. And yet it was in the heart of our SB, Soviet Division activities.

Senator Hart of Colorado. Could you give us, back to the quantification, could you give us some figures for numbers of counterintelligence cases handled per year?

Mr. Angleton. Scotty, you can.

Senator Hart of Colorado. Just so we can have an idea of the magnitude of volume.

Mr. Miler. Well, for example, one program that we had going was an attempt to record penetration recruitment attempts of U.S., American officials abroad, strictly abroad. And over a ten year period the number of attempts to recruit and penetrate hit close to 1200. So we were running around 250 or so a year, just in that one small area of counterintelligence concern.

The number of cases that we had would vary, but I would say that from defectors in the last ten year, from Soviet and Soviet Bloc defectors, we averaged around 150 cases a year. At one time -- I do know that at one time we had over

500 active cases which required investigation.

We were concerned with approximately 140 to 160 double agent operations a year. We had investigations which would probably have a range, 25 to 30, significant investigations that were going on, in addition to which we would have a number of investigations, leads and operations with cooperative foreign intelligence and security services which would probably hit an average of about 50, if you would.

There were other operations which were generated from other investigations and so forth, leads from the FBI, leads from the military services, which would perhaps hit 30 or 40 a year.

Senator Hart of Colorado. What about the number of cases involving penetration, successful or otherwise, of the Agency itself?

Mr. Angleton. Well, the basic responsibility would be the Office of Security. In other words, we would work with them, but it tends to be a one way street, as it should be, namely, they are responsible for personnel and for installations. But from the one defector alone, I would say there were five hard leads.

Senator Hart of Colorado. Over what period of time?

Mr. Angleton. Of this one defector who came out in December of '61. But his leads were going back to '51, 1951.

Mr. diGenova. Is this the same defector with whom the

FBI has had no contact since 1965?

Mr. Angleton. That's correct.

Mr. diGenova. Has the Agency had any contact with him since 1965?

Mr. Angleton. Yes, we've had it, but we've had our ups and downs.

Mr. diGenova. And what have those ups and downs been attributable to?

Mr. Angleton. Well, they are basic -- well, first, there are two different attitudes in the American intelligence community regarding defectors. One of them is to give them the harsh treatment and to treat them as second class citizens, and we actually have taken on more salvage cases in the Counterintelligence Staff and rehabilitated these people. In fact, we came into that case basically because the fellow had gone sour. And --

Mr. Kirbow. Meaning he had failed to continue cooperating or was not giving you the right information?

Mr. Angleton. That's right. Well, no, it was simply that he refused to cooperate any further, because one didn't appreciate the ideological reasons for his defection.

So these ups and downs would go on -- I mean, we would have to change case officers because they would simply have a breakdown in communication.

Mr. diGenova. Did the failure of the FBI to utilize this

asset inhibit you in any way from using the asset or the Agency from utilizing it?

Mr. Angleton. Absolutely, because so much of the information that we wanted to take up with him was also related to FBI information.

Mr. diGenova. In other words, you needed access to information the FBI had, and you couldn't get it?

Mr. Angleton. We could get it but they wouldn't give permission that their information would be submitted to him.

Mr. diGenova. In other words, you had a third agency rule blocking you?

Mr. Angleton. A third agency, also in the attitude. For instance, in one session in which I participated, the Bureau asked him to give the name of a source. He refused to give it on the grounds that the man was in the KGB, was a friend of his, and he didn't want that man's name ever to get back to the KGB because it would mean the man's life. And therefore he had a direct confrontation, refusing to give it, very understandable.

Mr. diGenova. Was this lack of cooperation directly attributable to Mr. Hoover, to your knowledge?

Mr. Angleton. no.

Mr. diGenova. Was this problem ever brought to the attention of the President of the United States at any time?

Mr. Angleton. No, but he raised it with the Attorney

General Mr. Kennedy, he had a direct meeting with him.

Mr. diGenova. And what, if anything, happened?

Mr. Angleton. Only encouragement.

Mr. diGenova. Could you amplify on that?

Mr. Angleton. Well, the Attorney General handled him very well indeed, but nothing further came out of it.

Mr. diGenova. But there was no commitment on the part of the Attorney General to see if he could budge Mr. Hoover to assist the Agency?

Mr. Angleton. Well, the issue didn't come up in that fashion, just the general, the general agreement that he was prepared to work for the United States at the highest level, because the intelligence he had went far beyond simply KGB. It went into Soviet policy. It went into Soviet reorientation. It went into Soviet Bloc. It went into Soviet defense matters. It went into some of the major secrets. And therefore it wasn't simply counterintelligence. It had to do with policy or political action.

He knew, for example, the identity of a Prime Minister who was a Soviet agent, who at that time was trying to get us to go into several political arrangements, and he knew exactly how he was recruited and how he was being used as an agent of influence.

So these were matters that went beyond simply intelligence scope.

Mr. Kirbow. How long is a man like that good for, Mr. Angleton? I mean, by this time, or a decade from now, a lot of that information is of no longer any value to you.

Mr. Angleton. No, that's not so. It is a fact that the man has a computer mind. In other words, if you took all of his interrogation reports, they ran to some 20 filing cabinets. You try to have anyone retain in their mind, to apply that same data against a new problem that comes up, it requires an individual who lived that to be able to look at a case that has arisen, and he knows the case officer on the Soviet side, and he can give an analysis that this fellow was on the Scandinavian desk and that he was promoted to this, and that his background is ciphers. He had not told you that he was ciphers before because it wasn't relevant. So it's a new, added factor.

And then you find that someone is known as a code clerk, and therefore the pieces begin to fit together, that the man who was sent to the field by the Soviets to handle some unknown American is a cipher expert, and therefore you look among who are the code clerks.

Mr. diGenova. I'd like to --

Mr. Miller. Could I interrupt just a moment?

You spoke in this instance of 20 file cabinets from the interrogation of one defector.

Mr. Angleton. Yes.

Mr. Miller. What kind of volume did you put together in your years in this activity? If this is the product of one interrogation, what kind of volume did you put together to make a workable capability?

Mr. Angleton. Well, the first thing was to computerize everything, and the second was to break it out case by case, British cases, Australian cases, New Zealand cases, Dutch cases, Finnish cases, French cases, Italian cases, all the way on across the board, American cases; and then to take all of the data, all of the voluminous stuff that was pertinent to each of the leads, including the unknowns, in other words, Unknown 1, Unknown 2, Unknown 3, etc.

So you had the ability to pick out a file on X subject or X individual, and there would be the direct quotation from the interrogation, and then whatever traces there were of follow-ups, action taken, dissemination, etc.

Mr. Miller. Just to press that -- yes.

Mr. Miler. I think your question is the total volume of the files that were available to the Counterintelligence?

Mr. Miller. Yes. I was impressed by the fact that one interrogation yielded 20 file cabinets, and was wondering the total volume.

Mr. Miler. What were the figures on the cases to read?

Mr. Angleton. Well, I think I've already presented that once, but when we were dealing with the new management and it

was all this business of objectives and management by objectives, and the idea of changing Counterintelligence personnel every two years and new faces and open it all up and the rest of it, we ran a basic job on how many, if you took 20 cases that were imperative for a Counterintelligence officer to read, what the statistical side would be. Those 20 cases would run into enough linear footage, which according to the mathematicians in the Agency would take 22 man years to read, or if they were 100 percent incorrect, 11 years to read. Those would be the 20 basic counterintelligence cases.

And the purpose of it was simply to show that it was a profession, and that there had to be longevity to build up Counterintelligence officers.

Mr. Johnson. Generally speaking, within the counterintelligence organizations, it seems to you perform four activities: liaison, research, operations and security.

Could you give us an idea of your own priorities in terms of distributing manpower across those four activities?

Can you break it out that way?

Mr. Angleton. Well, it is difficult to break out, but the primary thing of all is the question of penetration in the U.S. Government, and then in allied governments. That would be my priority. In other words, when we had a defector from the Cuban service who had information of an agreement made between the KGB and the DGI in Cuba to work against the U.S. and how

they would differentiate the priorities, and areas where the KGB was oversurveilled, the DGI would take over the surveillance of our personnel and so on.

The moment this defector arrived in the United States, I sent Scotty to the airport immediately to see him because that's the number one priority. Here was an individual whose job was to work on Americans and who allegedly had seen information from one of our embassies. Now, that is the highest priority, and particularly because information of a counterintelligence nature is perishable. Some is and some isn't.

The moment there is a defector, the opposition runs a damage report. So you know certain information will be known to them immediately that is compromised, and they will take action to correct it. But there are certain secrets that the man knows that their damage report will not turn up. Those you put on the back burner. But the ones you reach for first are those that are perishable, and this is -- the priority is established by the fact that here is a live, highly valuable source force, and we only have so much time to extract the cream off of him and determine those things that would disappear.

Mr. Miler. But the whole thrust of all of our operations, research, analysis, everything, was toward that goal. And much of the reason for the security of the compartmentation for the CI activity was to protect that concern.

Mr. Lombard. I wonder if I could ask a question concerning

the Bureau.

Would it help today if there was a separate Bureau under the Attorney General for counterintelligence, separate from the FBI?

Mr. Angleton. You are posing the same problem that the RCMP in Canada had. In other words, they set up, I might add because of us, because we brought them into counterintelligence in a way they had never been brought into it, we brought them down when this first defector, this major defector came out, and the cases that were revealed to them, cryptonyms, telegrams that were taken from them, an ambassador who was recruited, one of their ambassadors and all this, led in time to the Canadian Prime Minister desiring to set up a special counter-intelligence. And so they had this problem of how you take a law enforcement force and what do you do about it. And their ultimate decision was that you had to keep it within the RCMP. You created the separate office, and you created sort of a director general of it, but the cadre, your people came from the regular force, even though they are separated from the rest of the RCMP, and they are independent of the Commissioner of the RCMP. I mean, they are there for rations and quarters.

Mr. Lombard. I guess what I had in mind was more the British model of the Yard having --

Mr. Angleton. Well, the British model is the most overexaggerated model in the world. I think I can quite

honestly state that since World War II the British have never caught an agent where the lead didn't come from us or somebody else. It was never self-generated.

Now, in the last year or so maybe they caught an agent, but up until that time they have never caught an agent.

Mr. Lombard. So your answer, in effect, would be that the counterintelligence function should stay within the Bureau.

Mr. Angleton. That is correct. I mean, not that it's ideal, but in terms of the realities, in terms of the realities it should be kept within the Bureau. It should be greatly enlarged, and the head of that should be, in my view, a Deputy Director of the Bureau.

Mr. Lombard. All right.

Now, let me ask you this. In your experience were there problems where the law enforcement impded the running of counterintelligence or counterespionage operations domestically? In other words, were there times when you would have liked to have run an agent domestically for a longer period of time in order to get the rest of the guys, but they said no, we've got to take this fellow to court now?

Mr. Angleton. That used to be prevalent back in the '50s. Today I don't think they've got many cases. I mean, I don't think that the job is being done, not in the last ten years.

Mr. Johnson. Mr. Angleton, when I asked you earlier what your priorities were, you mentioned making sure that

we were not penetrated in conducting investigations to see if in fact we were, which seems to give the impression that we are defensively oriented, and that was your main priority.

Mr. Angleton. Well, I think that how could you have it any other way?

If you've got a cryptonym of telegrams disappearing and are in possession of the opposition --

Mr. Johnson. But isn't the aggressive dimension even more important and trying to penetrate the hostile service?

Mr. Angleton. Those are all kind of theoretical arguments to my way of thinking.

Mr. Miler. You have to know what you're penetrating first.

Mr. Angleton. I mean, this idea of running operations is not really understood.

To run a double agent operation requires a tremendous amount of manpower. It is a commitment that very few people understand. If you are going to run a double, I mean, to start from the beginning, you've got to be able to keep a diary. Now, one is the real life is the real life of the agent and the other is his double life, because you can have a question from his headquarters that says, that agent you had three years ago, would you please go back to him. You've got to be able to read into a diary of the fictional life in order to answer that question.

Now, this takes manpower. You've got to have meetings.

You've got to be able to satisfy the questionnaires, and you can go all the way on down the line. This ties up thousands of man-hours.

Mr. Johnson. Could you explain that "satisfy the questionnaires?"

What does that phrase mean, "satisfy the questionnaires?"

Mr. Angleton. The opposition wants to know, find out from your sources the following questions.

Mr. Miler. In other words, the requirements they put on the agent.

Mr. Angleton. Now, that agent is allegedly in the CIA and there is a penetration, then you are just going through games, and they will play such an operation. They could have a very senior penetration into the Agency and play along on a double in order to lead you to believe that they do not have a penetration. And they can tie up your manpower and put doubles underneath him and another agent, and they can give him a radio set, and with the radio set they can give him crystals, and he needs other crystals, and it involves more and more of your own personnel and manpower. And you can tie up NSA monitoring all the links.

And so this idea that has all of a sudden been novel and newly discovered in the Agency that Counterintelligence must be aggressive is in my view a joke. It's a joke.

Mr. Miler. You have to know what you're dealing with.

You have to understand the enemy intelligence service before you're going to penetrate it, and you have to be secure from penetration yourself, and you then have to run that penetration very securely and on a very compartmented basis.

Mr. Angleton. And there is one added proviso, then, that you can only run a first rate double agent if you have a source superior to him that he is unaware of. In the war, when we broke the German code, it was no problem to run German double agents because we could read their messages back to their headquarters, re-enciphered, and the headquarters messages back to the control, back to our double. So questions of danger signals, questions of alerting him that he was under control and so on was taken care of because of communications intelligence.

When you don't have communications intelligence, then the only other source that is superior is penetration, that is, somebody who can read back from their headquarters how they are, in fact, absorbing the thrust of that double agent. And those conditions do not exist for the Bureau or for ourselves.

Mr. Miler. Or for the military services, to run a lot of double agents.

Mr. Angleton. I mean, they do not have the superior source of control over double agents.

Senator Hart of Colorado. Why is that?

Mr. Angleton. Because they are one, not breaking codes, or

they don't have the penetrations in the opposition against whom you run the double.

Senator Hart of Colorado. But what is the prescription? Does that mean we can't do that or we aren't, or what?

Mr. Angleton. Well, we haven't succeeded. I mean, we have had Popov and Penkosky, and both of them are dead. They were shot.

Mr. Johnson. It must be easier to penetrate the so-called Third World than it is the so-called Soviet Bloc.

Mr. Angleton. Absolutely.

Mr. Miler. But that's not getting you exactly what you want or need either. And you can divert an awful lot of time, effort and manpower to running what in essence would eventually boil down in a year or two years to operations for operations' sake. It will look good in statistics. It will justify your budget request to the OMB. It will justify your counterintelligence effort in terms of management objectives, because you've increased from 22 double agent operations to 46 last year, but what is the net result, and how much time, effort and so forth are you actually using, and where are you losing focus on what the real problems are facing the country in terms of penetration and in terms of knowledge and in counterintelligence?

Mr. diGenova. The picture which both you and Mr. Angleton paint this new face of counterintelligence from your point of view is a rather gloomy one because your comments seem to

indicate that you believe that this decentralization, lack of compartmentation and in general, spreading the counterintelligence function around is eventually going to lead to a breakdown in the end product. We're not going to be getting what we should be getting. You may be getting bigger statistics, and on the face it may look like we're getting more, but in fact we're not.

Mr. Miler. You're not going to get substance.

Mr. diGenova. Why was that decision made? That seems to be so fundamentally apparent by the way you explain it? Surely the Director must have made that decision for a reason?

Do you know why?

Mr. Angleton. Mr. Miler has known him more than -- longer than I have. Would you?

Mr. Miler. Yes, I'll offer my opinion on it.

Mr. diGenova. We would like to have it.

Mr. Miler. The basic reason is that neither the current director nor the incumbent DDO understand or perceive of what counterintelligence actually is and what function it has, and what the CIA's responsibility is for counterintelligence to the nation. That is my personal opinion. They do not -- they have not had experience in counterintelligence. They've never worked in counterintelligence. And quite frankly, they do not understand the problems involved in counterintelligence.

Counterintelligence, as articulated previously by the

current DDO, was station security and liaison.

Mr. Kirbow. Can you see this getting any better with your new selectee who is coming from the outside world? Probably knows the term counterintelligence, but knows nothing about the intelligence community basically?

Mr. Miler. I don't -- quite frankly, I couldn't comment on Mr. Bush at all, but if Mr. Bush is going to have to rely on the current management and the current management of counterintelligence in the CIA, it is my view that he will get completely erroneous information and not have the advantage of understanding counterintelligence, and would be forced to make decisions which ultimately will be tragic to this country as far as counterintelligence is concerned, from ignorance.

Senator Hart of Colorado. What kind of erroneous information?

Mr. Miler. What counterintelligence is, how it should be organized, what the threat to the nation is that can be hopefully countered by an effective counterintelligence organization which is integrated between the CIA, the FBI, the military services, the Department of State, and all other agencies concerned.

You are going to have to have a perception of the real problems and what is involved in counterintelligence in order to organize or reorganize the CIA's counterintelligence efforts,

to promote the best kind of a national program.

Senator Hart of Colorado. Assume something about, Mr. Angleton mentioned earlier, about the tendency to sweep penetrations under the rug in this country.

Has there been a pattern in the past that still prevails of reluctance on the part of professional intelligence officials as well as administration officials to admit that we are susceptible to that?

Mr. Angleton. Well, I think there is no question that there has been a tremendous dishonesty in facing up to hard facts an intelligence.

I'll take the Yom Kippur war as an example. As you know, it was a complete failure in terms of prediction. As I maintained in my testimony, if you cannot make a proper estimate in a primitive area, then God help you when you come into the Bloc area, and I still hold by that conviction.

But in that case, a few days prior to the Yom Kippur war, the FBI disseminated a report to the President, the Secretary of State, Defense and the Director of CIA which purported to be a discussion between Gromyko and a very senior source to the effect that they had given up on the Arabs, that they would no longer support the Arabs, they would no longer give them arms, that they were going to recognize Israel, and in fact they had the draft notes ready for the recognition of Israel.

Now, I have never seen the post mortem of the whole project on the estimation, but I would assume that any estimator who received information by letter or memorandum, hand-carried, quoting Gromyko, would tend to discount the fact that the Arabs were about to attack Israel where they would have to depend on Soviet arms, and therefore the question of the Yom Kippur war would be out of the question. In other words, that one report, I give it as an example.

Now, independently a study group of the Joint Chiefs came up with the whole question of Soviet disinformation, strategic disinformation to put us off balance on our estimating process.

Now, in our own Agency we were heavily frowned upon for raising these questions, that there was a strong element of Soviet deception and disinformation that had been injected into the intelligence collecting program.

Mr. Miler. Prior to the Yom Kippur war.

Mr. Angleton. Prior to that. But the important thing is that that source who provided the Bureau with that information has been providing information over a number of years, but no one has made a study of information in hindsight in order to evaluate that source.

And I could go into many more sensitive cases of where again intention has come through a highly questionable source, and yet there has been no re-examination. There has been no grouping or forum in which there can be any disputation. Each

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party goes along on his own.

Senator Hart of Colorado. It seems to me that you're suggesting at the very least a naivete on the part of our government and at the worst, I don't know what.

Mr. Angleton. Well, I do suggest that there is a naivete. There is no counter-disinformation group. There's no one who ever studies -- most of the information today that goes into much of -- it's mainly scientific. The human part of it is small.

Now most of it is from overt sources.

Mr. Johnson. What about the Inner-agency Committee on Defectors? Doesn't that review?

Mr. Angleton. It has nothing to do with it.

Mr. Johnson. What does that do?

Mr. Angleton. That only allocates or handles the mechanics of who talks to the defector and what are the priorities and questionnaires and whatnot.

Mr. diGenova. The order of interrogation.

Mr. Miler. It is a clearing house to get the information disseminated.

Mr. diGenova. Mr. Angleton, I'm interested in going back to one part of your most recent response about the fact of your or the CI staff's concerns about the Israeli problem which you alluded to was frowned upon within the Agency.

What form did that take? I'd be interested to know that.

Mr. Angleton. Well, it took this form, that a person working with Scotty who takes his military duty over there,

two weeks every year and whatnot, and who is very high on S&T intelligence, arranged for these Joint Chiefs and this group to come over and to address an audience of hand-picked people. So this covered both the overt side of the House --

Mr. Miler. The three directorates, intelligence, operations, and S&T.

Mr. Angleton. And they laid out their entire thesis, and we added to that to the FBI report to which I referred. Afterwards I was severely criticized for having wasted everybody's time on that matter and told that if they realized it was going to be that type of thing, we would never have permitted it to have taken place, et cetera, et cetera.

Mr. Kirbow. Was this by the three directorates?

Mr. Miler. No, that was from the directorate of operations. The directorate of S&T, Scientific and Technical was impressed by the presentation and subsequently said that there was very great need for thought in this. And I think also, Jim, that concurrently in the operations I had an officer who was working on discernible or apparent deception as reflected in CIA reporting from the field of Soviet disinformation concerning the situation in the Middle East.

And we did a tremendous study on this and which was completely discounted and thrown out and it wasn't even considered.

Mr. Miller. Well, in the Yom Kippur War, if I'm not

mistaken, there was a SIGINT alert. The NSA collection systems were of such nature their analysts said it looks like there's going to be a war within 24 hours. They predicted the time. They sent it over. It was immediately said, go back to bed. Is that correct?

Mr. Angleton. All I know about it is the alleged part of that. I remember the Pike Report that caused a great deal of comment. I thought that the four magic words were that NSA was not able to make a contribution because the Egyptians had gone into a high SIGINT alert.

In other words, that through SIGINT they couldn't learn the intention. I don't know this fact that you are tabelling.

Mr. Miller. I think Mr. Miler is --

Mr. Miler. The point that we're trying to make in this connection is part and parcel of Soviet espionage, Soviet intelligence service activity and Soviet bloc intelligence service activity is in the political field. It involves deception and disinformation. A properly coordinated and run counter-intelligence effort will bring research and analytical work to bear which would give an analysis and an assessment of the situation, which should be of value to policy-makers in the government, to the intelligence directorate of the CIA, to the Director of the CIA, and that what has happened in the CIA since mid-1973 is that there has been erosion of this facility which cannot be divorced from counter-intelligence

because as you focus and even as you focus on what the current popular term, aggressive counter-intelligence operations, you have to have some knowledge of this in order to be able to equate, assess and evaluate your so-called penetration of a Soviet or Soviet bloc intelligence service to see if it is real. You have to have a litmus paper to judge your penetration. And without that litmus, you are completely at the mercy of a system which is orchestrated and which is essentially directed and controlled.

Mr. Miller. So what you're saying is from mid-1973 on the country, or at least the CIA has lost a valuable asset.

What happened in '73? What was the decision?

Mr. Angleton. That's the decentralization, when all of these components were taken away from us, including the liaison and whatnot, including international communist parties.

So this completely viscerated the counter-intelligence as we have built it up since 1954.

We were, I would say without question in the Western world, we gave the leadership. We created all of the inter-governmental committees. We brought services from tiny fragmented units up into major components of their government, the five major countries, which meant we reoriented their services along priorities that met our requirements, and I don't think there was any question that we were the acknowledged leaders in the Western world.

By the same token, it induced people to bring their cases to us for analysis. They came to see us many times to see the defectors, the stable of defectors that we had for interrogation.

So that alone was a tremendous acquisition of counter-intelligence data which would not have otherwise have been available to this country.

Mr. Kirbow. And it's not available today because of this spreading of the --

Mr. Angleton. Well, that's what they say. I mean I've had one or more chief of intelligence who have surreptitiously seen me since my departure. And they will naturally work as far as they can with the agency.

Mr. Miller. When you say us, who do you mean?

Mr. Angleton. How did I use it?

Mr. Miller. You were referring to your capability prior to 1973.

Mr. Miler. The CI staff.

Mr. Angleton. The CI staff.

Mr. Miller. The CI staff. Well, what were the numbers, what was the capability that you had translated into people, into files?

Mr. Angleton. Well, at the highest point we had a little over 200 people. That was clerical and officers.

Mr. Miller. That seems a fairly small group.

Mr. Angleton. Well, they were a hardworking group. We were understaffed. There were many things we could have taken on and I'll give you one example because it is still pending, and it gets down to the question of penetration.

But when Philby was stationed in Washington, he was given communications intelligence clearance so if NSA broke into the Bulgarian traffic, he could go to his Soviet control and tell them that we were reading Bulgarian traffic. A secret of that sort permits them to make use of the Bulgarian traffic as a deception channel the moment they know you are reading it. That becomes a powerful instrument in their hands to deceive.

Now my point is this: No one has made an analysis from the day that he was briefed on that particular traffic of why the traffic continued for two more years and then gradually petered out of what was put into that traffic which, if you took that and identified an item of deception that came from the opposition, you then look at your own agent reports and find what agents at the same time were fortifying that lie or that piece of deception. And it would point a finger on agents who, in fact, were under control.

Now this is just one small exercise. NSA has preserved every single piece of paper. In other words, there's literally hundreds of thousands of pages of available material for such an analysis, and I worked very closely with Lou Tordella.

In fact, one of our effort or common efforts was I brought him into counter-intelligence. I brought him in with all these foreign chiefs and whatnot in order to enlarge the scope of NSA, since they can study and frame these patterns, they can get into illegal traffics and get into many facets.

It's one of the best outfits, as far as I know, in the U.S. government, but they had always been denied these facts that I just stated, such as Philby's access, the clearances, the various espionage cases that have happened in the west, the people that have had communications intelligence clearance.

Senator Hart of Colorado. Could we have a Philby level penetration of our intelligence community?

Mr. Angleton. I'm not stating that there is one, but I have probably done more recruitment of higher level people in my youth in the business and I have never been any respector of rank. I've dealt with prime ministers, and I've dealt with them at all levels.

And therefore, my point is it is conceivable, it's conceivable if you've got enough information, spotting information, and you can put a person into a certain kind of situation regardless of his rank, you will find that he is recruitable. It is a process of a fingernail, finger, hand, arm and body.

Senator Hart of Colorado. But all of the grills that new people of the Agency have to go through, lie detector and so on, you're saying that they can get through that.

Mr. Angleton. I don't think anyone regards the lie detector to be anything more than just another investigative instrument. It does help in the sense that there are certain people susceptible. They will in turn reveal something of their past which they should have revealed, which, if you had discovered independently, would have given you grounds to believe they were penetration, but once the machine begins to find that they're goggling on something, then they come out and say, well there's a story I haven't told you when I was in Turkey, et cetera, et cetera, et cetera, and wipes the slate clean.

So it serves a useful purpose. But it's not -- I wouldn't give it 20 percent credibility. Now the Office of Security probably gives it 70 or maybe higher.

Mr. diGenova. Mr. Angleton, the point you made of the lack of study of traffic which followed the deception in the cable traffic, as I understand it, you're saying that there's been no analysis that you're aware of since that time done of of everything since then.

Mr. Angleton. There's never been any analysis ever.

Mr. diGenova. Is the current research set-up which CI staff now has which is oriented toward instant studies, quote unquote, to provide data for ongoing operations inconsistent with wanting to achieve that sort of goal, like analyzing that data?

Mr. Angleton. Well, I don't know what that really means, instant analysis. I mean we've always done instant analysis.

Mr. diGenova. I know that but it's our understanding, we've learned from the Agency that there has been a movement away from in-depth historical research toward more current sort of analyses.

What you're suggesting to me by saying that there's been no analysis done of those cables is that we've lost a valuable CI tool since that study hasn't been done, and I'd like to know if your assessment of the current trend toward research is a bad one?

Mr. Angleton. I think it makes no sense whatsoever.

Mr. Miler. It's disastrous. It will lead to complete chaos within a very short time because you're trying to analyse an individual case without having the ability to relate 40 other cases to that case.

Mr. diGenova. There's no integration in other words.

Mr. Miler. That's right and you cannot operate in a vacuum.

Mr. Angleton. We have learned from one defector, the one of December '61 a complete new understanding of what happened from the days of Lenin.

That is not in the public record. A complete new picture of the growth of the OGPU and of the Cheka. And in the reorientation of KGB part of the deStalinization in May

of 1959, it was a return to the modus operandi of the Cheka. And this is from an individual, fully, who had seen all of the documents, fully versed in it so that this plunged us back into it and we began then to find leads. And I give one example.

General Orlov, who died not long ago in the United States, was the most senior NKVD KGB officer ever to defect, and he died last year. The Bureau had interrogated him in 1953 after the death of Stalin with little or no success. He knew the code name of Philby. The Agency tried to contact him in '58 and had a very unhappy handling problem. We went back into it shortly thereafter and we were able to go through his book with him and he gave us the true identities of 34 agents in France.

His uncle had been one of the senior men under Lenin, head of NKVD in the Ukrain[e] but with tremendous operations. He himself was a senior NKVD man in Spain during the civil war. So we spent up until his death, Mr. Rocc[o], who was my deputy, would travel to the Midwest and spend several weekends with him of dredging out and recreating the operations and penetrations in British intelligence and the British navy and whatnot, eventually getting down, by recreating and reconstructing, down to the identity. Now this is research, and these are cases where the Soviets had every reason to believe that those agents were safe and secure because nothing had happened.

And when you make that type of identification unbeknownst

to them, then it gives you tremendous leverage of how you want to play it, whether you move in to take him on as a double or whether you move in to arrest him.

Mr. diGenova. And that isn't being done today.

Mr. Angleton. Well, they can't do it because they don't have Mr. Rocco and they have fired most of the personnel. One of the best men we had was from the Library of Congress and knowing where to find every piece of information in the government has just been transferred to, or he's been released or hired back on contract, and when they are putting him in the Freedom of Information section as a contract agent.

And he has handled Ukrains, he's run agents, he speaks Russian.

Mr. Johnson. We are going down with a representative of military intelligence later on this afternoon. Could you tell us about the coordination between military CI and CIA CI especially in the area of double agentry.

Mr. Angleton. Then I will just say one thing and then Scotty will speak authoritatively to it.

We all came out of the war and therefore we are very strongly in favor of a very strong military counter-intelligence. And therefore, we've always given them highest priority of our time. We've done the original training of the OSI people.

We trained teachers who went out, who in turn trained other people. That was a three months course, if I recall.

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We rean a seminar using the highest talent that we had and revealing as much information as we could conceivably reveal.

And so our whole mental attitude was that counter-intelligence, one of its highest priorities is the defense of its own forces. And I'm not going to justify the mail program at this time, but some day I'll justify it in print or otherwise because it represents only .001 percent of Americans -- a small coterie of Americans who wrote to the Soviets when we had troops in the field on two occasions, and our primary duty was the support of those troops.

So that background Scotty can tell you but the relationships we've had with the military.

Mr. Miler. Well, the relationships with the counter-intelligence with the military have varied. I would say that for the most part it has been reasonably good, it has been perhaps better in Washington than it has been in the field. With few exceptions CIA field representatives have not been terribly concerned with conducting counter-intelligence. They have not cooperated to the extent that the military commanders in the field have wanted.

Some of this has to do with priorities that are imposed on the CIA representatives from Washington. Some of it has to do with lack of manpower. Some of it has to do with the fact that in the opinion of many of the CIA operatives, the Army in particular, to a lesser extent the other services,

have not undertaken counter-intelligence activities which are of a high enough level to justify the time and attention, particularly of senior CIA representatives abroad.

It is, I think, also a bit of a problem because the priorities of military counter-intelligence in many instances do not parallel or support CIA's priorities. They have the responsibility for the protection of their installations and there have also been imposed on the military the requirement to build assets, what we term double agents which the military term controlled foreign assets, as a contingency for possible deception use.

Traditionally, also, the CIA, and in recent years this has been quite true, the CIA field operatives have wanted to exploit military counter-intelligence assets for what is termed aggressive positive intelligence or recruitment attempts of the enemy agent or officer who was controlling the double agent of the controlled foreign asset.

There has been traditionally a problem of coordination between the military services, the CIA, and the FBI on double agent operations.

I think overall this has worked reasonably well, given the fact that -- in particular, for example, the system of chain of command in the Army is a very confused one and is not easy to put your finger on. There are various echelons and reporting procedures and so forth.

From the counter-intelligence staff standpoint, in particular what I was concerned with was an attempt to make sure that there was a full integration. You see, under the operating procedures and the responsibilities, the military services are required to advise the CIA of its activities, counter-intelligence and so forth abroad. In turn, they advise the FBI of their counter-intelligence activities and so forth here in the United States.

So you have, when an activity here in the United States, the individual involved, the double agent, the controlled foreign asset transfers abroad, then there is a transfer of coordination and vice versa.

Mr. Angleton. I'd like to inject this. There is concurrent jurisdiction since the double is usually an American citizen. So regardless of where he is, we would always persuade the Army or whoever it is, to notify the Bureau through their own channel because you're dealing with Americans, so geography is not really the important element.

Mr. Miler. From a counter-intelligence standpoint, it has had, there have been some problems as a result of that in terms of the regular CIA representation abroad. There is a means of working together with the military services and so forth in terms of notifying each of the services, each of the agencies of the potential for deception feeding and so forth.

Mr. Johnson. Does the CIA have veto powers over military proposed double-agents?

Mr. Miler. No, not the veto power.

Mr. Angleton. Well, it never really comes up to a veto. But if we took a stand against it and supplied reasoning that made sense, they would go along the way that we wanted. We've never had a head-on collision.

Mr. Miler. There would oftentimes be differences in the field, that would be presented through the proper channels, say from the Army back to the ACSI from our field station to headquarters. And then there would be a discussion and a resolution at the Washington level.

Now obviously, in any kind of a situation like that, there have been instances where, you know, there was bad feelings and misunderstandings and so forth. But I think that overall, at least in my experience in the way we try to conduct the business was that it was mutually beneficial.

Now the military services have complained to me because I represented and a couple of my people represented the Agency on double agents to the military services and so forth, that we were not as forthcoming in providing them information about our possible assets and so forth as they were.

Their system was different. They had a clearinghouse system where this was available and so forth. Our position on it was that if we had a requirement, we would perhaps find

a source or an asset in which to fulfill the requirement. But for security and compartmentation reasons, not exclusively due to the counter-intelligence concerns but also to the general security and operations procedures of the Agency as a whole, there was a reluctance to put this information forward except when and as needed.

End Tape 4A

Begin 4B

Mr. Angleton. And there's another point that has to be raised here. That is when you get into the field of deception you are bound by certain charters. Those charters have not been approved at the highest policy level. So there's been a great deal of tactical military cover and deception.

Our interest is more on the strategic deception, and that paper has been resting with Dr. Kissinger for some 2 1/2 years or more for approval.

Mr. Miler. Three.

Mr. Angleton. Three years.

So that is bogged down a great deal of the whole overall deception program.

Mr. Maxwell. The paper that is in front of Dr. Kissinger now makes what deceptions?

Mr. Angleton. It was a paper that was pulled together by the Joint Chiefs, ourselves, and the FBI.

Mr. Maxwell. And it proposes what?

Mr. Angleton. It outlines procedures for strategic deceptions, political deception and other deception.

Mr. Johnson. Could you give a brief example of the CIA role in strategic deception, a specific example?

Mr. Angleton. No, I can't. I mean I could get into cases but it's too vague. It's always been something that has been arrived at ad hoc and it served the purpose, but I wouldn't call it strategic.

Mr. Miler. No program, in other words.

Mr. Angleton. In other words, the proper strategic deception would be the President calls in the Director and says, no one knows that in three months I'm going on the following trip. I will have meetings with the following people. I'm not going to announce it until a week before I leave.

So it gives you a time span of two months to use all of your sources to put across disinformation or information, a letter in the mailbox to the proper addressee that, you know, favor his role or favor his mission and helps him out. And that's what we are trying to seek and have been trying to seek for a long time. But there has to be a way of knowing what are some of the intentions of the government in order to advance it through disinformation or deception.

Mr. Miler. With respect to the military, if I may return to that, I think that one of the -- probably the greatest difference and failure with respect to CIA counter-intelligence relationships with the military was with respect to the situation in Vietnam because CIA did not perform a counter-

intelligence function of any responsibility or significance in Vietnam. That was a tragic failure on the part of CIA and it goes back to the basic problem of the present management, to answer your earlier question, the present management because the present management of the CIA was involved in the decisions which prohibited a good counter-intelligence effort in Vietnam.

Mr. Shea. In that paper that is before Dr. Kissinger, are there any proposed control mechanisms that would act as a filter so that the misinformation in a sense could not flow back into the policy circles within the United States?

Mr. Angleton. Well, there wouldn't be. The kind of channels used, there wouldn't be any of that happening. This would be information given to an agent who was reporting, say to the KGB back, say it would never hit the light of day.

Mr. Shea. So the process of misinformation as it normally relates to the intelligence field is totally separate in terms of the active process of misinformation as it goes on in counter-intelligence?

Mr. Angleton. We are not dealing in overt. There may be some overt things put out that support a document that was given to a double who would pass it to KGB. But if the man is regarded to be an agent of the KGB, the KGB is not going to publicize that document without having blown the alleged agent.

Mr. Shea. But they could work on it in their process of disinformation to come back, and you would be caught.

Mr. Miler. No. To be successful you would have to have a means of monitoring. You would have to have your penetration of, you would have to have your own litmus to see where it is played back or what reflections or what requirements are put on other double agents on the basis of the information from this agent.

That requires a centralized screening and control of double agents.

Mr. Angleton. If you sent the information through Agent A to KGB headquarters in Moscow, part of your testing would be to see whether your other double agents received questionnaires which you knew related to that document.

Mr. Shea. But it seems like in order to make strategic misinformation functional, you would have to have the same requirements that you had when you were talking about having a double agent: namely, somebody in a superior point of information penetrated into that organization to make sure that they are getting that information you're sending out is misinformation.

Mr. Miler. Not necessarily.

Mr. Angleton. It's not quite the same.

Mr. Miler. It's not quite that simple because you could see reflections of it perhaps in other areas in political actions, in failure to act.

Mr. Angleton. There are other ways of doing it. You

can go to a diplomat who has a weak cipher system and you yourself can tell that diplomat in great confidence a whole series of things. You know the Soviets are going to break the code and read that message.

That would be one way of doing it. There are other ways of having, telling a friendly foreign service whom you know is penetrated.

I mean it's all case by case. But once you are given the task, that's when you begin to look at all of your assets and you begin to do the creative side of running a double, or how are you going to put this across. And there are many ways of doing it without bringing many people in.

Mr. diGenova. I'd like to change the subject matter just briefly. Part of the responsibility of the CI research personnel is to produce reports on various subjects which include current analyses on proprietary companies used by foreign intelligence services.

I would like to know whether or not either of you could shed any light on the question of whether or not we have any evidence that foreign intelligence services have established and used proprietary companies in the United States?

Mr. Angleton. Well, there's one case that comes to mind. I can't remember the details but I think that as a result of it, one of our deputy directors had a big project with this company and they dropped it because the Foreign Intelligence

Service had quite a penetration into it.

Mr. diGenova. Would that be the only instance of which you are familiar that there was in fact knowledge of an operating proprietary company run by a foreign intelligence service within the continental United States?

Mr. Angleton. Offhand I can't say because the Office of Security would be working with the Bureau, usually. I mean to say that S&T are the most likely people to have contracts with a number of contractors and companies. It would be Office of Security's job.

Mr. diGenova. Maybe I'm not making my point clear. I just thought that maybe in the course of your counter-intelligence function you may have discovered by whatever means that there was in fact such a company operating in the United States which was being used, not to contract with the Agency but to contract or just do anything, whether it was a bookkeeping firm or a law firm or anything, and was in fact engaged in espionage.

Mr. Miler. Well, we've had a number in the past. We've had a number of leads which were to the effect that Soviet intelligence money was in such and such a company, or something such as that. That was turned over to the FBI. And whether or not we ever heard anything back or did anything further on it, no.

In other words, unless there was an investigative angle

which we could pursue abroad or something, I'm a little bit confused by the question because it's outside -- the investigation of such a thing is outside the purview of the CIA unless it is abroad, unless it would be funded through Switzerland or Luxembourg or unless there was a Messagerie Maritime connection where Soviet money was being put in and they had representation here.

Mr. diGenova. Well, the staff has been given information that these analyses are done by CI research personnel or proprietary companies of foreign intelligence services, and either that information is wrong or we just do not understand each other.

Mr. Angleton. Well, I mean it's true that there have been analyses done. But the one that comes to mind is the one I mentioned, was the one where in this case it was French, had a heavy penetration of a company and that company was contracting with our STT people and therefore, our question was rather a project for large sums of money of using this company would proceed, and the decision based on our counter-intelligence analyses was to drop the project.

Mr. diGenova. I'd like to ask the question.

We've been told that one of the benefits which occurs to U.S. counter-intelligence when it focuses on bloc countries is the fact that these totalitarian regimes have a habit of acquiring great amounts of information about their citizenry and storing it, and that this is, on occasion, accessible to us

and makes them somewhat vulnerable as a result of that.

Turning the coin around a little bit and looking at ourselves, are the computerized systems which we now have in our country which put in a central location large amounts of information about individual citizens and large groups of citizens, making us vulnerable to penetration in terms of information, more vulnerable in terms of penetration by foreign counter-intelligence services?

Mr. Angleton. Vulnerable in what sense?

Mr. diGenova. Getting information about us, period, which I understand is one of the key goals of counter-intelligence, finding out what the other side is doing.

Mr. Angleton. You mean surreptitiously getting it from us or officially getting it from us?

Mr. diGenova. Both. The fact of the matter is the information exists and it's vulnerable for them to have it, is it vulnerable for us to have it?

Mr. Angleton. Well, I wouldn't put it down as vulnerable because when anyone makes a request on you for information, the first question is why. So the burden is on them to justify that they have a counter-espionage reason for asking for that information. And in the bulk of the cases you'll find that they are doing your work for you.

In other words, they've come across a telephone tap of some American who's arrived, he's made a call to the Bulgarian

embassy and it looks as though there's a meeting being set up, so immediately you get a flash. And they ask that service for traces on the individual and you come back with the why, i. and they tell you about the entire Bulgarian business. And so we start an investigation as to Bulgarian antecedents or anything dealing with Bulgaria, et cetera. And if it's justified, we give them the information.

Mr. diGenova. Well, I don't think, Mr. Angleton, that's not what I'm getting at.

We as a country are amassing properly, quote, unquote, large amounts of information about ourselves through the use of computer systems.

Mr. Angleton. That's right.

Mr. diGenova. The CIA tells us that that is one of the things they like so much about foreign countries, because the totalitarian regimes have the tendency to amass large amounts of information about their citizenry and when we penetrate and get that information, that helps us.

My question is when we do that, when we centralize the information by using our own computer systems, no matter where it is, do we help them?

And in this regard I would note that in 1970 the Inspector General's report on the question of cover noted that the fact that credit bureaus in this country were amassing so much information about people, including CIA personnel, that it

posed a major threat to maintain cover, both in the United States and abroad for CIA agents.

Now the question I raise is are we cutting off our nose to spite our face by using computers to really marshall together large amounts of evidence which can be made accessible to foreign powers either by surreptitiously or by simply openly getting it?

Mr. Miler. Yes, the answer is yes.

Mr. diGenova. Good.

Mr. Miler. Because it's very easy to get this information. And, for example, the Soviets have had, you can confirm this from the Bureau, have had a systematic system of purchasing from the State of Maryland, the District of Columbia, the State of Virginia, the business directories, residence directories, license directories for less than $350 apiece.

Mr. Johnson. If we're going to keep on our schedule, we've got a witness who's supposed to be here at 3:30, so is there a final question?

Mr. Kirbow. I have two questions. Because of the vast years of experience, Mr. Chairman, that we should ask them to comment on, and either one of you all should answer.

What do you all consider today to be the major threats to this country? And the second question is, what has been the major foreign covert action program directed against this country in your lifetime and experience in the Agency?

Mr. Angleton. Well, I think, no question, it's the Soviet bloc services that represent the major threat because they are really a small, they are directly subordinated to the central committee and to the basic objectives, as I've seen them all my life to the change and balance of military power.

Further, that practically all intelligence operations more and more have political objectives, and I think it is the fact that since '59 they have elevated the Cuban intelligence and all of the other bloc services to a very high degree of efficiency, that they are coordinated and they work as equals.

And I think that is the major threat, that is the inability of the FBI by lack of personnel and manpower to be able to cover these people. There isn't the minimal coverage. The people they cover are people who have been "identified," and I defy anyone to have a list of identified agents in this country.

Now that is the legal side of it. Now the larger part of it is the illegal, where there's been little or no success. The only one that has really come out is the Abel case, which we handled through Hahannan. And then there was one or two minor ones.

But that is a whole program of bloc activity, and according to one of the best sources we had, his view was that the illegals would be placed primarily in airports, docks, factories, and they give a whole listing. And these are the

areas where you have sabotage, you have explosions you can't identify, et cetera.

Now the illegal directorate represents a very major part of Soviet intelligence and bloc intelligence and we just -- there are not successes. It's just happenstance.

Mr. Epstein. It's disruption of our defense effort? Is that what you're speaking of now? Their goal being disruption of this country's defense effort?

Mr. Angleton. Well, they have many assignments. But the point is they have also the sabotage-assassination part, which is totally apart from the body politic of the KGB, and it raises questions in everybody's mind when there is sabotage and all other kinds of activities and you cannot find the culprits.

One defector stated that he believed that the computer fire they had in the Pentagon several years ago was KGB. He was KGB. But he stated in effect that he thought that was one of their operations.

Scotty?

Mr. Miler. The major threat to the U.S., I think, is based on the fact, as we referred to earlier, as this should affect counter-intelligence, the national counter-intelligence effort, is to have your national counter-intelligence focused on the fact that the Soviets and the Soviet blocs, since May of 1959 have rededicated themselves to the principles of

Leninism. They have rededicated themselves to the shift in the military balance of power. They have reinstituted, in effect, what was the policy of the NEP period, the New Economic Policy, the attraction of Western business, the attraction of Western capital into the Soviet Union to bolster the Soviet Union, the disruption of the economies of other nations, which would have an adverse effect on the economy of this nation -- all of this centrally controlled and directed, used through such countries as Romania, where we have for several years now deluded ourselves that Romania is independent, through Bulgaria, through Hungary, through Poland, all the rest of it.

This is the major threat to the United States. Counter-intelligence is probably, in my view, at least, one of the major ways that you're going to be able to counter this and at least get the information brought to the attention of the people who are making the decisions and making the policy for this country.

Mr. Epstein. Has our penetration effort been good enough to establish whether or not the Soviet Union has been involved in direct covert action against the United States, such as to undermine our economy, not using other countries but directly?

Mr. Angleton. There's been a tremendous amount of information on this. I mean, for example today the second head of the Chamber of Commerce in Moscow is General Pitovranov.

Prior, he was Deputy Chief of the NKVD. He was the resident KGB resident in Peking. He's the one who with Mao set up the underground that took over China. He was the head of Karlshorst, the largest KGB in Germany. He operated people like George Blake. He organized the kidnapping of Otto John, the head of Security, West Germany.

He has now been placed as the Deputy Chief, or Deputy Chairman, of the Moscow Chamber of Commerce, the same role that Lenin had Derjensky (DZHERZHINSIY) in the NEP. That is the role to be able to deal with Western capitalists with the view of abroad recruitments and with the view of using them as agents of influence.

Now there's a tremendous amount of data. Now this is what I'm trying to say, that counter-intelligence has always been kept at a very low level as far as its ability to submit such studies or whatnot to the National Security Council or to a forum where they are debated. But they happen to be the only hard intelligence because they are coming from men who were 16 years in this one case, a part of that mechanism and who read all the files.

Mr. Epstein. What happens to all that?

Mr. Angleton. Well, that's been used by directors in briefings but there's never yet been a forum where you can actually have a confrontation with people who hold contrary views.

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Mr. Miler. In other words, how significant is the fact then, how significant would it be if our Congress, our Executive and our business people knew that as of 1974 the last figures I have of 187 Soviets identified with the USSR all union chamber of commerce, the people that are doing all of the business with our businessmen who are coming here to the United States, work them and so forth, when 47 of those were appointed to that from the KGB.

I mean, what significance does this have to the United States?

Senator Schweiker. 47 out of how many?

Mr. Miler. About 182.

Mr. Angleton. Let's go to the scientific side on this. The scientific side, in May of 1969 the central committee ordered that there be added 2,000 staff officers to KGB from the Academy of Sciences in order to exploit the opening to the West and the scientific levels.

Mr. Epstein. And how would that exploitation be accomplished?

Mr. Angleton. For recruitment and exploitation of contacts in the West in the scientific exchanges.

Mr. Epstein. The goal being espionage or something else?

Mr. Angleton. Espionage.

Mr. Miler. Espionage and influence. How many KGB officers?

Mr. Angleton. In 1961, 1000 of those had been pulled together. There was a briefing given by the general staff to high KGB people regarding the field of military electronics, and during that briefing it was pointed out that they were 14 years behind us, but they would overcome and surpass us through three means: Number one was the Central Committee adding the 2,000 staff officers for espionage; Second would be disinformation leading our scientific efforts in the wrong directions; And third was to enter into those kind of treaties which would bind our own scientific progress in military fields.

When I left the Agency, I read a report by a man who knew nothing of this lecture, and this was a group of American electronic experts who had made a very sensitive, Top Secret study which stated that in this field the Soviets were four years behind us.

This was in 1974.

Mr. Epstein. A final question. In the last 10 or 15 years have you experienced any situations where any hostile powers were involved in covert action against the election process in this country?

Mr. Angleton. Well, I think there's no question that influence has been brought to bear.

Mr. Inderfurth. How?

Mr. Epstein. Meaning what?

Mr. Angleton. Propaganda, among other things.

For example, one of the most famous of the disinformation agents, I mean they had established contact at political levels in this country.

Mr. Epstein. How about campaign financing?

Mr. Angleton. I don't think it figures unless it would be the CP.

But just to add one last point to this question of the threat, it is my view, seeing Angola and seeing the unwillingness of this country to resist or to define its purpose, or to deal fairly with its allies, that within a period of four years there will be a form of confrontation on an unpopular issue between the Soviet bloc and the United States in which we will back down. We will then go into our supreme isolation, because in December of '61, when this Soviet defected and he had read the political action programs, he spelled out in detail that one of the primary purposes of the reorientations was that all intelligence operations or political objectives, and the main political objective was to reaffirm the United States as the main enemy, to achieve its isolation and to achieve political hegemony over most of Africa and Latin America.

He pointed out that the two largest and newest divisions created in KGB were Africa and Latin America.

Now this was not speculative. This was reading actual documents of a Top Secret nature in which you had to have a communications intelligence clearance to even have access to

them, and I think what he has spelled out, and I might add that when I took him to many countries we talked on higher levels than we could talk in the United States. And I took him to some countries that we could talk to Prime Ministers. I have seen Prime Ministers and have been able to expose this. But the machinery here is not of such a nature that you can get into these matters.

Mr. Epstein. Are they disseminated?

Mr. Angleton. We're not going to disseminate. These are matters that should go to the Secretary of State. They shouldn't be going up through people because many of the secrets are within that.

Mr. Epstein. Do they go to the Secretary of State?

Mr. Angleton. No.

Mr. Epstein. Why not?

Mr. Angleton. I don't think the Secretary of State has ever been much interested in asking for opinions. On Romania we sent something to the President prior to our trip.

Mr. Epstein. But the documents you're talking about, the Top Secret documents --

Mr. Angleton. We don't have the document. I'm stating he read those documents in Moscow.

Mr. Epstein. But the report that he read, was that disseminated?

Mr. Angleton. I don't know. It went to the Director and

it went to many other people. But whether it actually got to the Secretary of State, I do not know.

Mr. Miler. I think one important point here that I would like to make is that what has happened, in my opinion what has happened in counter-intelligence in the Agency and the so-called aggressive operations, the increase in double agent operations and so forth and the dispersal of the centralized counter-intelligence is not going to produce a counter-intelligence program within the CIA which is going to focus on attempting to provide the government, policy-makers and so forth, with the kind of information and analytical product that is necessary if we're going to have a successful counter-intelligence.

Mr. Johnson. I would like to thank the witnesses, and unless Senator Schweiker has any questions, we will adjourn for five minutes.

Is that acceptable?

Thank you very much.

Senator Schweiker. Thank you very much.

(Whereupon, at 4:10 o'clock p.m., the hearing in the above-mentioned matter was concluded.)

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