

CHAPTER 3

CHAPTER 3

Decade of the Spy

Introduction

If 1985 is the year of the spy (although 1984 had 12 reported espionage cases to 11 for 1985) then the 1980s is the decade of the spy. US counterintelligence arrested or neutralized over 60 Americans who attempted to or actually committed espionage. Not since the beginning of the Cold War when the United States was rocked by the Julius Rosenberg, et. al. spy cases, did the nation experience the phenomenon of a rise in traitors in our midst.

Unlike the early Cold War spies, the new breed of American spies was motivated by money not ideology. Except for the Clyde Lee Conrad and John Walker spy rings, most of the new breed of American spies operated alone.

This chapter includes short summaries on all espionage cases reported in the public media or in unclassified sources, which have occurred in the United States during the 1980s or which have involved Americans abroad during this period.

Spy cases were not the only major counterintelligence events to take place during these 10 years. In December 1981, President Ronald Reagan signed Executive Order 12333, which defined counterintelligence as “information gathered and activities conducted to protect against espionage, other intelligence activities, sabotage, or assassinations conducted for or on behalf of foreign powers, organizations or persons, or international terrorist activities, but not including personnel, physical, document or communications security programs.” This definition is still used by the CI community to this day.

This Executive Order also presented the mission requirements and authority for US Intelligence community agencies. It required that, before CIA could conduct any foreign intelligence collection or counterintelligence in the United States, the FBI had to coordinate. Likewise, before the FBI did any counterintelligence overseas, the CIA had to coordinate on the activity. The Department of Defense needed coordination from either the CIA or FBI depending on the location of its proposed counterintelligence activity.

On 13 January 1982, President Reagan signed National Security Decision Directive-2, which created a CI community body known as the Senior Interagency Group. This Group was to develop standards and doctrine for counterintelligence activities of the United States and resolve any interagency differences concerning the implementation of counterintelligence policy.

In April 1988, the Counterintelligence Center was created within CIA to improve the planning, coordination, management, and effectiveness of counterintelligence activities with the CIA and the Intelligence Community.

President George Bush signed National Security Directive 1 in January 1989, which reorganized the National Security Council structure. His Executive Order abolished the Senior Interagency Group but did not replace it with another body. It was not until several months later that another CI community body was established.

All the work of the CI community's interagency body is classified and unavailable for inclusion in this reader. The key to remember is that while the spy cases made the headlines, counterintelligence started its journey toward building CI community cooperation. Keep this in mind as you read this chapter.

Executive Order 12333
4 December 1981

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Timely and accurate information about the activities, capabilities, plans, and intentions of foreign powers, organizations, and persons, and their agents, is essential to the national security of the United States. All reasonable and lawful means must be used to ensure that the United States will receive the best intelligence available. For that purpose, by virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the National Security Act of 1947, as amended (see Short Title note above), and as President of the United States of America, in order to provide for the effective conduct of United States intelligence activities and the protection of constitutional rights, it is hereby ordered as follows:

PART 1-Goals, Direction, Duties and Responsibilities With Respect To The National Intelligence Effort

1.1 GOALS

The United States intelligence effort shall provide the President and the National Security Council with the necessary information on which to base decisions concerning the conduct and development of foreign, defense and economic policy, and the protection of United States national interests from foreign security threats. All departments and agencies shall cooperate fully to fulfill this goal.

(a) Maximum emphasis should be given to fostering analytical competition among appropriate elements of the Intelligence Community.

(b) All means, consistent with applicable United States law and this Order, and with full consideration of the rights of United States persons, shall be used to develop

intelligence information for the President and the National Security Council. A balanced approach between technical collection efforts and other means should be maintained and encouraged.

(c) Special emphasis should be given to detecting and countering espionage and other threats and activities directed by foreign intelligence services against the United States Government, or United States corporations, establishments, or persons.

(d) To the greatest extent possible consistent with applicable United States law and this Order, and with full consideration of the rights of United States persons, all agencies and departments should seek to ensure full and free exchange of information in order to derive maximum benefit from the United States intelligence effort.

1.2 THE NATIONAL SECURITY COUNCIL

(a) Purpose. The National Security Council (NSC) was established by the National Security Act of 1947 (see Short Title note above) to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security. The NSC shall act as the highest Executive Branch entity that provides review of, guidance for and direction to the conduct of all national foreign intelligence, counterintelligence, and special activities, and attendant policies and programs.

(b) Committees. The NSC shall establish such committees as may be necessary to carry out its functions and responsibilities under this Order. The



President Ronald Reagan

NSC, or a committee established by it, shall consider and submit to the President a policy recommendation, including all dissents, on each special activity and shall review proposals for other sensitive intelligence operations.

1.3 NATIONAL FOREIGN INTELLIGENCE ADVISORY GROUPS

(a) Establishment and Duties. The Director of Central Intelligence shall establish such boards, councils, or groups as required for the purpose of obtaining advice from within the Intelligence Community concerning:

- (1) Production, review and coordination of national foreign intelligence;
- (2) Priorities for the National Foreign Intelligence Program budget;
- (3) Interagency exchanges of foreign intelligence information;
- (4) Arrangements with foreign governments on intelligence matters;
- (5) Protection of intelligence sources and methods;
- (6) Activities of common concern; and
- (7) Such other matters as may be referred by the Director of Central Intelligence.

(b) Membership. Advisory groups established pursuant to this section shall be chaired by the Director of Central Intelligence or his designated representative and shall consist of senior representatives from organizations within the Intelligence Community and from departments or agencies containing such organizations, as designated by the Director of Central Intelligence. Groups for consideration of substantive intelligence matters will include representatives of organizations involved in the collection, processing and analysis of intelligence. A senior representative of the Secretary of Commerce, the Attorney General, the Assistant to the President for National Security Affairs, and the Office of the Secretary of Defense shall be invited to participate in any group which deals with other than substantive intelligence matters.

1.4 THE INTELLIGENCE COMMUNITY

The agencies within the Intelligence Community shall, in accordance with applicable United States law and with the other provisions of this Order, conduct intelligence activities necessary for the conduct of foreign relations and the protection of the national security of the United States, including:

(a) Collection of information needed by the President, the National Security Council, the Secretaries of State and Defense, and other Executive Branch officials for the performance of their duties and responsibilities;

(b) Production and dissemination of intelligence;

(c) Collection of information concerning, and the conduct of activities to protect against, intelligence activities directed against the United States, international terrorist and international narcotics activities, and other hostile activities directed against the United States by foreign powers, organizations, persons, and their agents;

(d) Special activities;

(e) Administrative and support activities within the United States and abroad necessary for the performance of authorized activities; and

(f) Such other intelligence activities as the President may direct from time to time.

1.5 DIRECTOR OF CENTRAL INTELLIGENCE

In order to discharge the duties and responsibilities prescribed by law, the Director of Central Intelligence shall be responsible directly to the President and the NSC and shall:

(a) Act as the primary adviser to the President and the NSC on national foreign intelligence and provide the President and other officials in the Executive Branch with national foreign intelligence;

(b) Develop such objectives and guidance for the Intelligence Community as will enhance capabilities for responding to expected future needs for national foreign intelligence;

(c) Promote the development and maintenance of services of common concern by designated intelligence organizations on behalf of the Intelligence Community;

(d) Ensure implementation of special activities;

(e) Formulate policies concerning foreign intelligence and counterintelligence arrangements with foreign governments, coordinate foreign intelligence and counterintelligence relationships between agencies of the Intelligence Community and the intelligence or internal security services of foreign governments, and establish procedures governing the conduct of liaison by any department or agency with such services on narcotics activities;

(f) Participate in the development of procedures approved by the Attorney General governing criminal narcotics intelligence activities abroad to ensure that these activities are consistent with foreign intelligence programs;

(g) Ensure the establishment by the Intelligence Community of common security and access standards for managing and handling foreign intelligence systems, information, and products;

(h) Ensure that programs are developed which protect intelligence sources, methods, and analytical procedures;

(i) Establish uniform criteria for the determination of relative priorities for the transmission of critical national foreign intelligence, and advise the Secretary of Defense concerning the communications requirements of the Intelligence Community for the transmission of such intelligence;

(j) Establish appropriate staffs, committees, or other advisory groups to assist in the execution of the Director's responsibilities;

(k) Have full responsibility for production and dissemination of national foreign intelligence, and authority to levy analytic tasks on departmental intelligence production organizations, in consultation with those organizations, ensuring that appropriate mechanisms for competitive analysis are developed so that diverse points of view are considered fully and differences of judgment within the Intelligence Community are brought to the attention of national policymakers;

(l) Ensure the timely exploitation and dissemination of data gathered by national foreign intelligence collection means, and ensure that the resulting intelligence is disseminated immediately to appropriate government entities and military commands;

(m) Establish mechanisms which translate national foreign intelligence objectives and priorities approved by the NSC into specific guidance for the Intelligence Community, resolve conflicts in tasking priority, provide to departments and agencies having information collection capabilities that are not part of the National Foreign Intelligence Program advisory tasking concerning collection of national foreign intelligence, and provide for the development of plans and arrangements for transfer of required collection tasking authority to the Secretary of Defense when directed by the President;

(n) Develop, with the advice of the program managers and departments and agencies concerned, the consolidated National Foreign Intelligence Program budget, and present it to the President and the Congress;

(o) Review and approve all requests for reprogramming National Foreign Intelligence Program funds, in accordance with guidelines established by the Office of Management and Budget;

(p) Monitor National Foreign Intelligence Program implementation, and, as necessary, conduct program and performance audits and evaluations;

(q) Together with the Secretary of Defense, ensure that there is no unnecessary overlap between national foreign intelligence programs and Department of Defense intelligence programs consistent with the requirement to develop competitive analysis, and provide to and obtain from the Secretary of Defense all information necessary for this purpose;

(r) In accordance with law and relevant procedures approved by the Attorney General under this Order, give the heads of the departments and agencies access to all intelligence, developed by the CIA or the staff elements of the Director of Central Intelligence, relevant to the national intelligence needs of the departments and agencies; and,

(s) Facilitate the use of national foreign intelligence products by Congress in a secure manner.

1.6 DUTIES AND RESPONSIBILITIES OF THE HEADS OF EXECUTIVE BRANCH DEPARTMENTS AND AGENCIES

(a) The heads of all Executive Branch departments and agencies shall, in accordance with law and relevant procedures approved by the Attorney General under this Order, give the Director of Central Intelligence access to all information relevant to the national intelligence needs of the United States, and shall give due consideration to the requests from the Director of Central Intelligence for appropriate support for Intelligence Community activities.

(b) The heads of departments and agencies involved in the National Foreign Intelligence Program shall ensure timely development and submission to the Director of Central Intelligence by the program managers and heads of component activities of proposed national programs and budgets in the format designated by the Director of Central Intelligence, and shall also ensure that the Director of Central Intelligence is provided, in a timely and responsive manner, all information necessary to perform the Director's program and budget responsibilities.

(c) The heads of departments and agencies involved in the National Foreign Intelligence Program may appeal to the President decisions by the Director of Central Intelligence on budget or reprogramming matters of the National Foreign Intelligence Program.

1.7 SENIOR OFFICIALS OF THE INTELLIGENCE COMMUNITY

The heads of departments and agencies with organizations in the Intelligence Community or the heads of such organizations, as appropriate, shall:

(a) Report to the Attorney General possible violations of federal criminal laws by employees and of specified federal criminal laws by any other person as provided in procedures agreed upon by the Attorney General and the head of the department or agency concerned, in a manner consistent with the protection of intelligence sources and methods, as specified in those procedures;

(b) In any case involving serious or continuing breaches of security, recommend to the Attorney General that the case be referred to the FBI for further investigation;

(c) Furnish the Director of Central Intelligence and the NSC, in accordance with applicable law and procedures approved by the Attorney General under this Order, the information required for the performance of their respective duties;

(d) Report to the Intelligence Oversight Board, and keep the Director of Central Intelligence appropriately informed, concerning any intelligence activities of their organizations that they have reason to believe may be unlawful or contrary to Executive order or Presidential directive;

(e) Protect intelligence and intelligence sources and methods from unauthorized disclosure consistent with guidance from the Director of Central Intelligence;

(f) Disseminate intelligence to cooperating foreign governments under arrangements established or agreed to by the Director of Central Intelligence;

(g) Participate in the development of procedures approved by the Attorney General governing production and dissemination of intelligence resulting from criminal narcotics intelligence activities abroad if their departments, agencies, or organizations have intelligence responsibilities for foreign or domestic narcotics production and trafficking;

(h) Instruct their employees to cooperate fully with the Intelligence Oversight Board; and

(i) Ensure that the Inspectors General and General Counsels for their organizations have access to any information necessary to perform their duties assigned by this Order.

1.8 THE CENTRAL INTELLIGENCE AGENCY

All duties and responsibilities of the CIA shall be related to the intelligence functions set out below. As authorized by this Order; the National Security Act of 1947, as amended (see Short Title note above); the CIA Act of 1949, as amended (see Short Title of 1949 Amendment note above); appropriate directives or other applicable law, the CIA shall:

(a) Collect, produce and disseminate foreign intelligence and counterintelligence, including information not otherwise obtainable. The collection of foreign intelligence or counterintelligence within the United States shall be coordinated with the FBI as required by procedures agreed upon by the Director of Central Intelligence and the Attorney General;

(b) Collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking;

(c) Conduct counterintelligence activities outside the United States and, without assuming or performing any internal security functions, conduct counterintelligence activities within the United States in coordination with the FBI as required by procedures agreed upon (by) the Director of Central Intelligence and the Attorney General;

(d) Coordinate counterintelligence activities and the collection of information not otherwise obtainable when conducted outside the United States by other departments and agencies;

(e) Conduct special activities approved by the President. No agency except the CIA (or the Armed Forces of the United States in time of war declared by Congress or during any period covered by a report from the President to the Congress under the War Powers Resolution (87 Stat. 855) (50 U.S.C. 1541 et seq.)) may conduct any special activity unless the President determines that another agency is more likely to achieve a particular objective;

(f) Conduct services of common concern for the Intelligence Community as directed by the NSC;

(g) Carry out or contract for research, development and procurement of technical systems and devices relating to authorized functions;

(h) Protect the security of its installations, activities, information, property, and employees by appropriate means, including such investigations of applicants, employees, contractors, and other persons with similar associations with the CIA as are necessary; and

(i) Conduct such administrative and technical support activities within and outside the United States as are

necessary to perform the functions described in sections (a) and (sic) through (h) above, including procurement and essential cover and proprietary arrangements.

1.9 THE DEPARTMENT OF STATE

The Secretary of State shall:

- (a) Overtly collect information relevant to United States foreign policy concerns;
- (b) Produce and disseminate foreign intelligence relating to United States foreign policy as required for the execution of the Secretary's responsibilities;
- (c) Disseminate, as appropriate, reports received from United States diplomatic and consular posts;
- (d) Transmit reporting requirements of the Intelligence Community to the Chiefs of United States Missions abroad; and
- (e) Support Chiefs of Missions in discharging their statutory responsibilities for direction and coordination of mission activities.

1.10 THE DEPARTMENT OF THE TREASURY

The Secretary of the Treasury shall:

- (a) Overtly collect foreign financial and monetary information;
- (b) Participate with the Department of State in the overt collection of general foreign economic information;
- (c) Produce and disseminate foreign intelligence relating to United States economic policy as required for the execution of the Secretary's responsibilities; and
- (d) Conduct, through the United States Secret Service, activities to determine the existence and capability of surveillance equipment being used against the President of the United States, the Executive Office of the President, and, as authorized by the Secretary of the Treasury or the President, other Secret Service protectees and United States officials. No information shall be acquired intentionally through such activities except to protect against such surveillance, and those activities shall be conducted pursuant to procedures

agreed upon by the Secretary of the Treasury and the Attorney General.

1.11 THE DEPARTMENT OF DEFENSE

The Secretary of Defense shall:

- (a) Collect national foreign intelligence and be responsive to collection tasking by the Director of Central Intelligence;
- (b) Collect, produce and disseminate military and military-related foreign intelligence and counterintelligence as required for execution of the Secretary's responsibilities;
- (c) Conduct programs and missions necessary to fulfill national, departmental and tactical foreign intelligence requirements;
- (d) Conduct counterintelligence activities in support of Department of Defense components outside the United States in coordination with the CIA, and within the United States in coordination with the FBI pursuant to procedures agreed upon by the Secretary of Defense and the Attorney General;
- (e) Conduct, as the executive agent of the United States Government, signals intelligence and communications security activities, except as otherwise directed by the NSC;
- (f) Provide for the timely transmission of critical intelligence, as defined by the Director of Central Intelligence, within the United States Government;
- (g) Carry out or contract for research, development and procurement of technical systems and devices relating to authorized intelligence functions;
- (h) Protect the security of Department of Defense installations, activities, property, information, and employees by appropriate means, including such investigations of applicants, employees, contractors, and other persons with similar associations with the Department of Defense as are necessary;
- (i) Establish and maintain military intelligence relationships and military intelligence exchange programs with selected cooperative foreign defense

establishments and international organizations, and ensure that such relationships and programs are in accordance with policies formulated by the Director of Central Intelligence;

(j) Direct, operate, control and provide fiscal management for the National Security Agency and for defense and military intelligence and national reconnaissance entities; and

(k) Conduct such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections (a) through (j) above.

**1.12 INTELLIGENCE COMPONENTS
UTILIZED BY THE SECRETARY OF DEFENSE**

In carrying out the responsibilities assigned in section 1.11, the Secretary of Defense is authorized to utilize the following:

(a) Defense Intelligence Agency, whose responsibilities shall include:

(1) Collection, production, or, through tasking and coordination, provision of military and military-related intelligence for the Secretary of Defense, the Joint Chiefs of Staff, other Defense components, and, as appropriate, non-Defense agencies;

(2) Collection and provision of military intelligence for national foreign intelligence and counterintelligence products;

(3) Coordination of all Department of Defense intelligence collection requirements;

(4) Management of the Defense Attaché system; and

(5) Provision of foreign intelligence and counterintelligence staff support as directed by the Joint Chiefs of Staff.

(b) National Security Agency, whose responsibilities shall include:

(1) Establishment and operation of an effective unified organization for signals intelligence activities, except for the delegation of operational control over certain operations that are conducted through other elements of the Intelligence Community. No other department or agency may engage in signals intelligence activities except pursuant to a delegation by the Secretary of Defense;

(2) Control of signals intelligence collection and processing activities, including assignment of resources to an appropriate agent for such periods and tasks as required for the direct support of military commanders;

(3) Collection of signals intelligence information for national foreign intelligence purposes in accordance with guidance from the Director of Central Intelligence;

(4) Processing of signals intelligence data for national foreign intelligence purposes in accordance with guidance from the Director of Central Intelligence;

(5) Dissemination of signals intelligence information for national foreign intelligence purposes to authorized elements of the Government, including the military services, in accordance with guidance from the Director of Central Intelligence;

(6) Collection, processing and dissemination of signals intelligence information for counter-intelligence purposes;

(7) Provision of signals intelligence support for the conduct of military operations in accordance with tasking, priorities, and standards of timeliness assigned by the Secretary of Defense. If provision of such support requires use of national collection systems, these systems will be tasked within existing guidance from the Director of Central Intelligence;

(8) Executing the responsibilities of the Secretary of Defense as executive agent for the

communications security of the United States Government;

(9) Conduct of research and development to meet the needs of the United States for signals intelligence and communications security;

(10) Protection of the security of its installations, activities, property, information, and employees by appropriate means, including such investigations of applicants, employees, contractors, and other persons with similar associations with the NSA as are necessary;

(11) Prescribing, within its field of authorized operations, security regulations covering operating practices, including the transmission, handling and distribution of signals intelligence and communications security material within and among the elements under control of the Director of the NSA, and exercising the necessary supervisory control to ensure compliance with the regulations;

(12) Conduct of foreign cryptologic liaison relationships, with liaison for intelligence purposes conducted in accordance with policies formulated by the Director of Central Intelligence; and

(13) Conduct of such administrative and technical support activities within and outside the United States as are necessary to perform the functions described in sections (1) through (12) above, including procurement.

(c) Offices for the collection of specialized intelligence through reconnaissance programs, whose responsibilities shall include:

(1) Carrying out consolidated reconnaissance programs for specialized intelligence;

(2) Responding to tasking in accordance with procedures established by the Director of Central Intelligence; and

(3) Delegating authority to the various departments and agencies for research,

development, procurement, and operation of designated means of collection.

(d) The foreign intelligence and counterintelligence elements of the Army, Navy, Air Force, and Marine Corps, whose responsibilities shall include:

(1) Collection, production and dissemination of military and military-related foreign intelligence and counterintelligence, and information on the foreign aspects of narcotics production and trafficking. When collection is conducted in response to national foreign intelligence requirements, it will be conducted in accordance with guidance from the Director of Central Intelligence. Collection of national foreign intelligence, not otherwise obtainable, outside the United States shall be coordinated with the CIA, and such collection within the United States shall be coordinated with the FBI;

(2) Conduct of counterintelligence activities outside the United States in coordination with the CIA, and within the United States in coordination with the FBI; and

(3) Monitoring of the development, procurement and management of tactical intelligence systems and equipment and conducting related research, development, and test and evaluation activities.

(e) Other offices within the Department of Defense appropriate for conduct of the intelligence missions and responsibilities assigned to the Secretary of Defense. If such other offices are used for intelligence purposes, the provisions of Part 2 of this Order shall apply to those offices when used for those purposes.

1.13 THE DEPARTMENT OF ENERGY

The Secretary of Energy shall:

(a) Participate with the Department of State in overtly collecting information with respect to foreign energy matters;

(b) Produce and disseminate foreign intelligence necessary for the Secretary's responsibilities;

(c) Participate in formulating intelligence collection and analysis requirements where the special expert capability of the Department can contribute; and

(d) Provide expert technical, analytical and research capability to other agencies within the Intelligence Community.

1.14 THE FEDERAL BUREAU OF INVESTIGATION

Under the supervision of the Attorney General and pursuant to such regulations as the Attorney General may establish, the Director of the FBI shall:

(a) Within the United States conduct counterintelligence and coordinate counterintelligence activities of other agencies within the Intelligence Community. When a counterintelligence activity of the FBI involves military or civilian personnel of the Department of Defense, the FBI shall coordinate with the Department of Defense;

(b) Conduct counterintelligence activities outside the United States in coordination with the CIA as required by procedures agreed upon by the Director of Central Intelligence and the Attorney General;

(c) Conduct within the United States, when requested by officials of the Intelligence Community designated by the President, activities undertaken to collect foreign intelligence or support foreign intelligence collection requirements of other agencies within the Intelligence Community, or, when requested by the Director of the National Security Agency, to support the communications security activities of the United States Government;

(d) Produce and disseminate foreign intelligence and counterintelligence; and

(e) Carry out or contract for research, development and procurement of technical systems and devices relating to the functions authorized above.

PART 2—Conduct Of Intelligence Activities

2.1 NEED

Accurate and timely information about the capabilities, intentions and activities of foreign powers, organizations, or persons and their agents is essential

to informed decision making in the areas of national defense and foreign relations. Collection of such information is a priority objective and will be pursued in a vigorous, innovative and responsible manner that is consistent with the Constitution and applicable law and respectful of the principles upon which the United States was founded.

2.2 PURPOSE

This Order is intended to enhance human and technical collection techniques, especially those undertaken abroad, and the acquisition of significant foreign intelligence, as well as the detection and countering of international terrorist activities and espionage conducted by foreign powers. Set forth below are certain general principles that, in addition to and consistent with applicable laws, are intended to achieve the proper balance between the acquisition of essential information and protection of individual interests. Nothing in this Order shall be construed to apply to or interfere with any authorized civil or criminal law enforcement responsibility of any department or agency.

2.3 COLLECTION OF INFORMATION

Agencies within the Intelligence Community are authorized to collect, retain or disseminate information concerning United States persons only in accordance with procedures established by the head of the agency concerned and approved by the Attorney General, consistent with the authorities provided by Part 1 of this Order. Those procedures shall permit collection, retention and dissemination of the following types of information:

(a) Information that is publicly available or collected with the consent of the person concerned;

(b) Information constituting foreign intelligence or counterintelligence, including such information concerning corporations or other commercial organizations. Collection within the United States of foreign intelligence not otherwise obtainable shall be undertaken by the FBI or, when significant foreign intelligence is sought, by other authorized agencies of the Intelligence Community, provided that no foreign intelligence collection by such agencies may be undertaken for the purpose of acquiring information concerning the domestic activities of United States persons;

(c) Information obtained in the course of a lawful foreign intelligence, counterintelligence, international narcotics or international terrorism investigation;

(d) Information needed to protect the safety of any persons or organizations, including those who are targets, victims or hostages of international terrorist organizations;

(e) Information needed to protect foreign intelligence or counterintelligence sources or methods from unauthorized disclosure. Collection within the United States shall be undertaken by the FBI except that other agencies of the Intelligence Community may also collect such information concerning present or former employees, present or former intelligence agency contractors or their present or former employees, or applicants for any such employment or contracting;

(f) Information concerning persons who are reasonably believed to be potential sources or contacts for the purpose of determining their suitability or credibility;

(g) Information arising out of a lawful personnel, physical or communications security investigation;

(h) Information acquired by overhead reconnaissance not directed at specific United States persons;

(i) Incidentally obtained information that may indicate involvement in activities that may violate federal, state, local or foreign laws; and

(j) Information necessary for administrative purposes.

In addition, agencies within the Intelligence Community may disseminate information, other than information derived from signals intelligence, to each appropriate agency within the Intelligence Community for purposes of allowing the recipient agency to determine whether the information is relevant to its responsibilities and can be retained by it.

2.4 COLLECTION TECHNIQUES

Agencies within the Intelligence Community shall use the least intrusive collection techniques feasible within the United States or directed against United States persons abroad. Agencies are not authorized to use such techniques as electronic surveillance, unconsented

physical search, mail surveillance, physical surveillance, or monitoring devices unless they are in accordance with procedures established by the head of the agency concerned and approved by the Attorney General. Such procedures shall protect constitutional and other legal rights and limit use of such information to lawful governmental purposes. These procedures shall not authorize:

(a) The CIA to engage in electronic surveillance within the United States except for the purpose of training, testing, or conducting countermeasures to hostile electronic surveillance;

(b) Unconsented physical searches in the United States by agencies other than the FBI, except for:

(1) Searches by counterintelligence elements of the military services directed against military personnel within the United States or abroad for intelligence purposes, when authorized by a military commander empowered to approve physical searches for law enforcement purposes, based upon a finding of probable cause to believe that such persons are acting as agents of foreign powers; and

(2) Searches by CIA of personal property of non-United States persons lawfully in its possession.

(c) Physical surveillance of a United States person in the United States by agencies other than the FBI, except for:

(1) Physical surveillance of present or former employees, present or former intelligence agency contractors or their present or former employees, or applicants for any such employment or contracting; and

(2) Physical surveillance of a military person employed by a nonintelligence element of a military service.

(d) Physical surveillance of a United States person abroad to collect foreign intelligence, except to obtain significant information that cannot reasonably be acquired by other means.

2.5 ATTORNEY GENERAL APPROVAL

The Attorney General hereby is delegated the power to approve the use for intelligence purposes, within the United States or against a United States person abroad, of any technique for which a warrant would be required if undertaken for law enforcement purposes, provided that such techniques shall not be undertaken unless the Attorney General has determined in each case that there is probable cause to believe that the technique is directed against a foreign power or an agent of a foreign power. Electronic surveillance, as defined in the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), shall be conducted in accordance with that Act, as well as this Order.

2.6 ASSISTANCE TO LAW ENFORCEMENT AUTHORITIES

Agencies within the Intelligence Community are authorized to:

(a) Cooperate with appropriate law enforcement agencies for the purpose of protecting the employees, information, property and facilities of any agency within the Intelligence Community;

(b) Unless otherwise precluded by law or this Order, participate in law enforcement activities to investigate or prevent clandestine intelligence activities by foreign powers, or international terrorist or narcotics activities;

(c) Provide specialized equipment, technical knowledge, or assistance of expert personnel for use by any department or agency, or, when lives are endangered, to support local law enforcement agencies. Provision of assistance by expert personnel shall be approved in each case by the General Counsel of the providing agency; and

(d) Render any other assistance and cooperation to law enforcement authorities not precluded by applicable law.

2.7 CONTRACTING

Agencies within the Intelligence Community are authorized to enter into contracts or arrangements for the provision of goods or services with private companies or institutions in the United States and need not reveal the sponsorship of such contracts or arrangements for authorized intelligence purposes.

Contracts or arrangements with academic institutions may be undertaken only with the consent of appropriate officials of the institution.

2.8 CONSISTENCY WITH OTHER LAWS

Nothing in this Order shall be construed to authorize any activity in violation of the Constitution or statutes of the United States.

2.9 UNDISCLOSED PARTICIPATION IN ORGANIZATIONS WITHIN THE UNITED STATES

No one acting on behalf of agencies within the Intelligence Community may join or otherwise participate in any organization in the United States on behalf of any agency within the Intelligence Community without disclosing his intelligence affiliation to appropriate officials of the organization, except in accordance with procedures established by the head of the agency concerned and approved by the Attorney General. Such participation shall be authorized only if it is essential to achieving lawful purposes as determined by the agency head or designee. No such participation may be undertaken for the purpose of influencing the activity of the organization or its members except in cases where:

(a) The participation is undertaken on behalf of the FBI in the course of a lawful investigation; or

(b) The organization concerned is composed primarily of individuals who are not United States persons and is reasonably believed to be acting on behalf of a foreign power.

2.10 HUMAN EXPERIMENTATION

No agency within the Intelligence Community shall sponsor, contract for or conduct research on human subjects except in accordance with guidelines issued by the Department of Health and Human Services. The subject's informed consent shall be documented as required by those guidelines.

2.11 PROHIBITION ON ASSASSINATION

No person employed by or acting on behalf of the United States Government shall engage in, or conspire to engage in, assassination.

2.12 INDIRECT PARTICIPATION

No agency of the Intelligence Community shall participate in or request any person to undertake activities forbidden by this Order.

PART 3—General Provisions

3.1 CONGRESSIONAL OVERSIGHT

The duties and responsibilities of the Director of Central Intelligence and the heads of other departments, agencies, and entities engaged in intelligence activities to cooperate with the Congress in the conduct of its responsibilities for oversight of intelligence activities shall be as provided in title 50, United States Code, section 413. The requirements of section 662 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2422), and section 501 of the National Security Act of 1947, as amended (50 U.S.C. 413), shall apply to all special activities as defined in this Order.

3.2 IMPLEMENTATION

The NSC, the Secretary of Defense, the Attorney General, and the Director of Central Intelligence shall issue such appropriate directives and procedures as are necessary to implement this Order. Heads of agencies within the Intelligence Community shall issue appropriate supplementary directives and procedures consistent with this Order. The Attorney General shall provide a statement of reasons for not approving any procedures established by the head of an agency in the Intelligence Community other than the FBI. The National Security Council may establish procedures in instances where the agency head and the Attorney General are unable to reach agreement on other than constitutional or other legal grounds.

3.3 PROCEDURES

Until the procedures required by this Order have been established, the activities herein authorized which require procedures shall be conducted in accordance with existing procedures or requirements established under Executive Order No. 12036 (formerly set out above). Procedures required by this Order shall be established as expeditiously as possible. All procedures promulgated pursuant to this Order shall be made available to the congressional intelligence committees.

3.4 DEFINITIONS

For the purposes of this Order, the following terms shall have these meanings:

(a) Counterintelligence means information gathered and activities conducted to protect against espionage, other intelligence activities, sabotage, or assassinations conducted for or on behalf of foreign powers, organizations or persons, or international terrorist activities, but not including personnel, physical, document or communications security programs.

(b) Electronic surveillance means acquisition of a nonpublic communication by electronic means without the consent of a person who is a party to an electronic communication or, in the case of a nonelectronic communication, without the consent of a person who is visibly (sic) present at the place of communication, but not including the use of radio direction-finding equipment solely to determine the location of a transmitter.

(c) Employee means a person employed by, assigned to or acting for an agency within the Intelligence Community.

(d) Foreign intelligence means information relating to the capabilities, intentions and activities of foreign powers, organizations or persons, but not including counterintelligence except for information on international terrorist activities.

(e) Intelligence activities means all activities that agencies within the Intelligence Community are authorized to conduct pursuant to this Order.

(f) Intelligence Community and agencies within the Intelligence Community refer to the following agencies or organizations:

(1) The Central Intelligence Agency (CIA);

(2) The National Security Agency (NSA);

(3) The Defense Intelligence Agency (DIA);

(4) The offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) The Bureau of Intelligence and Research of the Department of State;

(6) The intelligence elements of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation (FBI), the Department of the Treasury, and the Department of Energy; and

(7) The staff elements of the Director of Central Intelligence.

(g) The National Foreign Intelligence Program includes the programs listed below, but its composition shall be subject to review by the National Security Council and modification by the President:

(1) The programs of the CIA;

(2) The Consolidated Cryptologic Program, the General Defense Intelligence Program, and the programs of the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance, except such elements as the Director of Central Intelligence and the Secretary of Defense agree should be excluded;

(3) Other programs of agencies within the Intelligence Community designated jointly by the Director of Central Intelligence and the head of the department or by the President as national foreign intelligence or counterintelligence activities;

(4) Activities of the staff elements of the Director of Central Intelligence;

(5) Activities to acquire the intelligence required for the planning and conduct of tactical operations by the United States military forces are not included in the National Foreign Intelligence Program.

(h) Special activities means activities conducted in support of national foreign policy objectives abroad which are planned and executed so that the role of the United States Government is not apparent or acknowledged publicly, and functions in support of such activities, but which are not intended to influence United States political processes, public opinion, policies, or media and do not include diplomatic activities or the collection and production of intelligence or related support functions.

(i) United States person means a United States citizen, an alien known by the intelligence agency concerned to be a permanent resident alien, an unincorporated association substantially composed of United States citizens or permanent resident aliens, or a corporation incorporated in the United States, except for a corporation directed and controlled by a foreign government or governments.

3.5 PURPOSE AND EFFECT

This Order is intended to control and provide direction and guidance to the Intelligence Community. Nothing contained herein or in any procedures promulgated hereunder is intended to confer any substantive or procedural right or privilege on any person or organization.

3.6 REVOCATION

Executive Order No. 12036 of January 24, 1978, as amended, entitled "United States Intelligence Activities," is revoked.

Ronald Reagan

National Security Decision Directive Number 84 – 11 March, 1983

Safeguarding National Security Information

As stated in Executive Order 12356, only that information whose disclosure would harm the national security interests of the United States may be classified. Every effort should be made to declassify information that no longer requires protection in the interest of national security.

At the same time, however, safeguarding against unlawful disclosures of properly classified information is a matter of grave concern and high priority for this Administration. In addition to the requirements set forth in Executive Order 12356, and based on the recommendations contained in the interdepartmental report forwarded by the Attorney General, I direct the following:

1. Each agency of the Executive Branch that originates or handles classified information. Such procedures shall at a minimum provide as follows:

a. All persons with authorized access to classified information shall be required to sign a nondisclosure agreement as a condition of access. This requirement may be implemented prospectively by agencies for which the administrative burden of compliance would otherwise be excessive.

b. All persons with authorized access to Sensitive Compartmented Information (SCI) shall be required to sign a nondisclosure agreement as a condition of access to SCI and other classified information. All such agreements must include a provision for prepublication review to assure deletion of SCI and other classified information.

c. All agreements required in paragraphs 1.a. and 1.b. must be in a form determined by the Department of Justice to be enforceable in a civil action brought by the United States. The Director, Information Security Oversight Office (ISOO), shall develop standardized forms that satisfy these requirements.

d. Appropriate policies shall be adopted to govern contacts between media representatives and agency personnel, so as to reduce the opportunity for negligent or deliberate disclosures of classified information. All persons with authorized access to classified information shall be clearly apprised of the agency's policies in this regard.

2. Each agency of the Executive branch that originates or handles classified information shall adopt internal procedures to govern the reporting and investigation of unauthorized disclosures of such information. Such procedures shall at a minimum provide that:

a. All such disclosures that the agency considers to be seriously damaging to its mission and responsibilities shall be evaluated to ascertain the nature of the information disclosed and the extent to which it had been disseminated.

b. The agency shall conduct a preliminary internal investigation prior to or concurrently with seeking investigative assistance from other agencies.

c. The agency shall maintain records of disclosures so evaluated and investigated.

d. Agencies in the possession of classified information originating with another agency shall cooperate with the originating agency by conducting internal investigations of the unauthorized disclosure of such information.

e. Persons determined by the agency to have knowingly made such disclosures or to have refused cooperation with investigations of such unauthorized disclosures will be denied further access to classified information and subjected to other administrative sanctions as appropriate.

3. Unauthorized disclosures of classified information shall be reported to the Department of Justice and the Information Security Oversight Office, as required by statute and Executive orders. The Department of Justice shall continue to review reported unauthorized disclosures of classified information to determine whether FBI involvement is warranted. Interested departments and agencies shall be consulted in developing criteria for evaluating such matters and in determining which cases should receive investigative priority. The FBI is authorized to investigate such matters as constitute potential violations of federal criminal law, even though administrative sanctions may be sought instead of criminal prosecution.

4. Nothing in this directive is intended to modify or preclude interagency agreements between FBI and other criminal investigative agencies regarding their responsibility for conducting investigations within their own agencies or departments.

5. The Office of Personnel Management and all departments and agencies with employees having access to classified information are directed to revise existing regulations and policies, as necessary, so that employees may be required to submit to polygraph examinations, when appropriate, in the course of investigations of unauthorized disclosures of classified information. As a minimum, such regulations shall permit an agency to decide that appropriate adverse consequences will follow an employee's refusal to cooperate with a polygraph examination that is limited in scope to the circumstances of the unauthorized disclosure under

investigation. Agency regulations may provide that only the head of the agency, or his delegate, is empowered to order an employee to submit to a polygraph examination. Results of polygraph examinations should not be relied upon to the exclusion of other information obtained during investigations.

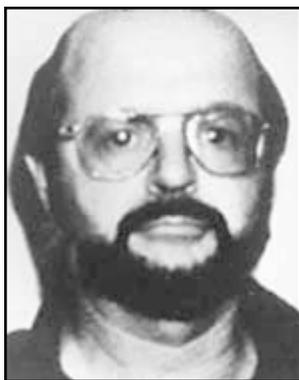
6. The Attorney General, in consultation with the Director, Office of Personnel Management, is requested to establish an interdepartmental group to study the federal personnel security program and recommend appropriate revisions in existing Executive orders, regulations, and guidelines.

Ronald Reagan

The Walker Spy Ring

John Anthony Walker Jr. and his son, Michael Lance Walker, were indicted 28 May 1985, by a Federal grand jury in Baltimore, Maryland, on six counts of espionage. The elder Walker, a retired Navy warrant officer who had held a Top Secret Crypto clearance, was charged with having sold classified material to Soviet agents for the past 18 years.

John Walker Jr. was raised in Scranton, Pennsylvania. He had an unhappy childhood with alcoholic and separated parents. Walker left high school while in the 11th grade and on 25 October 1955, he joined the US Navy. While serving in the Navy, Walker was considered highly competent and in the first half of his 21 years of active duty, he rose from the seaman grade to warrant officer. He also earned the Navy equivalency



John Walker, charged by a Federal grand jury in Baltimore, Maryland on six counts of espionage.

for a high school and college diploma. When he retired in July 1976, he was a Chief Warrant Officer. His active duty assignments included responsible positions in communications, including Communications Systems Officer for the Amphibious Force Atlantic Fleet and Communications Officer for the Naval Surface Force Atlanta Fleet.

During his military career, Walker made some investments in which he lost money. To make up for his losses, in late 1968 at the age of 30, Walker went to the Soviet Embassy in Washington, DC and offered his services for the purpose of espionage. He was paid \$2,000 or \$3,000 at this first meeting, although he stated he could not remember the exact amount. He compromised key cards used for enciphering messages and also provided information on the encryption devices themselves. The Soviets provided Walker with a rotor decryption device used for testing wiring circuitry for rotors used by the US Navy for encryption purposes.

During his more than 17 years of espionage performed on behalf of the Soviet KGB, Walker compromised at least a million classified messages of the military services and US intelligence agencies. In addition, Walker recognized that when he left active duty he would no longer have direct access to classified information. He therefore recruited a friend, Jerry Alfred Whitworth, who also held communications positions similar to those previously occupied by Walker.

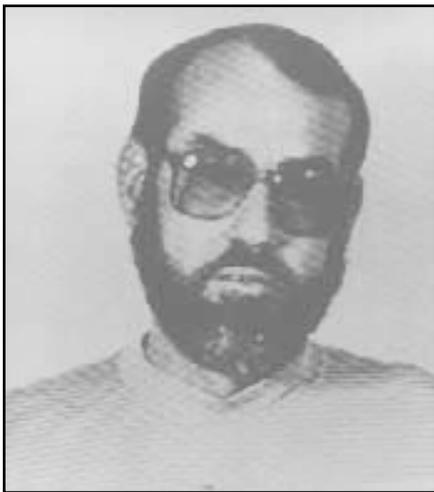
Upon retirement and his opening of a private investigation firm, Walker attempted to expand his espionage net further by first recruiting his brother, Arthur James Walker, a retired US Navy officer, and urging him to find civilian employment with a Department of Defense contractor. Next he recruited his son, Michael Lance Walker, who had recently enlisted in the US Navy. Earlier he had attempted without success to recruit one of his daughters who was, at the time, serving in the US Army.

John Walker's arrest resulted from a tip to the FBI from his former wife. She knew from almost the beginning that her husband was involved in espionage. On numerous occasions she had threatened to turn him in to authorities. An unhappy marriage eventually led to divorce and finally, in 1985, Walker's former wife informed the FBI of Walker's espionage activities. The

FBI initiated an investigation and surveillance of Walker. He was apprehended on 20 May 1985, at a Maryland motel after depositing a number of documents at a roadside drop. Soviet embassy official, Alexei Tkachenko, who was spotted in the area, returned to Moscow within days of Walker's arrest.

Vitaliy Yurchenko, Deputy Chief of the First Department of the First Chief Directorate of the KGB, defected to the United States by voluntarily walking into the US Embassy in Rome, Italy, in July 1985. Soon after Walker's arrest and the attendant publicity, Yurchenko was briefed and consulted about the Walker case. The KGB did not believe that the FBI had been tipped by Barbara Walker and suspected that one of the KGB officers directly involved with Walker had been compromised by Western intelligence agencies. Because of his expertise in internal security matters, Yurchenko's advice was sought with regard to the appropriate course of action for dealing with the suspected compromise. In his position in the First Department, it was also appropriate to brief him concerning the Walker and Whitworth case. Because of the high degree of compartmentalized protection given to a case like Walker-Whitworth, Yurchenko, despite his previous assignments involving internal security and at the Soviet's US Embassy, had not previously been aware of the Walker/Whitworth operation.

From his briefings, Yurchenko learned that the KGB regarded the Walker/Whitworth operation to be the most important operation in the KGB's history. Yurchenko



Jerry Alfred Whitworth, convicted on 24 July 1986 on seven counts of espionage.

stated that the information delivered by Walker enabled the KGB to decipher over one million messages. Early on, the operation was transferred to Department Sixteen of the KGB, which handled only the most sensitive and important clandestine KGB operations around the world.

The KGB officers who handled the operation received important promotions and decorations for their successes. One of these officers secretly received the "Hero of the Soviet Union" award after the Soviet Navy expressed its delight over the success of the operation. Two other KGB officers involved with the Walker/Whitworth operation were awarded the coveted "Order of the Red Banner." Certain KGB officers from Department Sixteen were, at various times, assigned to the Soviet Embassy in Washington solely to handle "drops" made in connection with Walker/Whitworth espionage.

Yurchenko was informed by a high KGB official that the information learned from the Walker/Whitworth operation would have been "devastating" to the United States in time of war.

On 28 October 1985, John Walker pleaded guilty to espionage charges under a plea agreement by which Walker agreed to testify in the trial of Jerry Whitworth and to provide full information on what was given to the Soviets in exchange for a lesser sentence for his son. On 6 November 1986, John Walker was sentenced to two life terms plus 10 years to be served concurrently. A federal grand jury was convened to pursue some of the unresolved questions including the location of up to \$1 million possibly hidden by John Walker and the involvement of minor players in the espionage ring.

Jerry Alfred Whitworth

Jerry Alfred Whitworth was born in Muldrow, Oklahoma, on 10 August 1939. His parents separated shortly after he was born, and his grandparents and an uncle raised him. He was known as a good-natured youth who, in his senior year in high school, was voted class clown. In September 1956, Whitworth joined the US Navy. Following his four-year enlistment in the Navy, Whitworth left the service and enrolled in college. He was unsuccessful in his college classes and reenlisted in the Navy in 1962.

During an assignment in 1970, when Whitworth and John Anthony Walker were stationed together, the two became acquainted, and Walker eventually started a conscious effort to assess Whitworth as a potential agent for expanding and continuing Walker's espionage efforts on behalf of the KGB. In 1974, Whitworth had decided to resign from active duty. During this same year, in a San Diego restaurant, Walker finally asked Whitworth to join him in a conspiracy that would allow them to receive significant payments for selling classified information. Walker asked Whitworth to provide him information which he, in turn, would sell to criminal elements where there was a known market. The two men would then split the profits. Whitworth agreed to cooperate with the knowledge that the information was being sold to the KGB coming only at a later date in their conspiracy.

Whitworth thereafter reenlisted in the Navy. He advanced to Senior Chief Radioman and received the highest ratings from his supervisors. Following his recruitment by Walker, Whitworth became a model service member and excelled in his specialty until his retirement on 31 October 1983.

Whitworth was secretly married in 1976. Between that year and 1985, Whitworth met with Walker on an average of two to four times a year at which time he would pass to Walker 25 to 50 rolls of Minox film containing classified information. Whitworth was originally paid \$2,000 per month for the material he



Arthur James Walker

supplied; however, this was subsequently increased to \$4,000 and then \$6,000 per month later in the conspiracy. It is estimated that Whitworth received total pay of at least \$332,000 for the documents he passed. The activities of Whitworth, continuing as the principal agent of collection for John Walker, permitted the Soviets to gauge the true capabilities and vulnerabilities of the US Navy.

Whitworth's trial began on 6 March 1986. He was convicted on 24 July 1986 on seven counts of espionage and one count of tax evasion. On 28 August 1986 Whitworth was sentenced to 365 years in prison and a \$410,000 fine.

Arthur James Walker

Arthur James Walker is the eldest brother of John Walker Jr. Arthur grew up in West Scranton, Pennsylvania, where he attended parochial school and two years at the University of Scranton. He enlisted in the US Navy when he was 19 years old, was subsequently commissioned and reached the rank of lieutenant commander prior to his retirement in July 1973. According to court testimony of both Arthur and John Walker, Arthur was recruited by John to obtain employment with a Department of Defense contractor. At the time of his recruitment, Arthur was having serious financial problems. His active involvement in espionage was restricted to 1981 and 1982.

At VSE Corporation of Chesapeake, where he was hired in February 1980, as an engineer, Arthur had limited access to classified information. He provided John with two classified documents obtained from his employment with VSE for which he was paid a total of \$12,000. One document was a repair manual for two command and control fleet vessels. The second document consisted of breakdown reports on amphibious landing craft. Arthur had rationalized that these documents were not significant and could do no serious damage to US security interests. John had also tasked Arthur to obtain US defense readiness plans.

On 20 May 1985, following the arrest of John Walker, Arthur was visited at his home by FBI agents. He was taken in for questioning and admitted to his cooperation with his brother in espionage activities. On 9 August 1985, the 51-year-old Arthur was found guilty on seven counts of espionage and on 12 November 1985 was

sentenced to life in prison. His sentence included three life terms plus three 10-year terms as well as a fine of \$250,000.

Michael Lance Walker

Michael, the only son of John Walker, dropped out of high school in 1980 due to problems associated with use of drugs and poor grades. Having left his divorced mother's house to live with his father in Norfolk, he reentered high school and graduated from Ryan Upper High School in June 1982. Although he wanted to go to college, his grades were inadequate for college acceptance. He enlisted in the US Navy on 13 December 1982. His father convinced Michael that he could make money by turning over classified documents to him. Michael agreed to the arrangement for monetary reasons as well as his desire to please his father.

Following his recruitment in approximately August 1983, Michael began turning over classified documents to his father for which he was paid \$1,000. His access to classified material increased when he was assigned to Operations Administration as a seaman (E-3) aboard the aircraft carrier *Nimitz*. Following the arrest of John Walker, Michael was interviewed aboard the carrier. In his sleeping area, investigators found approximately 15 pounds of classified information, which had been destined for destruction but which Michael had hidden away to turn over to his father at the time of his next port call.

Michael was arrested on 22 May 1985 and during his admissions it was determined that he had passed so many documents to his father that he had no accurate



Michael Walker

count of the total. However, it was later determined that he had passed in excess of 1,500 documents since his initial agreement to cooperate with his father. On 28 October 1985, the 22-year old Michael pleaded guilty to five counts of espionage. On 6 November 1986 he was sentenced to two 25-year terms and three 10-year terms to run concurrently.

Meeting the Espionage Challenge: Review of United States Counterintelligence and Security Programs

*Report of the Select Committee on Intelligence
United States Senate
3 October 1986*

(Paragraphs not pertinent to counterintelligence omitted)

I. Introduction and Summary

As espionage is ancient, so is counterintelligence. The Chinese military theorist Sun Tzu stated the principle in the fourth century BC: "It is essential to seek out enemy agents who have come to conduct espionage against you..."¹ Today, over two millennia later, the battle is still being waged.

A. Background

At the beginning of the 99th Congress, the Select Committee on Intelligence initiated a comprehensive review of the capabilities of U.S. counterintelligence and security programs for dealing with the threat to the United States from Soviet espionage and other hostile intelligence activities. This decision was an outgrowth of eight years of Committee interest in these issues. The review is also consonant with the Committee's mission to "oversee and make continuing studies of the intelligence activities and programs of the United States Government, and to submit to the Senate appropriate proposals for legislation and report to the Senate concerning such intelligence activities and programs." Senate Resolution 400, which established the Committee ten years ago, specifies that intelligence activities include "activities taken to counter similar activities directed against the United States."

The Committee's review had barely begun when the arrests of John Walker and two of his relatives began to make 1985 the "Year of the Spy." In June 1985, the Committee pledged that it would prepare a report to the full Senate at the earliest possible time. In light of this Committee's ongoing efforts, the Senate decided not to create a National Commission on Espionage and Security. On June 20, 1985, the Chairman of the Committee wrote to the President, saying, "You and we share an historic opportunity-both to dramatically improve U.S. counterintelligence and security and to demonstrate how Congress and the Executive can work together to achieve progress in sensitive intelligence areas."

The ensuing fifteen months have generated an amazingly sustained interest in counterintelligence and security on the part of both policymakers and the public. There have been over a dozen arrests for espionage, nearly all leading to guilty pleas or verdicts; Americans and West Germans with sensitive information have defected to the Soviet Union and East German; and Soviets with sensitive information have defected to the West, and in one major case then returned to the Soviet Union. Most recently, the Soviet arrest of an innocent

American journalist in retaliation for the U.S. arrest of a Soviet U.N. employee has made it clear that counterintelligence, while seemingly a peripheral element in superpower relations, can even become the focus of U.S.-Soviet confrontation.

The "Year of the Spy" was characterized by intensive Executive branch attention of problems of counterintelligence and security. Of particular note were the efforts of the Department of Defense Security Review Commission, chaired by General Richard G. Stilwell, USA (retired) and the Secretary of State's Advisory Panel on Overseas Security, chaired by Admiral Bobby R. Inman, USN (retired) and Executive branch steps to implement their recommendations. The Stilwell Commission led to significant progress in Defense Department personnel and information security policies, and the Inman Panel led to restructuring of State Department security functions and a major embassy rebuilding program around the world.

The Committee's efforts have encouraged, and have greatly benefited from this sustained Executive branch attention to counterintelligence and security matters. The Committee received an unprecedented level of cooperation from the President, the National Security Council staff, the Intelligence Community Staff, and the many departments and agencies with counterintelligence or security functions. Executive branch experts and policymakers testified in sixteen closed hearings on specific counterintelligence cases and the current state of U.S. programs to counter hostile intelligence activities. Scores of staff briefings and the provision to the Committee of many sensitive Executive branch studies enabled the Committee to compile the very best ideas and recommendations of those in government, as well as suggestions from security experts in industry. The Committee, in turn, evaluated those ideas and submitted a comprehensive set of recommendations for Executive branch consideration.

The Intelligence Authorization Act for FY 1986 included a statutory requirement that the President submit to the House and Senate Intelligence Committees a report on the capabilities, programs and policies of the United States to protect against, detect, monitor, counter and limit intelligence activities by foreign powers, within and outside the United States, directed at the United States Government. The report was to



Awareness Brochures

include plans for improvements that the Executive branch has authority to effectuate on its own, and recommendations for improvements that would require legislation. To assist the Senate Intelligence Committee in its work, the conferees on the Act requested an interim report developed in consultation with the Intelligence Committees. This Committee, in turn, prepared its own interim report, which it shared with the Executive branch last winter.

The many good ideas and recommendations that the Committee obtained from Executive branch officials and studies had not yet been implemented for two basic reasons: counterintelligence and security had failed to receive substantial attention; and the ideas frequently challenged established ways of doing things, cut across bureaucratic lines of responsibility, or required substantial changes in resource allocation. External events provided substantial impetus for interagency attention to these issues. The Committee's efforts and the Executive branch's cooperation are producing the interagency decision-making that is required for progress.

The President began, responding to a request from the Committee, by designating the Director of Central Intelligence to represent the Administration at a series of Committee hearings on counterintelligence and security programs and selecting a counterintelligence expert on the NSC staff as liaison to the Committee. An interagency mechanism under the Senior Interdepartmental Group for Intelligence (SIG-I) supplied coordinated Executive branch reactions to the Committee's interim report recommendations. This not only helped the Committee, but also gave the Executive branch itself the opportunity to address and decide these important policy issues. The resulting positions were conveyed to the Committee in the President's interim report and transferred to an NSC staff committee for implementation.

The President's interim report and subsequent consultation between Executive branch officials and the Committee were thus of great value in the preparation of the present Report. The Committee looks forward to receipt of the President's final report, which will serve as an important benchmark of the progress achieved thus far to strengthen counterintelligence and security capabilities....

B. Organization of the U.S. Government to Meet the Hostile Intelligence Challenge

The Committee's findings underscore a fundamental challenge to the nation. The hostile intelligence threat is more serious than anyone in the Government has yet acknowledged publicly. The combination of human espionage and sophisticated technical collection has done immense damage to the national security. To respond to the threat, the United States must maintain effective counterintelligence efforts to detect and neutralize hostile intelligence operations directly, and defensive security countermeasures to protect sensitive information and activities.

The Committee believes that, as a result of significant improvements in recent years, the nation's counterintelligence structure is fundamentally sound, although particular elements need to be strengthened. The Executive branch and the Committee agree on the importance of developing and implementing a coherent national counterintelligence strategy that integrates the work of the FBI, the CIA and the Department of State, Defense, and Justice. Executive branch agencies are already drafting such a document. The Committee expects this strategy to play a major role in its oversight of Executive branch counterintelligence efforts in the years to come.

By contrast, defensive security programs lack the resources and national policy direction needed to cope with expanding hostile intelligence operations. Personnel security policies remain fragmented despite persistent attempts to develop national standards. Information security reforms are long overdue. America faces vulnerability to hostile intelligence activities in the areas of communications and computer security, where countermeasures must keep pace with increasing technological change. Consequently, in December 1985, the Committee called for the development of a National Strategic Security Program that would address these issues. The Committee believes that a new and permanent national policy mechanism is needed to create this program and then to coordinate and foster the protection of information and activities having the greatest strategic importance.

In recent months, the Executive branch has come to understand the sense of urgency with which the Committee views the need for an integrated strategic

security program and an improved security policy structure. An effort to develop such a security program is now likely. The Director of Central Intelligence, in his capacity as chairman of the Senior Interdepartmental Group for Intelligence, recently revamped the security committee structure under the SIG-I and called for greater participation in those committees by policymakers, so that decisions could be reached on interagency issues and policy initiatives.

The Committee believes that these changes are insufficient because they fail to bridge the gaps between the various security disciplines. Most Executive branch officials, although opposing further changes at this time, do not dispute the likely need for them in the future. The Committee will continue to push for more effective policy review and formulation, for it believes that the national security cannot afford much more delay. This is especially true if the current Administration is to leave as a legacy a workable security policy system that will not have to be reinvented by each succeeding administration. The Committee recommends that the eventual new security policy structure be one that transcends currently politics and policy and is codified in an Executive Order.

C. Counterintelligence: Learning the Lessons of Recent Cases

The Committee has examined in detail each of the espionage cases that have come to public attention in recent years, as well as the Yurchenko defection case and cases that remain classified. Although this report does not discuss individual cases in detail, many of the recommendations in sections III and IV reflect lessons learned through those cases.

The first lesson of these cases is the need for greater counterintelligence and security awareness. The Committee found insufficient tailoring of security awareness material to the needs of particular audiences—defense contractors, workers at government facilities, U.S. personnel stationed overseas, members of ethnic groups known to be targeted by foreign intelligence services, congressional staff and others. The usefulness of such material is illustrated by the fact that once the U.S. Navy began to improve its security awareness briefings after the Walker case, co-workers of Jonathan Pollard noted his unusual pattern of document requests and alerted authorities.

The second lesson is the need for earlier involvement of the FBI and the Department of Justice in cases of suspected espionage. When offices or agencies have held back from bringing in the FBI, events have often gotten out of control. When the FBI has been alerted in time, their investigative resources and interview skills have often led to confessions. When the Justice Department has been involved at an early stage, cases destined for prosecution have been built on more solid ground, resulting in numerous convictions.

The third lesson is the need for more attention and better access to information on the finances, foreign travel and foreign contacts of persons with sensitive information. The Committee found that the FBI sometimes lacked access to financial and telephone records in its counterintelligence investigations; that insufficient attention was given to signs of trouble regarding former employees with sensitive accesses; and that too few people were alerting office security personnel or the FBI when they were approached by possible foreign intelligence officers.

The Chin, Pollard and Scranage cases have taught the clear lesson that espionage services outside the Soviet bloc also engage in illegal activities targeted at the United States, which must not be tolerated. The Bell and Harper cases, among many, underscored the need for controls on the activities of certain Eastern European representatives and of U.S. companies controlled by the Soviet Union or its allies. And the Zakharov case, like the Enger and Chernyayev case eight years ago, reminds us that the KGB is willing to use the United Nations Secretariat for intelligence cover.

The Edward Lee Howard case led to investigations and corrective action in the CIA, just as the Walker case led to formation of the Stilwell Commission and to additional steps by the U.S. Navy. The FBI and the Justice Department are still absorbing the lessons of the Howard case. The Committee will continue to monitor how well all the agencies implement improvements in response to those lessons.

The defection and re-defection of Vitaliy Yurchenko, which highlighted both the counterintelligence value of defectors and apparent shortcomings in their handling and resettlement, also led to internal reviews and useful actions by the CIA to improve its handling of defectors.

The Committee believes that more must be done, however, to change the basic objectives with which the U.S. Government approaches defectors. We must accept the obligation to help defectors succeed in, and contribute to, American society. Executive branch efforts to analyze and learn from the Yurchenko case continue, and the Committee expects to see more progress in this area.

The CIA has taken significant steps to improve recruitment and career development programs for counterintelligence personnel. The Scranage and Howard cases suggest that there was, and is, substantial need for improvement in CIA counterintelligence, and the Committee will continue to monitor CIA efforts. The military services and the FBI are also beginning to improve their recruitment and career development programs for counterintelligence, but progress is uneven.

The Committee will continue to press Executive branch agencies to incorporate into their operations improved counterintelligence awareness procedures. While agencies have moved in the last year to remedy problems that were exposed in recent espionage cases, they have been much slower to accept the painful need to confront the implications of hostile intelligence successes. Attentiveness to possible hostile knowledge of classified U.S. operations must be increased, and analysis of the impact of known losses of classified information must extend to the unhappy possibility that operations or weapons systems will require modification. While there is always a need not to let worse case analyses paralyze our military and intelligence services, the greater current danger appears to be a wishing away of the consequences of hostile intelligence efforts...

G. Respect for Individual Rights

A free society cannot allow the fear of foreign adversaries to undermine the constitutionally protected rights that define the true character of our nation. This principle has guided the Committee in its review of counterintelligence and security programs. As President Reagan stated on June 29, 1985:

We can counter this hostile threat and still remain true to our values. We don't need to fight repression by becoming repressive ourselves....But we need to put our cleverness and determination to work and we need

to deal severely with those who betray our country. We should begin by realizing that spying is a fact of life and that all of us need to be better informed about the unchanging realities of the Soviet system.... There is no quick fix to this problem. Without hysteria or finger point, let us move calmly and deliberately together to protect freedom.

The Committee's recommendations seek to strengthen U.S. counterintelligence and security measures without violating constitutional rights or upsetting the delicate balance between security and freedom. A broad range of improvements can be made without adversely affecting the rights of individuals, and the additional tools needed for counterintelligence and security purposes can be made subject to reasonable safeguards that minimize intrusion into the privacy of American citizens...

III. Counterintelligence

An effective response to the foreign intelligence threat requires a combination of counterintelligence and security measures. The Committee believes it is important to distinguish between counterintelligence efforts and security programs, while ensuring that both are part of a national policy framework that takes account of all aspects of the threat. The best way to explain the difference is to say that counterintelligence measures deal directly with foreign intelligence service activities, while security programs are the indirect defensive actions that minimize vulnerabilities. The FBI, CIA, and the counterintelligence components of the Defense Department have primary responsibility for operations and analysis dealing directly with foreign intelligence services. In addition, the Committee and the Executive branch have included within the national counterintelligence policy structure those diplomatic and regulatory policies that control the numbers and movements of particular countries' foreign intelligence service officers and co-opted agents in the United States and at U.S. facilities abroad.

By statute and executive order, counterintelligence functions are divided among the FBI, CIA, and components of the Defense Department. The FBI has the lead within the United States, while CIA is in charge abroad. The Defense Department, which deals with threats to classified defense information worldwide,

divides its counterintelligence functions among the military services, DIA, and NSA. No single official is responsible for the full range of counterintelligence activities below the level of the President and his National Security Adviser. Given these circumstances, there is a constant risk of fragmentation and conflict among organizations with different methods and priorities.

The Committee has found that communication and cooperation among U.S. counterintelligence agencies have improved greatly in recent years and are probably better today than at any time since World War II. Nevertheless, more needs to be done to ensure that agencies learn from each other's experiences and that progress achieved in one area can have benefits for others. The issue is not just communication and operational coordination to bridge jurisdictional boundaries, but better long-range planning is also needed to make optimal use of limited resources worldwide against well-organized and sophisticated adversaries.

Soviet bloc and PRC intelligence operations do not respect geographic boundaries. Thus, in many recent cases Americans who committed espionage in the United States met their foreign intelligence service contacts abroad. The targets and techniques needed for counterintelligence success transcend agency jurisdictions. For these and other reasons, the Chairman and Vice Chairman of the Committee stated in October, 1985, that the Executive branch should develop a national counterintelligence strategy that establishes national objectives and integrates the planning and resources of each agency to achieve these objectives. The President's interim report to the Intelligence Committees indicated agreement with this proposal, and in fact the Executive branch is now preparing such a document.

The organizational structure is already in place, fortunately, to develop a national counterintelligence strategy. Under the National Security Council there is a Senior Interdepartmental Group for Intelligence (SIG-I) chaired by the Director of Central Intelligence. Within that framework, an Interagency Group for Counterintelligence (IG-CI), chaired by the FBI Director, develops national policy recommendations and provides a forum for agreement on new initiatives. A

small secretariat for the IG-CI has expert personnel drawn from the FBI, CIA, and Defense Department. This staff evaluates the threat and recommends policy initiatives for counterintelligence and countermeasures improvements.

The IG-CI, assisted by its secretariat, is the proper place to develop a national counterintelligence strategy. This structure ensures joint participation by the FBI, CIA, and Defense Department, and other interested departments and agencies (such as the State and Justice Departments) are also represented on the IG-CI. Ultimate responsibility for resolution of policy issues rests with the National Security Council, which has recently brought onto its staff an experienced FBI counterintelligence specialist.

The President's interim report to the Intelligence Committee indicates that the IG-CI has, in fact, been tasked to frame strategic guidance of the sort proposed by this Committee. As noted earlier, member agencies are now engaged in the drafting process.

Findings and Recommendations

1. Findings.—The IG-CI has been chartered to frame national counterintelligence objectives and an associated strategy (or master plan) to further those objectives, and to submit the objectives and plan for consideration by the SIG-I and thence the NSC. The Committee is pleased to learn that Executive branch agencies are actively drafting this document. This is a positive response to proposals presented by the Chairman and Vice Chairman in testimony before the Permanent Subcommittee on Investigations in October 1985.

2. Recommendation.—The National Security Council should approve a statement of major counterintelligence objectives and a strategy, i.e., a time-phased master plan, to attain those objectives. The House and Senate Intelligence Committees should receive this document. An effective oversight mechanism should be established to ensure that major programs and associated budgets, legislative proposals, and other key actions are validated against the master plan, constitute judicious and operationally efficient allocation of resources, and achieve all feasible synergism. There should also be a process for continuing review and evaluation.

3. *Recommendation.*—The National Foreign Intelligence Program should provide for, and Congress should authorize, augmentation of the staff that assists the IG-CI to ensure effective performance of its expanded responsibilities regarding the development and implementation of the national counterintelligence strategy....

C. Counterintelligence Awareness Programs

One key to a successful counterintelligence strategy is thorough analysis of the hostile intelligence threat and communication of the results to those who need to take countermeasures. Current efforts range from the FBI's Development of Counterintelligence Awareness (DECA) program for briefing defense contractors to the improved assessment of Soviet deception, disinformation and active measures. Informing the public, industry and other government agencies can have a direct payoff, as in the case where a student at Columbia University contacted the FBI about a Bulgarian exchange visitor after seeing a TV documentary on espionage that described conduct similar to that of the Bulgarian. The student's report led to an FBI offensive double agent operation resulting in the arrest of a Bulgarian intelligence officer. At a classified level, U.S. counterintelligence agencies must work with a great variety of government programs and security officials to provide tailored information and analysis.

On November 1, 1985, the President issued NSDD-197 requiring each U.S. Government agency to establish a security awareness program for its employees, including periodic formal briefings on the threat posed by hostile intelligence services, and to provide for the reporting of employee contacts with nationals of certain foreign powers. These programs are to be tailored to the sensitivities of particular work and designed so as not to intrude into employees' privacy or freedom of association.

According to the NSC staff, department and agency heads have responded positively and have given high priority to this enterprise. The State Department contact reporting directive, which has been provided to the Committee, serves as a good model because it specifies reporting procedures clearly and identifies those countries that require the greatest attention. Civilian agencies without extensive national security

responsibilities also appear to be taking this policy initiative seriously.

The Committee strongly supports this policy and is recommending that a similar security awareness program be established for the U.S. Senate. The Committee has used the State Department's new program as its model.

The Larry Wu-tai Chin case highlighted the threat posed by Chinese intelligence operations. As indicated in section II of this Report, however, the PRC intelligence threat differs greatly from the Soviet one. These differences require development of new counterintelligence approaches geared to the special characteristics of the PRC threat. In particular, the FBI should develop specialized threat awareness briefings geared to the unique problems posed by PRC operations. At the same time, FBI threat awareness programs do not-and should not-leave the implication that lawful association with or assistance to Chinese technical and scientific researchers is a sign of disloyalty to the United States.

Another aspect of counterintelligence awareness is the knowledge by agency security officials of when to bring a matter to the attention of a U.S. counterintelligence agency. In the Edward Lee Howard case, CIA security officials failed to alert and involve the FBI in a timely fashion. The CIA has taken steps recently to guard against a recurrence of this problem. The FBI should continue to work closely with security officials of all U.S. Government agencies to ensure that they understand its requirements and guidelines. A good example is the Pollard case, where the Naval Investigative Service Command brought in the FBI at an early stage. The Committee is pleased that the Navy has given a commendation and a monetary award to the official who was responsible for bringing the FBI into the Pollard case promptly when certain questionable behavior was observed.

The lessons of the Howard and Pollard cases should be extended to all departments and agencies that handle highly sensitive information. Interagency procedures for reporting suspicious conduct to the FBI should be strengthened. Moreover, the Howard and Pelton cases demonstrate that former employees with grievances or financial problems can compromise our most sensitive

national security programs. Individuals who choose to work in positions as sensitive as those occupied by a Howard or a Pelton should expect to be held to a higher security obligation than personnel with access to less sensitive information. Therefore, the FBI should be informed when employees with access to extremely sensitive information resign or are dismissed under circumstances indicating potential motivations for espionage. The decision as to whether the circumstances justify investigation in varying degrees should be made by the FBI, in light of its counterintelligence experience, not by the employing agency. Interagency procedures should be established to address borderline cases.

Threat analysis functions are shared among U.S. counterintelligence, foreign intelligence and security agencies. Development of an effective national counterintelligence strategy, as well as a comprehensive and balanced set of security measures, requires centralized assessment of the threat posed by all forms of collection-technical as well as human. Since 1981, an interagency staff has compiled assessments of the hostile intelligence services threat and U.S. countermeasures, based on inputs from throughout the Government. The Committee has found these assessments to be increasingly valuable and is pleased that they continue to have high priority.

National assessments are no substitute, however, for high-quality threat assessments tailored to meet more specific needs. The Committee is pleased to learn that progress is being made regarding one such need for tailored material that was highlighted in the most recent interagency assessment.

DOD counterintelligence agencies have taken the lead in analyzing the threat to particular military installations and activities. The Committee supports increased efforts in this area, especially to assess the threat to highly sensitive research and development projects and to make the findings available to the officials responsible for security countermeasures. In recognition of the importance of this function, the Stilwell Commission has recommended, and the Secretary of Defense has directed, that the Defense Intelligence Agency establish a Multidisciplinary Counterintelligence Analysis Center as a service of common concern for DOD to meet the counterintelligence analytic requirements of the Defense Counterintelligence Board and the various DOD

components. DIA should have the task of ensuring that other agencies' threat assessments are responsive to security and program management needs of DOD components. Efficient allocation of limited security resources depends on careful evaluation of the threat.

Special attention is required for two aspects of the hostile intelligence threat that directly relate to U.S. foreign intelligence analysis: deception; and "active measures," including disinformation, forgeries and other political influence operations. Hostile intelligence services conduct these operations in addition to their collection efforts.

An interagency committee and a community-wide intelligence analysis office are both active in the analysis of deception efforts. Pursuant to the Committee's classified reports accompanying the Intelligence Authorization Acts for FY 1985 and FY 1986, a small interagency staff has been assigned to the analysis office.

In recent years, with the help of the intelligence community, the State Department has stepped up efforts to expose Soviet "active measures," such as forgeries and Soviet control of political organizations and conferences abroad. The Committee supports recent initiatives to improve intelligence support for U.S. efforts to counter these Soviet activities.

The State Department and other appropriate agencies should do more to disseminate the results of such analyses to opinion leaders and policymakers worldwide. Recent steps to increase the effectiveness of the Active Measures Working Group, which is chaired by State/INR, are welcomed by the Committee. The Working Group has briefed U.S. Embassies on its role, encouraged the formation of embassy committees to monitor and combat Soviet active measures, and arranged for both classified and unclassified guidance to be provided to the field on specific cases. These efforts should be supported and fully staffed by the relevant agencies, especially the State Department. The Committee is pleased that a new office has been established recently in State/INR for this purpose.

The FBI prepares reports and testifies before Congress on efforts in the United States by the Soviets and other designated countries to influence public opinion and government policy through "front" organizations and

other covert operations. For example, in 1986 the Committee received a classified FBI report on "Trends and Developments in Soviet Active Measures in the United States," which updated a previous study prepared in 1982. The FBI report reviews covert Soviet political influence operations directed at U.S. public opinion and policymakers. The Committee regularly requests further counterintelligence information from the FBI on such operations. The Bureau should continue to report these assessments in a manner that provides the necessary facts about hostile intelligence activities and that fully respects First Amendment rights.

Findings and Recommendations

11. Recommendation.—All elements of the U.S. Government should give high priority to implementation of the policy requiring security awareness briefings and the reporting of contacts with nationals of designated countries. A similar procedure should be adopted for U.S. Senate personnel.

12. Recommendation.—The Howard case demonstrates the need for strengthening interagency procedures for bringing possible espionage cases to the FBI's attention in a timely manner. The FBI should also be informed when employees with access to extremely sensitive information, such as Howard and Pelton, resign or are dismissed under circumstances indicating potential motivations for espionage.

13. Recommendation.—The FBI should develop threat awareness briefings tailored to the special characteristics of the PRC espionage threat. Such briefings should alert American citizens to the risks of giving assistance to PRC nationals who may have espionage assignments, while respecting the freedom to associate with lawful scientific and technical research.

14. Finding.—Significant efforts are underway to improve counterintelligence threat analysis, including publication of regular interagency assessments of the hostile intelligence services threat and U.S. countermeasures and the establishment in DIA of a multidisciplinary CI Analysis Center to meet DOD threat analysis requirements in conjunction with other DOD components. The Committee is also pleased to note that there has been progress in the effort to provide tailored analyses of the hostile intelligence threat.

15. Recommendation.—The relevant interagency intelligence analysis office should coordinate and sponsor analytic efforts on Soviet deception, disinformation and active measures. The State Department and other agencies should increase dissemination of information about Soviet active measures abroad. The FBI should continue to be responsible for reports on active measures in the United States by hostile intelligence services and should cooperate with interagency analytic efforts. Reports on active measures in the United States that are prepared by agencies other than the FBI should be prepared in coordination with the FBI and/or the Attorney General.

D. Domestic Operations

Counterintelligence operations in the United States differ from such operations abroad, because the environment is generally more favorable. U.S. counterintelligence has greater resources, easier access to the target, and public attitudes favorable to citizen cooperation. While legal requirements place constraints on surveillance techniques and investigative methods, those limits are vital for maintaining our free society and (with exceptions discussed below) do not inhibit necessary counterintelligence efforts.

Domestic operations can be divided into the following categories: surveillance coverage of foreign government establishments and officials; offensive operations to recruit agents-in-place and defectors or to control double agents; and espionage investigations and prosecutions. Many of the strategic requirements for domestic operations are unique, especially with respect to surveillance of establishments and officials and the investigation and prosecution of espionage cases. Other requirements have more in common with overseas operations, particularly with regard to penetration of hostile services, handling of defectors and double agents, and analysis of the *bona fides* of sources. Unique features of overseas operations, as well as personnel management and training programs that cross geographic divisions, are treated in later sections of this Report.

1. Coverage Of Establishments And Officers

The foundation for domestic counterintelligence is systematic collection on a foreign country's official representatives in the United States. Such collection may be technical or human.

Recent cases have shown the vital importance of comprehensive coverage of Soviet bloc embassies and consulates as a means of detecting offers to sell U.S. secrets. Pelton, Cavanagh, Jeffries and others made their initial contacts with the Soviets by contacting an establishment. Skilled counterintelligence work is required in such cases, and frustrations may be unavoidable. The Pelton case is an example in which it took years to achieve a positive identification.

The strategic importance of covering certain foreign establishments and their employees justifies continuing resource investments to upgrade the FBI's surveillance capabilities. The Committee has supported such investments over the years and continues to do so.

In this connection, the importance of the contact reports discussed earlier in this Report cannot be overemphasized. While government regulations can require federal employees to report contacts with possible foreign intelligence officers, a free society must rely on the voluntary cooperation of private citizens to advise the FBI of approaches and other contacts by such officials. Frequently the FBI requests citizens to report this information about particular individuals, based on surveillance of a contact. The FBI's DECA briefings, which are designed to encourage such contact reports from defense contractors and their employees, have now reached over 15,000 contractor employees. FBI and other intelligence community officials have used speeches and public appearances to emphasize the importance of public cooperation.

The American people have a legitimate concern that their government should not intrude upon their lawful associations with foreign officials and their First Amendment right to exchange ideas with visitors from abroad. For that reason, the FBI operates under guidelines established by the Attorney General and internal FBI policies overseen by the Committee that are designed to respect the free exercise of constitutional rights. As Director Webster stated in a recent speech:

We certainly don't have enough agents to keep track of every citizen of this country nor do we want to investigate the activities of lawful organizations without predication for doing so. Rather, our focus—indeed our strategy—must be on the intelligence operatives themselves and the identification of those who have

come here with intelligence commissions. By building a spiderweb throughout the United States that focuses on them rather than our own citizens, we make it much more difficult for those who would betray our country by surreptitiously supplying national secrets to foreign intelligence officers. I believe that in a free society this is the only way we can function without turning ourselves into a police state.

The existence of those safeguards should give the public confidence that cooperation with FBI counterintelligence not only serves the national interest, but also is consistent with respect for constitutional rights.

Findings and Recommendations

Recommendation.—Congress should continue to fund increases in FBI surveillance capabilities.

Recommendation.—American citizens in all walks of life should be encouraged to assist counterintelligence efforts by providing information to the FBI, either upon request or when they are approached by possible foreign intelligence officers.

2. Offensive Operations

A major element in counterintelligence is offensive operations, especially efforts to recruit agents-in-place within hostile intelligence services and to induce defections from those services. The strategic payoff of agents and defectors can be immense, as demonstrated by the exposure of Edward Lee Howard and the successful prosecution of Ronald Pelton.

The greatest area of concern is the handling of defectors, as dramatized by the Yurchenko case. According to a CIA survey, most of the defectors resettled in the United States with CIA assistance are basically satisfied with their treatment. Nevertheless, a significant minority has problems that require special attention on a continuing basis.

In the aftermath of the Yurchenko re-defection, the CIA has undertaken a comprehensive review of its practices for handling defectors. Deputy Director of Central Intelligence Robert M. Gates summarized the CIA's conclusions and corrective actions at his confirmation hearing on April 10, 1986:

There were organizational deficiencies. We have made organizational changes so that a single individual and a single organization are accountable and are in charge of the entire process for defectors. Another element that we have changed ... is to ensure that the same person is basically the principal case officer for a defector with continuity, so that a defector isn't facing a while new set of people all the time and there is somebody there that he gets to know and that he can depend upon and that understands him and understands his concerns, and can identify when he is going through a particular psychological crisis....

Mr. Gates also called it "imperative" to assign individuals who speak the same language as a defector so that someone is available to talk in his or her own language; he did not know, however, whether the CIA has actually been able to implement this approach.

The actions taken and under consideration by the CIA reflect a constructive effort to upgrade the defector program and respond to the lessons of the Yurchenko case. They need continuing high-level support, both in the CIA and in other agencies. The Committee will continue to assess the CIA improvements along with other approaches.

The Executive branch continues to examine the broad question of how defectors might best be welcomed, assisted and utilized. A private organization formed to assist defectors, the Jamestown Foundation, has recommended major changes in the defector-handling program. The Committee intends to follow this issue closely in the coming year and looks forward with great interest to seeing the results of Executive branch deliberations.

The Committee considers it of the utmost importance that our nation's goals in welcoming and assisting defectors be more clearly enunciated and boldly implemented. Too often, the only operative goals have been the national security benefits that result from debriefing a defector; the defectors personal security against attacks by his or her country's security service; and enabling the defector to survive without continuing U.S. Government intervention. Other goals must be added to the list: to encourage achievement in American society consonant with the defector's talents and accomplishments; and to assist the defector in making a continuing contribution to the United States. While

the Executive branch has taken steps to administer its current defector program more effectively, it must also effect this important change in attitude and commitment.

The Permanent Subcommittee on Investigations of the Senate Committee on Governmental Affairs has begun a major study of the U.S. Government's handling of defectors and other refugees from the Soviet Bloc. This study will focus particular attention on the contributions that defectors can and so make to American society and on the need to encourage that process. The Intelligence Committee supports this PSI study and is cooperating with the Subcommittee in its effort to inform the public regarding the needs of defectors and of the agencies that assist them.

Perhaps the greatest risk in a strategy of penetrating hostile services is that the agent-in-place or defector may be a double agent, pretending to be recruited by or escaping to the United States, but actually controlled by a hostile counterintelligence service. Disputes over the *bona fides* of sources have plagued the U.S. intelligence community in the past. Such differences are sometimes unavoidable, but they should not disrupt interagency cooperation. Counterintelligence is not an exact science. The important thing is not to rely on a single source without careful testing and corroboration of his information. In this regard, the Committee has sought and received assurances that intelligence officials are alert to the risk of over-reliance on the polygraph.

The FBI, CIA, and DoD counterintelligence components have made extensive use of double agents, as evidenced in the recent Izmaylov and Zakharov cases. Last June, the Soviet air attaché, Col. Vladimir Izmaylov, was expelled after being apprehended by the FBI. On August 23 Gennadiy Zakharov, a Soviet physicist working for the United Nations, was arrested and charged with espionage. Both Soviets had been maintaining clandestine contact with individuals who were cooperating with the FBI.

There is a clear need for these operations to be carefully managed. Counterintelligence managers must also review operations to ensure that they have not been compromised. The committee found Executive branch officials sensitive to these and other issues raised by double-agent operations.

The most difficult counterintelligence task is countering the use of “illegals,” that is, hostile intelligence service officers who operate under deep cover than officials cover. Some “illegals” may be used primarily for performing espionage support functions (e.g., clearing drops). The FBI and the Justice Department should consider improved ways to prosecute “illegals” for such espionage support activity.

Findings and Recommendations

18. *Finding.*—In the aftermath of the Yurchenko redefection, the CIA has made improvements in its procedures for handling defectors. The Committee will continue to review the implementation of those procedures to ensure that needed resources and personnel as well as continuing high-level support are provided. The Administration has commissioned an independent assessment of the CIA defector resettlement program, and the results will be provided to the Committee.

19. *Recommendation.*—Objectives for the defector resettlement program must include encouraging the fullest possible achievement in American society and assisting defectors to make a continuing contribution to the United States. The Committee strongly supports the efforts of the Permanent Subcommittee on Investigations of the Senate Governmental Affairs Committee to focus public attention on the contributions that defectors can make to American society and on the need to enhance their ability to make such contributions.

20. *Finding.*—The Executive branch has reassured the Committee regarding the risk of over-reliance on the polygraph in testing sources and defectors and has demonstrated sensitivity to issues concerning the management of U.S.-controlled double-agent operations.

21. *Recommendation.*—The Justice Department and the FIB should work together to develop improved ways to prosecute “illegals” who perform espionage support functions. If further legislation is needed, the Justice Department should so inform the Congress.

3. Espionage Investigations and Prosecutions

Espionage investigations that may lead to criminal prosecution raise delicate issues of interagency cooperation and balancing of interests. Some senior

officials support imposition of the most severe penalties on an individual found to have engaged in espionage or behalf of a hostile foreign power. Law enforcement objectives may conflict, however, with counterintelligence requirements and other national security interests.

Espionage cases involving non-Soviet bloc countries raise foreign policy issues, because of the desire of the United States to maintain good relations with particular governments. In the recent Pollard and Chin cases, however, the Executive branch has demonstrated its willingness and ability to investigate and prosecute espionage by agents acting on behalf of friendly countries—in these cases Israel and China. The Committee fully supports enforcement of the espionage laws, without regard to the foreign country involved. This policy does not necessarily conflict with other U.S. objectives requiring good relations with such countries, so long as it is applied even-handedly. The United States should make clear to every country that it will not tolerate violation of our espionage laws and that it will investigate the intelligence operations of countries that control or permit the commission of espionage in or against the United States on their behalf. The Committee is pleased with recent assurance of State Department cooperation with enforcement action whenever evidence of espionage is presented.

For many years U.S. counterintelligence officials assumed that information acquired by intelligence techniques could not be used for law enforcement purposes because of legal obstacles and the need to protect sources and methods. The Foreign Intelligence Surveillance Act and the Classified Information Procedures Act have made espionage prosecutions somewhat easier, although other difficulties still remain. These problems include the use of certain investigative techniques, the need for more expertise in handling sensitive espionage matters, and requirements for better cooperation among and within agencies.

One of the principal differences between espionage investigations and other criminal cases is the overriding need for secrecy to protect counterintelligence sources and methods. That is why Presidents have asserted claims of “inherent constitutional power” to authorize the use of intrusive techniques with Attorney General approval rather than a judicial warrant. That is also

why Congress has established a special secure court order procedure under the Foreign Intelligence Surveillance Act and exempted counterintelligence from the law enforcement procedures for access to bank records in the Right to Financial Privacy Act. U.S. counterintelligence officials have consistently contended that ordinary judicial procedures do not provide adequate security in dealing with hostile intelligence services. In normal criminal cases the objective—either immediate or long-term—is always prosecution in open court. Counterintelligence operations have other objectives that may be more strategically important, such as learning the methods of the hostile service.

Federal law does not adequately take account of such differences in several areas. The FBI has found that the counterintelligence exemption in the Right to Financial Privacy Act is insufficient to obtain access to bank records when financial institutions refuse to cooperate on a voluntary basis. Consequently, the FBI is requesting legislation to give U.S. intelligence agencies the authority to require financial institutions to provide access to records. Unlike the law enforcement procedures under the Right to Financial Privacy Act, neither a court order nor notice to the subject of the records would be required. The FBI has a strong case for replacing the current voluntary system with a law that provides mandatory access for counterintelligence purposes within a framework of Attorney General guidelines and congressional oversight to provide safeguards against abuses. The Committee, therefore, has included legislation to address this need in the Intelligence Authorization Act for Fiscal Year 1987.

There is a similar problem with access to telephone and other telecommunications records. Paradoxically, it is easier in some states to wiretap an individual than to get the phone company to provide access to his or her bill records. For security reasons the law enforcement alternative of a grand jury subpoena is usually impractical; and the Foreign Intelligence Surveillance Act does not cover access to records. As with bank records, the FBI is tasking for legislation that provides mandatory access for counterintelligence purposes to such telecommunications records as telephone billing records. The Committee has incorporated such legislation in the Intelligence Authorization Act for Fiscal Year 1987.

A third gap in federal law concerns physical searches. The Foreign Intelligence Surveillance Act (FISA) authorizes a special court composed of Federal District Judges to grant orders for electronic surveillance to meet counterintelligence requirements, but the Act does not apply to physical search. The FBI supported broadening the Act to cover searches as part of the intelligence charter legislation considered by the Committee in 1980, but the only provision of the charter to be enacted were the congressional oversight authorities. Pursuant to Executive Order 12333, the Attorney General authorizes warrantless searches for counterintelligence purposes.

The absence of a statutory court order procedure creates at least two problems. First, as with bank and telephone records, there is no authority to require cooperation from private parties. Second, the Federal appeals court in the *Truong* case ruled that evidence derived from a warrantless counterintelligence search may not be used in court if the search occurs after the Government decides to prosecute. Neither problem exists for wiretaps and other forms of electronic surveillance under the Foreign Intelligence Surveillance Act, which provides a court order procedure to secure the cooperation of private parties and permits the use of information for law enforcement purposes with appropriate security.

In light of this situation, the Committee recommended in 1984 that legislation be developed to establish statutory procedures comparable to FISA for physical search. The Committee is prepared to develop and introduce such legislation in cooperation with the Executive Branch.

The President's interim report to the Intelligence Committees comments, "It is imperative that FISA be retained as it now exists." The Committee similarly endorsed FISA in 1984, finding that it has resulted in "enhancement of U.S. intelligence capabilities" and also "contributed directly to the protection of the constitutional rights and privacy interests of U.S. persons." The Committee believes that physical search legislation can be achieved, with Executive branch support, without endangering FISA.

Espionage investigations and prosecutions would also be more successful if greater expertise and resources were brought to bear in certain areas. Since 1985 the

Army has recognized its counterintelligence efforts and instituted a specialized training program to develop greater expertise at the field level in espionage investigations.

The espionage prosecutions in 1985 and 1986 demonstrated the importance of early consultation with Justice Department attorneys in developing tactics that reconcile intelligence and law enforcement interests. In the Pelton case, close cooperation between NSA, and the FBI, and the Justice Department resulted in a conviction with minimal disclosure of sensitive information. In the Sharon Scranage case, the combined efforts of the CIA, the FBI, the Justice Department, and the State Department produced a strategy that successfully led both to convictions and to the exchange of the Ghanaian official convicted in the case for several prisoners in Ghana and their families.

The Committee understands that such consultation is now being instituted in a more timely manner than often occurred in the past. This welcome coordination requires that the Justice Department, in turn, have a sufficient number of attorneys trained and experienced in handling the unique problems in these cases. The Committee is especially concerned that those attorneys learn how to maintain controls on the release of sensitive information. Department attorneys should also work with U.S. counterintelligence agencies in potential espionage cases to ensure that their methods are as consistent as possible with successful prosecution. In this regard, the Justice Department's Criminal Division has begun to build a cadre of experienced personnel and to provide additional training to United States Attorneys.

The Howard case, which is discussed in some details in the Committee's classified Report, revealed serious shortcomings in CIA performance relating to espionage investigations. The Committee is pleased to learn that the CIA has taken steps to correct problems pinpointed in investigations by its Inspector General and an interagency group. The Committee will monitor the implementation of those changes.

Issues relating to the handling of the Howard case by the FBI and the Justice Department have also been pinpointed and are the subject of continuing consideration. The Committee expects remedial actions

to be taken, as appropriate, and will continue to follow this matter.

Findings and Recommendations

22. *Recommendation.*—The United States should not tolerate violation of our espionage laws by any country and should investigate the intelligence operations of countries that control or permit the commission of espionage in or against the United States on their behalf. The Committee is pleased to learn on their behalf. The Committee is pleased to learn that the State Department has pledged to cooperate with enforcement action whenever evidence of espionage is presented, and the Committee supports efforts to set up a mechanism for regular interagency consultation on cases that might warrant action.

23. *Finding* — The Foreign Intelligence Surveillance Act continues to be considered by U.S. counterintelligence agencies to be highly beneficial to their efforts. They strongly favor retention of FISA as it now exists.

24. *Recommendation.*—Congress should enact legislation to give the FBI the authority to require financial institutions and telecommunications carriers to provide access to records, with notice restrictions comparable to FISA. Any such authority should be limited to counterintelligence matters, governed by the current Attorney General's guidelines, and accompanied by improved provisions for congressional oversight.

25. *Recommendation.*—Congress should enact legislation comparable to FISA to authorize physical search for intelligence purposes, so as to reduce legal uncertainties in counterintelligence investigations that have prosecution as one of their objectives.

26. *Recommendation.*—U.S. counterintelligence agencies should continue to emphasize, as standard procedure, consultation with the Justice Department at an early stage in potential espionage cases. The Justice Department should provide increased training to Criminal Division attorneys and U.S. Attorneys concerning the prosecution of espionage cases, including the need to protect sensitive information relating to such cases.

27. *Finding.*—The CIA has taken some steps that are likely to improve counterintelligence investigations and prosecutions, in the wake of investigations of the Howard case. The Committee will monitor implementation of those improvements.

28. *Recommendation.*—The FBI and the Justice Department should take actions, as appropriate, to remedy shortcomings exposed by the Howard case.

E. Overseas Operations

Strategic counterintelligence objectives abroad differ from those in the United States not only because of the different environment, but also because of the added requirements for counterintelligence support in intelligence collection programs. The Committee welcomes recent CIA initiatives to improve both its counterintelligence efforts and its career opportunities in counterintelligence.

The Committee's classified Report discusses further issues regarding CIA and Department of Defense counterintelligence overseas.

The investigation of espionage by U.S. civilian and contractor personnel abroad raises jurisdictional questions. The Committee believes that the FBI should be called in and should work closely with agency security officials from the outset.

Finding and Recommendations

29. *Finding.*—The CIA has begun initiatives to improve its counterintelligence efforts.

30. *Recommendation.*—U.S. agencies abroad should continue to obtain the timely advice and assistance of the FBI in cases of possible espionage by civilian and contractor personnel.

F. Personnel Management and Training

Counterintelligence is not the main function of any of the organizations responsible for U.S. counterintelligence programs. The CIA's primary task is collection and analysis of political, economic and military intelligence; the FBI is a law enforcement organization; and each of the service counterintelligence organization is part of a larger criminal investigative or intelligence agency. This is one reason why there have

been less specialized training and fewer incentives for careers in counterintelligence. Personnel are recruited for law enforcement or intelligence positions generally and are usually not assigned to counterintelligence until they have experience in other fields. The advantage of this practice is that personnel can develop their basic investigative or intelligence skills in less sensitive areas before taking on more important counterintelligence duties. The disadvantage is that specialization and career advancement in counterintelligence may be discouraged because of the organization's emphasis on other functions.

Every agency is taking steps to upgrade counterintelligence training, but the results thus far have been uneven. More should be done to encourage agencies to share their experience with successful methods. While each agency operates in a different environment and with different internal regulations, joint discussion of such topics as the nature of the threat from particular hostile services and the techniques for offensive operations and counterespionage investigations could be very useful. This would also make more efficient use of expert personnel to assist in other agencies' training. In the CIA and military services, better training in agency guidelines is also needed.

In the aftermath of the Miller case, the Committee has taken a close look at FBI personnel management policies for counterintelligence. At the Committee's request, the FBI prepared a study reviewing the impact of FBI personnel policies on the Foreign Counterintelligence (FCI) Program in order to determine how the FBI may more effectively recruit, select, assign, train, promote and retain Special Agents for counterintelligence matters. The FBI study indicated a need for improvements in several areas.

The FBI confronts unusual personnel management problems because of the large hostile intelligence presence in New York City, where the cost of living has discourage FBI agents from seeking assignments or pursuing careers. Unlike State Department personnel, FBI agents in New York do not have a special housing allowance to defray the cost of living in town. The Committee believes that action is needed to improve benefits and incentives in New York and is prepared to develop legislation that may be needed for this purpose.

Another manpower issue is the limited number of FBI senior grade positions in the counterintelligence field, as compared to positions as Special Agent in Charge of a field office and comparable headquarters positions with primarily law enforcement duties. The Committee supports efforts to change this situation, including funds requested in the FY 1987 budget to increase the number of senior grade counterintelligence positions at FBI Headquarters. The committee also supports the FBI policy requiring that all new Special Agents in Charge of field offices who have not previously served in a full-time counterintelligence position must receive FCI training.

The Committee intends to continue its review of FBI counterintelligence personnel policies as part of a broader ongoing study of intelligence community personnel issues.

DoD counterintelligence components have similar problems and should develop appropriate revisions in personnel policy to encourage specialized counterintelligence career development. In all the DoD counterintelligence units, as well as the FBI, greater efforts are needed to recruit and retain the best possible personnel.

Findings and Recommendations

31. *Recommendation.*—More should be done to encourage agencies to share their experience with successful CI methods and to make more efficient use of expert training personnel.



Stephen Joseph Ratkai, a Canadian-born son of a Hungarian emigre.

32. *Recommendation.*—Additional measures should be taken to improve benefits and incentives for FBI Agents in New York City, including any legislation needed to give the FBI comparable authority to the State Department.

33. *Finding.*—The FBI is planning to increase the number of senior grade counterintelligence positions at FBI Headquarters. The Committee supports these efforts.

34. *Recommendation.*—While each counterintelligence agency must recruit to satisfy its unique needs, greater attention should be given to determining specialized qualifications required for personnel to meet each agency's CI needs as distinct from law enforcement or foreign intelligence needs.

35. *Recommendation.*—DoD counterintelligence components should continue to develop appropriate revisions in personnel policy to encourage specialized counterintelligence career development.

Operation Station Zebra

On 2 December 1986, Donna Geiger walked onboard a Soviet scientific research vessel, the *Akademik Boris Petrov*, which was in the harbor of St. John's, Newfoundland, for a three-day rest and relaxation. Geiger, a Navy lieutenant who was later promoted to lieutenant commander, was a double agent who had been recruited by the Naval Investigative Service. She was the key figure in a highly successful double-agent operation involving the NIS, the Royal Canadian Mounted Police (RCMP) and the Canadian Security Intelligence Service (CSIS).

According to Cpl. Gary Bass, head of the RCMP National Crime Intelligence Section in St. John's, the operation was conducted to learn if Soviet ships visiting the city were involved in collecting intelligence, particularly against the US naval facility in Argentina.

Lt. Cmdr. Geiger had just been stationed at the US Naval Facility (NAVFAC) in Argentina, Newfoundland. When she went onboard the Soviet ship, she portrayed herself as a "disgruntled female naval officer... working in a world dominated by men... assigned to an isolated

duty station.” She brought classified material to prove her intentions. She met with the captain and chief mate of the Soviet ship and gave them the number of a post office box in St. John’s where she could be contacted.

In February 1987, Lt. Cmdr. Geiger received the first letter indicating someone would meet with her. The letter was postmarked in Ottawa. The meeting was postponed in subsequent letters before a meeting was finally held.

On 17 May 1987, acting on directions she received by mail, Lt. Cmdr Geiger went to the entrance of the Hotel Newfoundland in St. John’s where she met an individual identified as “Michael” at approximately 1600.

They went to her car in the parking lot of the hotel where she was given money and some tasking to collect information. No documents were passed at this time.

On 24 May 1987, another meeting was held. This time they met at a monument called the “War Memorial” about six blocks from the Hotel Newfoundland. After a brief meeting, they went to a restaurant where classified information was exchanged for money. During this meeting she was tasked to provide information on highly classified Sound Underwater Surveillance System (SOSUS) and NAVFAC Argentia’s area of responsibility.

The two were scheduled to meet again in October but the meeting had to be postponed. Lt. Cmdr. Geiger, who was married with one child, gave birth to her second child in October.

In December 1987, at about 1600 they met again at the entrance of the Hotel Newfoundland. The meeting

lasted about one and half hours. Lt. Cmdr. was given more money in exchange for eight documents, including classified material. During this meeting she was given additional tasking to find out what the United States knew about the acoustics of Soviet submarines and any US methods of tracking them. In addition, she was provided with a modified camera designed for document photography, secret writing materials, and an “accommodation address” in East Berlin where she could mail letters to signal for other meetings.

On 11 June 1988, Lt. Cmdr. Geiger and “Michael” met again. By this time “Michael” had been identified as Stephen Joseph Ratkai, a Canadian-born son of a Hungarian emigre. Ratkai held dual Canadian and Hungarian citizenship.

Unknown to Ratkai, the RCMP had been waiting for him. From the time he deplaned at St. John’s airport on 8 June to the time of his arrest, the RCMP was carefully monitoring him. Cpl. Bass stated that the RCMP did not know if Soviet ships visiting St. John’s intercepted radio communications while in port, but the RCMP refused to take any chances. They established a network of telephone communication without the use of radios. He also said the RCMP did not conduct any moving surveillance but had static surveillance around the city where they believed Ratkai would travel during his stay. The RCMP also placed audio coverage in several different hotels, including the one Ratkai checked into after his arrival. The RCMP and CSIS officers were occupying rooms across and adjacent to Ratkai’s room.

When they met at the Hotel Newfoundland, Lt. Cmdr. Geiger steered Ratkai to a room, which had been outfitted with audio and video surveillance. The meeting lasted about one hour and 25 minutes. Lt. Cmdr. Geiger was given more money in exchange for one classified document and portions of another. When Ratkai left the room he was immediately arrested in the hallway.

Ratkai initially pleaded not guilty to three charges of espionage and one attempted espionage charge. But on 6 February 1989, Ratkai pleaded guilty to espionage in the Supreme Court of Newfoundland. The government then consolidated the three charges into one. It marked the first conviction under Section 3(1C) of the Canadian Official Secrets Act for Espionage.



Meeting between Lt. Cmdr. Geiger and “Michael,” identified as Stephen Joeseeph Ratkai.

On 9 March 1989 Ratkai was sentenced to two concurrent nine-year prison terms. Ratkai was subsequently paroled and, after the fall of Communism in Eastern Europe, he was allowed to return to Hungary.

Spies

Michael Hahn Allen

Michael Hahn Allen, from Ponchatoula, Louisiana, served for 22 years in the US Navy as a Radioman and retired in 1972, as a Senior Chief Petty Officer. Following his retirement, Allen ran a bar in Olongapo, the Philippines, until 1982, when he was hired as a photocopy clerk at the Naval Air Station, Cubi Point, in the Philippines. Allen also had an automobile dealership and ran a cock-fighting operation.

Coworkers at the communications center became suspicious of Allen's activities, and reported him to authorities. On 4 December 1986, the 53-year-old Allen, who had routine access to information classified CONFIDENTIAL and SECRET, was arrested by the Naval Investigative Service on suspicion of espionage.

He admitted he gave US classified information to unauthorized persons to foster his self-esteem and personal interests. The documents provided by Allen included summaries of rebel force movements and planned Philippine Government actions for most of 1986. Because of Allen's status as a US civilian employed in an overseas location, his case brought special concerns as to how it should be handled. After the US Justice Department indicated Allen would not



Michael Hahn Allen

be prosecuted in Federal Court, John Lehman, Secretary of the Navy, exercised his authority under Article of the Uniform Code of Military Justice to have Allen apprehended and prosecuted in the military justice system as a retired US Navy member.

On 14 August 1987, Allen was convicted at a Court Martial of compromising US classified documents and sentenced to eight years in prison, fined \$10,000, and as a result forfeited his military retirement benefits.

Stephen Anthony Baba

Described as a brilliant student, Stephen Anthony Baba at age 18 graduated with honors from the University of Maryland with a degree in business finance. He received his commission in the US Navy in 1980 from the Officer Candidate School, Newport, Rhode Island. His first assignment was as an Electronics Material Officer aboard a San Diego based frigate, USS *Lang*.

On 30 September 1981, a source released to the Naval Investigative Service (NIS) a package containing US classified material consisting of a copy of the May 1980 document, "Electronic Warfare Evaluation and Education Quarterly," and two microfiche classified "SECRET."

A 12-page letter accompanied the package from an individual claiming to be an officer in the US Navy assigned to an unidentified ship. The writer advised he was willing to provide classified material in return for money and provided detailed instructions as to how the transaction would take place.

On 6 October, 1981, the executive officer of USS *Lang* contacted NIS Resident Agency Naval Station, San Diego, California, and advised that during the preceding weekend, an officer assigned to USS *Lang* had been arrested for attempted "unarmed" robbery of a local jewelry store.



Stephen Anthony Baba

During interrogation, Baba indicated a desperate need for money and admitted to an unsuccessful attempt to extort money from the Navy Federal Credit Union. It was subsequently determined that the possibility existed that Baba was the individual involved in the forwarding of the classified material to a foreign embassy.

On 23 October 1981, Baba was placed in pretrial confinement at Metro Correction Center, San Diego, California. On 26 October 1981, Baba was transported to Chula Vista, California, to attend a pretrial hearing, during which time he attempted to escape from confinement. On 20 January 1982, Baba was sentenced to eight years imprisonment, forfeiture of all pay and allowances, and dismissal from the Navy.

William Holden Bell

William Holden Bell attended the University of California, Los Angeles campus and in 1952, went to work for Hughes Aircraft Company. Later in his career with Hughes Aircraft, he worked in Belgium and following a divorce from his first wife, married a Belgian citizen. His costly divorce and subsequent remarriage placed Bell under considerable financial strain as he resettled in a suburb of Los Angeles.

Bell became acquainted with Marian W. Zacharski, a Polish citizen who was vice president of the Polish American Machinery Corporation (Polamco), in Los Angeles, California, and a covert member of the Polish intelligence service. In the summer and autumn of 1977, Bell and Zacharski played tennis together, took their wives out to dinner on occasion, and generally enjoyed a friendly relationship. Gradually, Zacharski was able to learn some of the details of Bell's work, and Bell showed Zacharski a classified document on



William Holden Bell

which he had worked. At the same time, the apartment project in which both families lived was being sold for condominium conversion. When Bell told Zacharski that he would have to move since he could not afford the downpayment on the condominium, Zacharski provided Bell with the cash necessary for the purchase.

Bell soon realized that he was caught in a compromising position, and the relationship rapidly developed into a conspiracy to commit espionage for money. The Poles provided Bell with a list of documents they desired, and he traveled to Innsbruck, Austria, and Geneva, Switzerland, to turn over classified information and receive payments for his services.

Arrested by the FBI in July 1981, the 61-year old Bell quickly confessed to his espionage activities and cooperated with the FBI in entrapping Zacharski. Bell admitted to receiving a grand total of \$110,000, mostly in \$100 bills and gold coins, from the Poles.

Documents compromised by Bell included reports on a so-called "quiet" radar system; a look-down, shoot-down radar system; an all-weather radar system for tanks; an experimental radar system for the US Navy; the Phoenix air-to-air missile for the F-14; a ship surveillance radar; a new air-to-air missile; the improved HAWK surface-to-air missile; the Patriot air defense missile; and a submarine sonar system.

Bell was sentenced to eight years in prison and was fined \$10,00 for his role in compromising the classified Hughes' documents. This relatively light sentence was given as a result of Bell's full cooperation with investigative authorities. Zacharski was sentenced to life in prison. On 10 June 1985, Zacharski was released in a prisoner exchange between the United States, East Germany, and Poland.

Edward Owen Buchanan

Airman Edward Owen Buchanan, a student assigned to a munitions and weapons maintenance technical training school, Lowry AFB, Colorado telephoned the East German Embassy in Washington, DC, on 6 May 1985. He was attempting to learn if Embassy officials had received a letter he had sent in April 1985, containing an offer to commit espionage for the East German Government.

During the telephone conversation, an Embassy employee told Buchanan that the Embassy was closed, and he was instructed to telephone the next day. The next day he telephoned the Embassy again as he was instructed; however, an Embassy employee told him that he couldn't help him. An hour later he called again and requested to speak to the Ambassador, but was unsuccessful and hung up.

Irritated with being put off by the East Germans, Buchanan telephoned the Soviet Consulate located in San Francisco. He tried to tell the official his name, duty location, and that he was in the USAF, but, unable to understand the Soviet official who answered the telephone, he hung up. On 9 May 1985, he mailed a letter to the Soviet Embassy in Washington, DC fully identifying himself (name, military organization, duty station, and career specialty). The letter stated that he had information of a scientific and technological nature that he wanted to sell to the Russian Government. He indicated he would continue to conduct business with the Soviets if they liked his material.

At this point, AFOSI/FBI agents, posing as Soviet representatives, contacted Buchanan. Believing that he was doing business with Soviet Intelligence Officers, Buchanan offered to commit espionage and sell classified documents. He then provided documents to the undercover AFOSI/FBI agents, which he claimed were classified SECRET and he was paid \$1,000. After taking the money, Buchanan was apprehended.

A later examination of the documents disclosed that they were copies of unclassified articles from an electronics magazine. During an interview following his arrest, Buchanan admitted contacting the East

German Embassy and the Soviet Embassy for the purpose of committing espionage. Buchanan also admitted that, although he did not have access to classified information at that time (because of his student status), he planned to sell classified information once his clearance had been granted and he was assigned to a base in Germany.

Buchanan was born in Orlando, Florida, on 7 August 1963, and was raised in a white, middle-class family environment. After graduating from high school, his civilian job prospects were limited so he enlisted in the USAF on 16 January 1985. At the time of his apprehension, he was unmarried and had completed approximately one year of college. Investigative interviews disclosed that he was very naive and immature. Although he expressed an interest in defecting and living in the Soviet Union, financial gain was his primary motivating factor in committing espionage.

Buchanan was court-martialed on 26 August 1985 and sentenced to 30 months confinement, reduced to Airman Basic, forfeited of all pay and allowances, and given a dishonorable discharge.

Thomas Patrick Cavanagh

Thomas Patrick Cavanagh worked for Hughes Aircraft Corporation from 1969 to 1981. In November 1981, he secured employment with the Advanced Systems Division of Northrop Corporation in Pico Rivera, California. In late 1984, Cavanagh was living separately from his wife and two sons and was deeply in debt. At the same time, Cavanagh's security clearance was being reviewed for upgrading from Secret to Top Secret, and he was fearful that he would not receive the higher clearance when his indebtedness was disclosed.

With his financial plight in mind, Cavanagh attempted to establish contact with Soviet intelligence. He had secrets to sell and left no doubt that his motive was money. "Before our relationship ends, I want to be independently wealthy," he told the prospective buyers. He knew espionage was a serious crime. He also knew that the FBI arrested several people recently, and they were now in jail. In order to clear up mounting debts, and make himself rich, the Northrop engineer was still willing to take some chances.



Thomas Patrick Cavanagh

At the first meeting on 10 December 1984, Cavanagh introduced himself to his contacts as Mr. "Peters." Two topics dominated his conversation: his financial problems and worries about getting caught. "They're real security conscious (at Northrop)..." he remarked, "So somehow we have to come to an agreement on money." He added that he needed several thousand dollars, "Just to get the bill collectors off my back." He thought he could bypass the document controls and random searches at the plant.

He didn't want to talk about his contacts on the telephone "because it's constantly being bugged; they bug it with microwaves." His biggest source of anxiety, however, was the security program at Northrop. He was extremely concerned about his accountability for documents. He refused to turn them over to the "KGB" agents because he wanted to get them back to the plant as quickly as possible. "I can't give you the documents and have them back in time. They have audits. A guy just came by today and asked me how many secret documents I have." He was afraid that Security might open his safe and check his documents at any time. By sheer coincidence, Cavanagh had a surprise audit of his classified documents on the very day he first met with the "KGB." It was strictly a random check by a company security representative, who had no suspicion that the material he reviewed was about to be sold to the Soviets. The security officer found everything in order but Cavanagh was visibly shaken, according to coworkers interviewed after the arrest.

Reproduction controls at Northrop hampered Cavanagh. "You can't run your own copies in the plant. They got that regulated too." Northrop Advanced Systems Division controlled document reproduction through a system of "fully-controlled machines." There is no self-service as special operators handle all copying machines under the oversight of security. They guarantee that all requirements meet authorization, marking and accountability regulations. The "KGB agents" had to obtain a camera and a portable copier to make copies in the motel room.

Northrop employees were subject to random search of anything carried in or out of the plant. Cavanagh worried about that as well. "I had to stick it in my shirt and walk out with it." He couldn't always fit things under his shirt, but he thought he could get through exit

searches without detection because they were sufficiently infrequent and predictable.

When he arrived for a second meeting on 12 December, his "friends" greeted him warmly. He again mentioned the difficulty of getting documents out. He pressed anxiously for quick payment and wanted several thousand dollars in two days, but the "Russians" wouldn't make any promises. Concerned because his background investigation was due to begin, Cavanagh wanted to cover his debts.

The third and final meeting with the "KGB agents" occurred on 18 December. When Cavanagh arrived, he asked about the money. Cavanagh showed them the documents he brought. He spoke of his financial bind and displayed bitterness that he could not get a business loan for his Amway distribution, while foreign immigrants easily got them.

The agents suggested that future meetings be held outside the United States. Cavanagh refused by saying that he did not want to keep his documents out that long. Besides, he said that unexplained foreign travel might flag his activities with security.

After copying the documents, the agents handed Cavanagh the payment in small bills. He counted it eagerly. He wanted to have monthly meetings with substantial payment each time. After they finished their business, there was a knock on the door. When they opened the door, FBI agents entered the room and arrested Cavanagh. Charged and convicted on two counts of espionage, he was sentenced on 23 May 1985 to concurrent life terms in prison.

The FBI caught Cavanagh before he reached the Soviets. Greed and indebtedness were the major motivations for Cavanagh, but he showed some traits seen before in other spy cases. Job and career dissatisfaction were big ones. Cavanagh, in addition, showed some tendency to violent or disruptive behavior, some instances of dishonesty, and a general lack of respect for authority and procedural process. Still, none of this rose to the level where supervisors considered reporting it for security purposes. Cavanagh was not a model citizen, but his behavior was well within tolerable limits. He went over the edge, quite suddenly by all

indications, and tried to sell out the country to make himself rich.

Larry Wu-Tai Chin

Larry Wu-Tai Chin, retired CIA employee, was arrested 22 November 1985 and accused of having carried out a 33-year career of espionage on behalf of the People's Republic of China (PRC).

According to media reports, Chin, who retired in 1981 at age 63, had been an intelligence officer in the CIA's Foreign Broadcast Information Service. During his career, he held a Top Secret clearance and had access to a wide range of intelligence information.

Born in Beijing, Chin was recruited by Chinese intelligence while he was a college student in the early 1940s. Later, he became a naturalized US citizen and worked for the US Army Liaison Office in China in 1943. In 1952 he joined the CIA.

It is believed that he provided the PRC with many of the CIA's Top Secret reports on East Asia written over the past 20 years. Chin reportedly smuggled classified documents from his office and between 1976 and 1982, gave photographs of these materials to Chinese couriers at frequent meetings in Toronto, Canada, Hong Kong, and London. He met with Chinese agents in East Asia in March 1985. Chin may have received as much as one million dollars for his complicity.

He was indicted on 17 counts of espionage-related and income tax violations. At his trial, which began on 4 February 1986, Chin admitted providing the Chinese with information over a period of 11 years, but for the purpose of reconciliation between China and the United States.



Larry Wu-Tai Chin, retired CIA employee who was indicted on 17 counts of espionage-related and income tax violations.

On 8 February 1986, Chin was convicted by a Federal jury on all counts. Sentencing was set for 17 March; however, on 21 February the former CIA employee committed suicide in his cell. His death was ruled a suicide by medical authorities. A few days prior to his death, Chin had agreed to discuss his espionage activities with the CIA in exchange for immunity from future prosecution. The CIA's debriefing of Chin was to take place prior to Chin's sentencing.

Clyde Lee Conrad

Clyde Lee Conrad, retired US Army Sergeant First Class, was arrested on 23 August 1988 in West Germany and charged with copying and transmitting classified documents to the Hungarian intelligence service for nearly a decade.

He was recruited in 1974 by a Hungarian-born immigrant, Zoltan Szabo, a veteran of Vietnam, who served as an Army captain in Germany. Szabo began working for Hungarian intelligence in 1967. Szabo was convicted of espionage by an Austrian court in 1989, but served no jail time because of his cooperation with authorities in the prosecution of Conrad.

Two Hungarian-born doctors arrested at the same time in Sweden acted as couriers in the espionage operation. Conrad is believed to have hired at least a dozen people in the US Army to supply classified information. The Conrad ring was one of the biggest spy rings since World War II. Conrad's recruits continued to work for him after returning to the United States, illegally exporting hundreds of thousands of advanced computer chips to the East Bloc through a phony company in Canada.

Conrad was granted a Top Secret security clearance in 1978 when assigned to the US 8th Infantry Division headquarters in Bad Kreuznach, Germany. Despite his administrative specialist's job, which gave him access to extensive classified materials, Conrad had not been subject to a periodic reinvestigation before his retirement in 1985.

Documents provided to Hungarian agents concerned NATO's plans for fighting a war against the Warsaw Pact detailed descriptions of nuclear weapons, and plans for movement of troops, tanks, and aircraft. Conrad, in charge of a vault where all the 8th Infantry Division's secret documents were kept, took suitcases stuffed with

classified papers out of the base. The former sergeant is reported to have received more than one million dollars for selling documents.

The two Hungarian couriers, Sandor and Imre Kercsik, were sentenced by a Swedish court on 18 October to 18 months in prison. In 1989, Conrad was charged with treason under West German law. It took more than a year to charge him formally due to the complexity of the case which initially was declared one of espionage and then broadened to include the more serious charge of treason.

Tried in a West German Court, Conrad was sentenced to life imprisonment on 6 June 1990. He died on 8 January 1998 in a German prison where he was serving his sentence.

Christopher M. Cooke

On 23 December 1980, it was learned that an unidentified American had placed a telephone call to Richmond, Virginia, from inside the Soviet Embassy in Washington, DC. Christopher M. Cooke, a second lieutenant, Titan missile launch officer, and deputy commander of an Air Force Titan missile crew assigned to McConnell AFB, Kansas, was on leave and had traveled home to Richmond, Virginia, for the holidays and could have been this caller.

On 2 May 1981, Lt. Cooke departed McConnell AFB, Kansas on leave, flying first to St. Louis and then to Washington National Airport. He checked his luggage in a locker and, empty handed, hailed a taxicab, returning



Christopher M. Cooke

shortly to the airport. The cabdriver said that he had dropped his passenger at the Soviet Embassy, but that the passenger had returned quickly because the Embassy was closed. Cooke then took a bus from the airport to his home in Richmond. He had failed to report his contacts with Soviet officials in violation of AFR 205-57, Reporting Espionage, Sabotage and Subversion, and was confronted and arrested on 21 May 1981 by the Air Force Office of Special Investigations.

Christopher Cooke was born on 14 July 1955, at Fort Lee, Virginia. His father was fatally shot when Cooke was a child, and as he grew older, Cooke developed a suspicion that his grandfather had murdered his father. Over the years, his family provided Cooke with little information about his father or the circumstances surrounding the shooting. After his arrest, a psychological examination disclosed an adolescent identity crisis that centered on the lack of information, he received as a child, concerning his father. Although he had a strong dislike for his stepfather, he was close to his mother.

Cooke graduated from Old Dominion University in May 1978 and later earned a master's degree from William and Mary College. His thesis, completed in 1979, centered on nuclear weaponry. He applied twice, although unsuccessfully, to join the CIA and was in the process of preparing a third application at the time of his arrest. Although he was raised Catholic, he espoused a belief in Hinduism (nonpracticing) and traveled to Bombay, India, during the summer of 1979 to visit an Indian woman he had met and fallen in love with while at William and Mary College.

On one occasion, his stepfather threw him out of the house when he came home one evening and expressed the view that socialism was better than capitalism. He entered the USAF in 1979, graduated from officers training school, where he was considered a "know it all," argumentative, intelligent, insecure, and not well liked by his peers.

After receiving a commission and completing missile launch officer training, he was granted a TOP SECRET security clearance and assigned to the 532 Strategic Missile Squadron at McConnell AFB, Kansas. At the time of his arrest, he was 25 years old and unmarried. He had ordered a book from Walden Books in Wichita

Kansas entitled *Wilderness of Mirrors*, by David C. Martin, which had recently been published in paperback and concerned the CIA and counterintelligence matters. Cooke was fascinated with espionage, constantly talking to his friends and coworkers and even acting out some of his fantasies.

When first interviewed, Cooke claimed to have a serious interest in political science and explained that his contacts with the Soviets were to ensure future employment with the US Government. In effect, he hoped to make a name for himself as a great political scientist. Cooke claimed that his contacts with the Soviets were made to persuade them to let him publish "a breakthrough in Soviet foreign policy." He was vague when it came to explaining what this new "breakthrough" would be. He went on to describe various overt and quasi-secret attempts to engage the Soviets that he could be discreet and trusted as a political analyst if they wanted to announce their change in foreign policy through him.

Although he had been rebuffed by the Soviets, he remained keen on the idea that someday he would be able to persuade them to use him to announce a foreign policy breakthrough. According to Cooke, his first attempt to contact the Soviets was on 15 or 16 June 1980, from a hotel in St. Louis and again during 24 - 30 June 1980, from his apartment in Wichita. During the second telephone call, he offered to provide copies of Emergency War Orders, but was rebuffed. Cooke described these attempts as "spontaneous," although he noted that the "thought of committing espionage was ever present in my mind."

When Cooke became Deputy Commander of his missile crew, he seriously began to think about selling information to the Soviets, but could not explain why. He borrowed a friend's Kodak 110 instamatic camera to photograph documents at the missile site. He tried to develop this film himself but failed. The next time he took photographs of documents, but this time he had them processed into negatives only at a local photo store. Later he provided these negatives to the Soviets along with a note regarding his willingness to provide information concerning nuclear strike capabilities and added personal meet instructions at a Holiday Inn in Richmond, Virginia. Cooke used a pseudonym "Mark Johnson." Underneath the name "Johnson" he wrote

"Scorpion." On 19 December he telephoned the Holiday Inn asking if "Sally Rogers" (a name he had specifically asked that the Soviets use for the woman he requested they send to the hotel to meet him) had registered and Cooke became frustrated when he discovered she had not. Although confused and extremely frustrated by the Soviets' lack of interest, Cooke was undaunted in his desire to commit espionage.

On 22 December 1980, he telephoned the Soviet Embassy, using the name Johnson, and on 23 December he drove his mother's car to Washington, but used a taxi to go to the Embassy after the car broke down. Cooke was paid \$50 by the Soviets for handwritten notes he had copied from classified material. They allowed him to use the telephone to call home and tell his parents the car had broken down and that he would be late in returning. Cooke went back to Richmond and shortly after the holidays resumed duty at McConnell AFB, Kansas.

From February to April 1981, Cooke continued to gather classified information from his duty section. In May, Cooke returned to Washington, DC and Richmond on leave. He expected the Soviets to telephone him on 3 May 1981, and, when they did not, he telephoned them on 4 May, again extremely frustrated at being rebuffed. Cooke claimed that money was not his motivation (although he was going to ask the Soviets for \$3,000) but that he was trying to live out his fantasies of espionage. He intended to ask them for 1,000 British pounds (\$2,000) and a British passport. If the Soviets had asked, Cooke was prepared to travel abroad to meet with them.

During an interview, Cooke requested legal counsel and a grant of immunity before being interviewed further. Believing that Cooke was part of a larger spy ring, Air Force prosecutors and legal officials offered him an oral agreement of immunity for full disclosure so that a damage assessment could be accomplished. Later he was charged with violation of Article 92, Uniform Code of Military Justice, for failing to obey a lawful order or regulation (AFR 205-57).

On 22 February 1982, the Court of Military Appeals issued a decision, in which the majority held that prosecution of Cooke constituted a violation of due process of law. This was based on the court's opinion

that “de facto” immunity had been granted and that Cooke held a reasonable expectation that if he satisfactorily cooperated with USAF officials in their damage assessment, there would be no court-martial. The Court of Military Appeals ordered his release, and Cooke resigned his commission.

Robert Ernest Cordrey

Robert E. Cordrey, a US Marine Corps private, was an instructor at the Camp LeJeune, North Carolina, warfare school. In April 1984, Cordrey began making numerous phone calls to foreign embassies in an attempt to sell documents and manuals relating to nuclear, biological and chemical warfare. After numerous futile attempts, Cordrey made contact with a Czechoslovak intelligence officer, and he drove to Washington, DC from Camp LeJeune for a clandestine meeting. Cordrey showed his contact the list of documents in his possession (all unclassified), and he was told that he would be contacted later.

On 12 April 1984, the FBI and the US Naval Investigative Service learned that Cordrey was attempting to sell information to agents of the USSR, Czechoslovakia, East Germany, and Poland. The 23-year-old Cordrey was convicted on 13 August 1984, on 18 counts of failing to report contacts with citizens of Communist countries. He was sentenced to 12 years at hard labor, forfeiture of all pay and allowances, and a dishonorable discharge. In accordance with Cordrey’s pretrial agreement, his confinement was limited to two years inasmuch as Cordrey successfully underwent post-trial interrogation and polygraph examinations.

John Allen Davies

John Allen Davies, a 33-year-old San Jose, California resident at the time of his arrest and a former US Air Force Staff sergeant and a lab technician at a Silicon Valley defense contractor, was formally charged on 27 October, 1986 with trying to deliver classified US military information to agents of the Soviet Union. Davies a 10-year veteran, who was separated from active service for poor performance in 1984, had held a Secret clearance during his military service and worked as an avionics sensor system technician. According to the FBI, on 22 September 1986, Davies met with an FBI undercover agent posing as a Soviet official in San Francisco’s Golden Gate Park. During the meeting, Davies provided detailed verbal information and a hand drawing concerning US reconnaissance technology. At

a second meeting in October, he provided additional classified information.

According to Davies’s recorded statement, he was motivated “out of revenge because of the unfair way he was treated by the Air Force.” He was also quoted as saying that he wanted to do something to embarrass the United States and to interfere with the effectiveness of its reconnaissance activities. Asked why he waited two years before providing the information, Davies said he waited “just to make sure they couldn’t link me with it if I told anybody, just sort of... hide my trail.”

Davies, born in East Leigh, England in 1953, became a naturalized US citizen at the age of 11. Since October 1984, Ford Aerospace and Communications Corp. had employed him in Palo Alto, California. Federal officials stated that the former airman did not hold a clearance at the time and that no information from the contractor facility was involved in the case. Davies was released on \$200,000 bail with the condition that he undergo psychological evaluation. But on 27 May 1987 he pleaded guilty to a reduced charge of attempting to communicate secrets to an unauthorized person and was sentenced to five years in prison.

Sahag K. Dedeyan

Sahag K. Dedeyan, a naturalized US citizen, was engaged in defense research with the Applied Physics Laboratory, John Hopkins University. The 41-year-old mathematician had been working at John’s Hopkins for nine years until his arrest by the FBI on 2 June 1975. Arrested on the same date and also charged with conspiring to turn over classified US and NATO documents to the Soviets was a distant relative of Dedeyan, Sarkis O. Paskalian. Dedeyan allowed Paskalian to photograph classified documents in his home.

A document specifically identified in the charges was entitled *Vulnerability Analysis: U.S. Reinforcement of NATO*. Dedeyan allegedly was paid \$1,000 for providing the document. Paskalian living in the US as a permanent resident alien had been recruited by Soviet intelligence for the purpose of coming to the United States on an espionage mission. He was ordered by the Soviets to develop a close relationship with his distant cousin for the purpose of obtaining classified information.

Also named in the case as coconspirators were Edward B. Charchyan and Adbulkhalik M. Gadzhiyev, both third secretaries at the Soviet Mission to the United Nations and Petros Petrosyan, a Soviet delegate to a United Nations conference on human rights. Dedeyan was specifically charged with having failed to report the illegal photographing of the defense documents in his home by Paskalian.

Hou Desheng

The FBI detained Hou Desheng, a military attaché of the Peoples Republic of China, on 21 December 1987 while Hou attempted to obtain secret National Security Agency (NSA) documents from a federal employee. Hou was taken into custody at a restaurant in Washington, DC's Chinatown section after accepting what he believed to be classified NSA documents.

The federal employee, a US citizen, had been working under FBI direction. Arrested at the same time was Zang Wei Chua, a PRC consular official in Chicago. Both diplomats were asked to leave the country as a result of "activities incompatible with their diplomatic status," the first Chinese diplomats expelled since formal relations were established with the PRC in 1979.

Thomas Joseph Dolce

Thomas Joseph Dolce, civilian research analyst at Aberdeen Proving Grounds, Maryland, admitted in Federal court on 11 October 1988 that he had supplied scores of Secret documents related to Soviet military equipment to the Republic of South Africa between 1979 and 1983.

Dolce, who had been under investigation by the FBI since April, resigned from his position on 30 September "for personal reasons." Dolce had held a Secret clearance at the US Army Material Systems Analysis Activity at Aberdeen where he was employed since 1973.

In pleading guilty to a single count of espionage, he acknowledged passing documents on 40 or more occasions by mail or in person to military attaches at the South African Embassy in Washington and at South African missions in London and Los Angeles, California. According to Dolce, he was motivated by ideological rather than financial reasons and had a long-term interest in the Republic of South Africa. He had

in fact moved to South Africa in 1971, but had later returned to the United States because of better employment opportunities.

Prior to 1971, Dolce had been a US Army clandestine warfare specialist. His contacts with South African representatives began when he sent them an unclassified paper on clandestine warfare which he had written. There is no evidence that Dolce received money in exchange for documents.

On 20 April 1989, the former analyst was sentenced to 10 years in prison and fined \$5,000.

Waldo H. Dubberstein

Waldo H. Dubberstein, a former senior intelligence analyst, was indicted by a Federal grand jury on 28 April 1983 on charges of having sold secret US military information to Libya through Edwin P. Wilson. The 75-year-old Dubberstein was charged with having received more than \$32,000 from Wilson between 1977 and 1980 for summaries and analyses of Middle East security arrangements and military strength. Dubberstein was considered an expert on Middle East affairs with the Central Intelligence Agency from which he retired in 1982.

The grand jury charged that Dubberstein traveled under an alias in the spring of 1978 to meet with Libyan intelligence officers in Tripoli. He then discussed with them the deployment of Middle East military forces and passed to them several written assessments of Middle East military preparedness.

On 29 April 1983, Dubberstein was found dead, an apparent suicide from a shotgun wound.

Robert Wade Ellis

Robert Wade Ellis, a US Navy Petty Officer, stationed at the US Naval Air Station, Moffett Field, California, contacted the Soviet consulate in San Francisco with an offer to sell classified documents for \$2,000. Ellis was arrested in February 1983 while attempting to sell documents to an undercover FBI agent. He was convicted at a general court-martial for unauthorized disclosure of classified information and was sentenced to three years confinement.

David Fleming

David Fleming, US Navy Chief Petty Officer, was convicted by a six-member military court on 4 October 1988 for the theft of 16 Secret photographs and four classified training manuals, which he had at his home.

At the time of his arrest in October 1987, Fleming was chief photographer aboard the submarine *La Jolla*, based at San Diego, California. At that time, Federal agents found classified material in Fleming's apartment. Fleming contended that cramped quarters aboard the ship led him to develop photographs at home.

Concluding that he knew that the materials, if kept at home, could result in damage to national security, the court convicted Fleming under statutes, which apply to acts of espionage. However, no evidence was presented to the court that the Chief Petty Officer had intended to provide classified materials to representatives of another country.

Fleming was sentenced to four years confinement and was given a bad conduct discharge from the Navy. In April 1989, a Navy parole board in San Diego recommended that the remainder of the four-year sentence be commuted. He was released on parole in 1990.

Ernst Forbrich

On 19 March 1984, Ernst Forbrich, a West German automobile mechanic was arrested in Clearwater Beach, Florida, after paying \$550 for a classified document supplied by an undercover agent posing as an Army intelligence officer.



Wilfredo Garcia

Forbrich was described as a conduit who passed US military secrets to East German intelligence and by his own admission had been selling documents to East Germany for a period of 17 years. Forbrich traveled frequently to the United States, contacting former US military personnel who had served in West Germany.

Convicted in June on two counts of espionage, Forbrich was sentenced to 15 years.

Wilfredo Garcia

In late 1985, the Naval Investigative Service (NIS) and FBI became aware of alleged espionage activity being conducted by a group of civilians in the Vallejo, California area. Utilizing information provided by a cooperating citizen, investigators determined that classified documents were being stolen from the nearby shipyard and sold to a civilian in Vallejo. The investigation revealed that documents were being held by the individuals who planned to take them to a foreign country to sell. Agents discovered that the source of the documents was an active duty Navy member at the shipyard. Later in the investigation, one of the criminal participants cooperated with investigators and identified Garcia as the source.

Agents learned the espionage scheme resulted in a number of classified documents being taken to the Philippines for the purpose of selling them to a foreign power there. Participants in the conspiracy carried the documents on commercial aircraft and had gathered the material at a residence in Manila. NIS agents in Manila entered the home with a search warrant and recovered the documents before the planned sale.

NIS and FBI agents conducted in-depth surveillance of Garcia that corroborated and supported the evidence against him. When agents confronted Garcia with investigative findings, he admitted to the criminal activity. At a General Court-Martial convened in January 1988, Garcia was found guilty of espionage, conspiracy to commit espionage, larceny, conspiracy to commit larceny, sale of government property, and violations of military regulations. He was sentenced to 12 years confinement, reduced in rank to E-1, forfeiture pay and allowances, and received a dishonorable discharge from the US Navy. Garcia had served in the Navy for 15 years.

Otto Attila Gilbert

Otto Attila Gilbert, Hungarian-born US citizen, was arrested on 17 April 1982 after paying \$4,000 for classified documents provided by a US Army officer who was working as a double agent under Army control.

The officer, CWO Janos Szmolka, had been approached in 1977 by agents of Hungarian military intelligence while on a visit to his mother in Hungary and had reported the contact to Army intelligence. While stationed in Europe, Szmolka agreed to work as a double agent. In 1981 he received \$3,000 for 16 rolls of film of unclassified documents and was offered \$100,000 for classified material on weapon and cryptographic systems.

Szmolka was assigned to Fort Gordon, Georgia, in 1980, but maintained his contacts with Hungarian intelligence, which led to the meeting with Gilbert. Gilbert was convicted of espionage and sentenced to 15 years in prison.

This case is considered to be a classic example of recruitment based on a hostage situation since implied threats were made against the Hungarian relations of a US service member.

Robert Dean Haguewood

Robert Dean Haguewood was a 24-year-old Petty Officer 3d Class, US Navy, assigned to the Pacific Missile Test Center, Point Mugu Naval Station, California. The Pacific Missile Test Center is a testing site for the cruise missile. Haguewood's assignment at



James Hall III, sentenced to 40 years in prison for selling Top Secret intelligence data to East Germany and the Soviet Union.

Point Mugu from November 1984 to March 1986 ended abruptly on that date with his arrest on charges of attempting to sell half of an aircraft ordinance-loading manual to an undercover agent with the alleged intent that the document be transmitted to a foreign government.

The Springfield, Missouri, native was separated from his wife and in financial trouble at the time he attempted to sell the information, classified Confidential, for \$400.

Haguewood admitted that he believed the document in question, a weapons-loading manual, was classified Confidential even though it had been declassified at the time he sold it to the undercover agent. He was paid \$360 for the manual and a related document.

On 19 June 1986, Haguewood pleaded guilty to violating regulations governing the handling of classified documents as part of a plea-bargain agreement and was sentenced to two years in prison and received a dishonorable discharge from the US Navy.

James Hall III

James Hall III, US Army Warrant Officer, was arrested on 21 December 1988 in Savannah, Georgia, after bragging to an undercover FBI agent that over a period of six years he had sold Top Secret intelligence data to East Germany and the Soviet Union. At the time, Hall believed he was speaking to a Soviet intelligence officer.

During this conversation, he claimed that he had been motivated only by money. He told the FBI agent, posing as a KGB officer, "I wasn't terribly short of money. I just decided I didn't ever want to worry where my next dollar was coming from. I'm not anti-American. I wave the flag as much as anybody else."

Also arrested in Belleair, Florida, was Huseyin Yildirim, code named "the Meister," a Turkish-American. Yildirim served as a conduit between Hall and East German agents. He worked as a civilian mechanic at a US Army auto shop in Germany at the time.

According to FBI sources, Hall started passing documents to East German agents in 1982 while serving in West Berlin as a communications analyst monitoring Eastern Bloc traffic. Later, Hall was transferred to

Frankfurt where he continued to pass “massive amounts” of highly classified data on communications intelligence. Hall is believed to have received over \$100,000 from agents of two countries during this period of time.

In July 1987, he was reassigned to Ft. Stewart, near Savannah, Georgia. Hall had been under investigation by FBI and US Army counterintelligence officers for several months before his arrest. He had been observed meeting Yildirim three times in November and December. According to US officials, the operation appears to have inflicted serious damage on US electronic intelligence activities in Europe.

On 9 March 1989, Hall was sentenced to 40 years in prison, fined \$50,000 and given a dishonorable discharge. Yildirim was convicted 20 July 1989 of scheming with Hall and sentenced to life. Prosecutors contended that from 1982 to 1988, Yildirim carried classified military intelligence from Hall to East Bloc agents and returned with money.

James Durward Harper, Jr. and Ruby Louise Schuler

James Durward Harper, Jr., a freelance consulting engineer and an ex-Marine, began working for Polish intelligence in 1975. He was introduced to the Poles by a longtime business associate, William Bell Hugle. Harper was given a list of high technology items desired by the Poles and paid \$10,000 as advance money for his efforts in obtaining these items. Polish intelligence was so impressed with the information Harper provided that they made an early decision to bypass Hugle and deal directly with Harper.

Harper, who did not have direct access to classified information, initially obtained information from friends

including Ruby Louise Schuler and business associates. In October 1980, Harper married Schuler, a secretary–book keeper at Systems Control Inc., which had defense contracts related to the Minuteman missile system. Schuler, a 36-year-old alcoholic, brought her husband into her office in the evenings and on weekends so he could photograph documents from the office safe. She also brought material home for photographing and would return the documents to the safe the following day.

Schuler agreed to help her husband commit espionage out of love and greed. She was also an alcoholic. She carried a bottle of vodka in her purse and drank during work hours. On one occasion, a coworker accompanied her as she made a large cash deposit to her bank account. Coworkers noticed but failed to report her unusual behavior.

Numerous overseas meetings were held in Vienna, Austria; Switzerland and Warsaw, Poland. At one meeting in Warsaw, on 5 June 1980, the documents Harper provided the Poles were determined to be so valuable that he was paid \$100,000 in \$100 bills. During the approximate eight years of his espionage activity, Harper received at least \$250,000.

In 1981, Harper anonymously contacted a lawyer in an attempt to gain immunity from prosecution by turning State’s evidence. Through a combination of information gained in what little Harper told his lawyer and bits and pieces of information passed by a Polish agent of the Central Intelligence Agency, the FBI was able to establish Harper’s Identity.



James Durward Harper, Jr.



Ruby Louise Schuler

The 49-year-old Harper was arrested on 15 October 1983. His wife died of cirrhosis of the liver in June 1983. It was discovered that Harper had classified documents in his home as well as up to 200 pounds of classified documents hidden in other locations. These documents concerned lasers, satellites, and advanced weaponry. It was eventually determined that the Soviets, who had acquired Harper's information from the Poles, had gained access to over 100 highly sensitive documents dealing with the MX and Minuteman missiles and other US nuclear defense capabilities.

Harper was sentenced to life imprisonment on 14 May 1984. Expert testimony at Harper's trial stated that the secrets Harper sold could impair the nation's defense program into the 21st century. Harper had confessed that he sold the secrets for the "money and the thrill of it." The judge urged that Harper never be paroled, stating, "You are a traitor to your country who committed the crime not for any political reason but for greed."

Stephen Dwayne Hawkins

On 18 June 1985, a witness reported seeing a confidential message at the off base residence of Quartermaster Third Class Stephen Dwayne Hawkins in Naples, Italy. NIS special agents interviewed Hawkins, but he denied any knowledge of a classified message at his home. Later, he admitted to having mistakenly taken the message home and added that he did not know about the message until his neighbor pointed it out to him. Hawkins stated he then laced the message in his briefcase and returned it to his unit, COMSUBGRU-8. A search of Hawkins' home revealed two CIA originated Secret/Noform/WNintel messages. Hawkins explained that the message must have

accidentally been mixed in with some study materials he brought home from work.

During polygraph examinations on 7, 8, and 9 August 1985, Hawkins indicated deception. Upon interrogation, Hawkins admitted that he had taken the secret messages as "souvenirs" and also stated that he had taken five or six classified messages from COMSUBGRU-8 and thought about engaging in espionage. Hawkins further confessed to taking about 15 additional Secret messages with the idea of selling them to a hostile intelligence service.

Hawkins was charged with violation of Article 92, wrongful removal of classified material and wrongful destruction of a Top Secret message. A General Court-Martial was held 14-15 January 1986, and Hawkins was sentenced to a bad conduct discharge, one-year confinement at the US Navy Brig at Philadelphia, Pennsylvania, and reduction in grade to E-1.

Joseph George Helmich

Joseph George Helmich, Jr., was born on 13 July 1936 in Fort Lauderdale, Florida. His parents were divorced, and his mother remarried a career Army officer. Helmich was a high school dropout who enlisted in the US Army on 8 November 1954 at 17 years of age. He was trained in communications at the southeastern Signal School and served in Korea from October 1955 to February 1957. In 1958, he was granted a GED equivalency for high school, married a US citizen who had been married previously, and in April of that year was assigned to the Signal Company of the US Army Communications Zone, Orleans, France, where he served until April 1959.

From April 1959 to April 1960, he was assigned to the US Army Garrison, Paris, France, and from May 1960 to March 1963, he was assigned to the 275th Signal Company, Paris. While serving in Paris, he was appointed Warrant Officer (22 December 1961). After leaving Paris, he went to Fort Bragg, North Carolina, where he served in a signal battalion until July 1964. With US involvement in Vietnam, Helmich was sent there where he worked in two signal units between September 1964 to December 1965. He returned to the United States and from January to November 1966 he was at the school and training center at Fort Gordon, Georgia. He resigned from the US Army on



Joseph George Helmich

4 November 1966 rather than face termination after his clearance was revoked on 22 September 1966 because of financial instability.

Helmich was granted a TOP SECRET clearance by the US Army Signal Training Center, Fort Gordon, on 10 February 1958 based on a background investigation (BI) completed by Third Army on 30 January 1958. On 26 June 1958, Headquarters, US Army Communications Zone Europe based on the same BI, granted him a cryptologic clearance. Years later, in early 1974, the FBI furnished the Army an unknown subject profile of a Soviet intelligence service agent, who was an Army member during the mid-1960s. Later in 1974, Helmich was identified by the Special Operations Detachment, US Army INSCOM, as the only person meeting the FBI profile. The FBI began debriefing Helmich during the summer of 1980 and, although he initially claimed to have been recruited, he later admitted that he had contacted a member of Soviet intelligence in Paris and offered to sell classified information.

Helmich stated that in January 1963, he was several hundred dollars in debt and had written a number of worthless checks. His commanding officer in Paris called him in and gave him 24 hours to clear up his debts and redeem the worthless checks or face a court-martial and ejection from the service. Thereupon, he walked into the Soviet Embassy in Paris with classified teletype tape to establish his bona fides. The following day his Soviet GRU handler gave him enough money to settle all his debts and buy a miniature camera. During the next few weeks, until his rotation from France to Fort Bragg, Helmich met by his own count with his handler more than a dozen times about half of them at the Soviet Trade Mission. During these meetings, he furnished key lists, tapes, plain-text messages, portions of a maintenance manual, and access to a set of rotors; he was also trained in tradecraft.

While assigned to Fort Bragg, Helmich flew to Paris and met with his GRU handler on four occasions. Each time, he carried copies of key lists that he had photographed while on duty as Officer-of-the-Day. On the second trip, he stayed at the Soviet Trade Mission. On the next trip, his wife and sister accompanied him, and on the last trip, his wife may have gone with him. During the last trip, in February 1964, he told his handler that he had been alerted for transfer to Vietnam. In July

1964, he had one more meeting with Soviet intelligence, this time in Mexico City. He claimed that he passed no material then but he was given several thousand dollars. It was at this encounter that he probably told the Soviets all he knew about the new cryptographic system (KW26), which had just been introduced at Fort Bragg. After the 1964 meeting with Soviet intelligence in Mexico City, he had no contact with them except one letter and one visit to the Soviet Embassy in Ottawa, Canada. He admitted being paid in toto between \$131,000 and \$141,000 by Soviet intelligence.

In 1964 his purchase of expensive cars, a house, and other expensive items led to questions concerning his unexplained affluence and resulted in his being investigated. He explained his affluence as being the result of an inheritance from his grandmother and by returns from "investments" he made in France. He refused a polygraph examination, and the investigation was terminated. Shortly afterward, he was transferred to Vietnam.

After he returned from Vietnam, he had no access to classified material; his financial irresponsibility resulted in revocation of his clearance. On 4 November 1966, he resigned from the Army in lieu of being forced out. He drifted through a variety of menial jobs and even tried to reenlist in the Army. He also wrote a letter to the Soviets in an attempt to reestablish contact with them, but received a noncommittal answer suggesting he come to Paris. In 1980 he visited the Soviet Embassy in Ottawa to reestablish contact and to inquire about "matching funds," which he had been told were deposited in Switzerland each time he received payment from the Soviets. The visit was unsuccessful, and he was told again to travel to Paris.

During the latter half of 1980 and early 1981, the FBI debriefed Helmich, concluding with polygraph examinations in February 1981. During these examinations, deception by him was indicated concerning his passing information about one of the cryptographic systems during the Mexico City meeting and the involvement of another person in his activity with the Soviets. In July 1981, Helmich was arrested and indicted on four counts of espionage. In October he pleaded guilty to one count of espionage and was sentenced to life imprisonment; he would have to serve 10 years before being eligible to apply for parole.

The key to this case appears to be the handling of Helmich's financial situation in Paris in January 1963. He was in a desperate situation and was forced into desperate measures by insensitive management. This is not to excuse Helmich's actions. Although management cannot be held responsible for Helmich's financial irresponsibility, it placed him in an untenable position after the fact. Then, when Helmich miraculously paid all his debts and redeemed his checks in a matter of hours, there was no apparent curiosity on the part of management. Once the contact with the Soviets had been made and the initial payment accepted, Helmich belonged to them for as long as he was useful to them.

By 1964 his lifestyle and purchases of expensive cars and other items were obvious signs of unexplained affluence. The resultant investigation did not resolve the questions. He claimed to have inherited money from his grandmother—he had inherited a few thousand dollars in 1958—but had spent the sum in a short time—and he claimed to have made profitable investments in France. When asked to take a polygraph examination he refused. The investigation was then terminated without any apparent effort to verify his claims of investments in France, although US forces were still present there. At least one Army enlisted man, a subordinate of Helmich, and his wife knew of his flights to Paris, but did not report these facts. His wife knew that he was photographing classified material in his home, but never reported this until after his trial.

This case, in retrospect, is based on a series of fortuitous circumstances. If Helmich had worked in a "no lone" environment, there would have been little opportunity to remove or photograph classified material. If management has been more sensitive and helpful in



Brian Patrick Horton

assisting him to resolve his chronic financial problems, he might never have contacted Soviet intelligence. Had management been curious about his immediate repayment of his debts, there may not have been more than the initial loss of material. Had there been a requirement for a periodic polygraph examination, Helmich might not have contacted the Soviets. And, if Helmich had not been investigated in 1964, his records would have been destroyed and so he would not have been identified. One of the major factors in identifying him was that he refused to take a polygraph examination.

Rudolph Albert Herrmann

Rudolph Albert Herrmann, a KGB officer, entered the United States illegally with his family from Canada in 1968. He operated as a Soviet agent within the United States under the guise of a freelance photographer. His primary assignment was political information.

While Herrmann claimed not to have recruited Americans for espionage, he admitted to having transmitted sensitive information collected by other spies and to acting as a courier for the KGB. Apprehended by the FBI in 1977, he agreed to operate as a double agent until the operation was terminated in 1980.

Herrman and his family were granted asylum in the United States and were resettled under a new identity.

Brian Patrick Horton

Brian P. Horton enlisted in the US Navy in August 1979, completed basic training, and served aboard the US aircraft carrier *Enterprise* prior to being reassigned to the Nuclear Planning Branch, Fleet Intelligence Center, Norfolk, Virginia. While at the latter assignment, between April and October 1982, the 28-year-old married analyst placed four telephone calls and wrote one letter to the Soviet Embassy in Washington, DC. In his communications, he offered to sell classified military information to the Soviets. Specifically mentioned by him was his access to the Single Integrated Operations Plans, a classified master plan of how the United States would fight a war.

In June 1982, an extensive NIS/FBI investigation was initiated based on the above communications. The investigation subsequently identified the Navy man as Intelligence Specialist Second Class Brian Patrick

Horton, assigned to the Nuclear Strike Planning Branch at the Fleet Intelligence Center, Europe and Atlantic, located in Norfolk, Virginia.

After documenting his activities through sophisticated investigative techniques, Horton was interrogated and admitted efforts to commit espionage. During prepolygraph interrogation on 2 and 3 October 1982, Horton additionally admitted that he had single integrated operations plans (SIOP) for sale. Based on evidence accumulated during the investigation, Horton chose to plead guilty under a pretrial agreement that included a posttrial grant of immunity. This allowed NIS to question Horton after his conviction and sentencing for a period of up to six months to determine any damage to national security caused by his actions.

This technique, now labeled the “Horton Clause” by the NIS, allows not only for prosecution but also for a determination as to any possible damage to national security. With the advent of the “Horton Clause,” the damage assessment is considered after the prosecution phase, which entices the suspect to cooperate under a post trial grand-of-immunity in an effort to reduce his sentence.

Horton was convicted on five counts of failure to report contacts with hostile country nationals and one count of solicitation to commit espionage. He was sentenced to six years confinement at hard labor, forfeiture of all pay and allowances, a dishonorable discharge, and reduction in pay grade to E-1.

Edward Lee Howard

Edward Lee Howard, former CIA officer, was reportedly forced to resign in June 1983 after failing a



Edward Lee Howard

polygraph examination, which indicated his involvement in petty theft and drug use. According to news reports, Howard was one of two former CIA employees identified by Soviet KGB defector Vitaliy Yurchenko who sold classified information to Soviet intelligence. Howard worked for the CIA from January 1981 until June 1983.

Although placed under surveillance by the FBI at his Santa Fe, New Mexico, home, Howard, who had been trained in surveillance and evasion tactics, eluded the FBI team and fled the United States. At the time, he was working as an economic analyst with the New Mexico Legislature.

Howard was born in Alamogordo, New Mexico in 1951. His father was a career Air Force sergeant. He graduated from the University of Texas in 1972. He served for four years with the Peace Corps in South America and the United States. From 1976 to 1979, he was in Peru working for the Agency for International Development. He returned to the United States and obtained a master's degree in business administration from American University. After his graduation, he went to work for the CIA.

He allegedly met with KGB officers in Austria on 20 September 1984 and received payment for classified information. He is reported to have revealed to the KGB the identity of a valuable US intelligence source in Moscow. It was also reported that five American diplomats were expelled from the Soviet Union as *persona non grata* as a result of information provided by Howard.

On 23 September 1985, espionage charges were filed in a federal arrest warrant issued in Albuquerque. He is charged with conspiracy to deliver national defense information to an unspecified foreign government.

On 7 August 1986, Howard was granted “The Right of Residence in the USSR” by the Soviet Union. According to an *Izvestia* article, Howard's request for political asylum was motivated by “the necessity to hide from the Special Services (Soviet term for CIA) of the USA, which groundlessly (without reason) are following him.” The Presidium of the Supreme Soviet, “guided by humanitarian considerations,” granted political asylum to Howard.

Ronald Louis Humphrey

Ronald Louis Humphrey was hired by the United States Information Agency (USIA) in 1966 as a civilian program evaluator. He held both a bachelor and master's degree from the University of Washington. Although married, Humphrey had a mistress in Vietnam and was attempting to get the mistress and her children out of Vietnam in the mid-1970s.

Beginning in 1976, Humphrey obtained State Department material for passage to a Vietnamese student in the United States, Truong Dinh Hung. Truong, in turn, passed the information to a courier for delivery to Vietnamese officials. The information passed included, but was not limited to, "... information concerning United States political, military, and diplomatic relations, efforts, and intelligence assessments" in Thailand, Singapore, Vietnam, China, and Ethiopia.

On 31 January 1978, both Humphrey and Truong were arrested on a seven-count indictment charging espionage on behalf of Vietnam. The 42-year-old Humphrey was charged with conspiring with Truong to deliver classified State Department communications "relating to the national defense of the United States" to Vietnamese officials. A search of his apartment revealed classified document as well as notes on how to recruit spies.

Humphrey and Truong were sentenced on 7 July to 15 years each in prison.

Vladimir Izmaylov

On 19 June 1986, GRU Colonel Vladimir Izmaylov, was apprehended by the FBI as he tried to dig up secret documents left as part of a joint FBI-Air Force double-agent operation. The documents had been buried next to a telephone pole in rural Maryland. Before he was arrested, Izmaylov buried a milk carton with the latest installment of the \$41,000 he paid the US officer for military documents.

Izmaylov had been trying to obtain classified documents about the US program to develop a space-based defense system against missiles. He was also interested in details of the cruise missile program and the technology used to help military aircraft escape detection by radar and a hypersonic passenger jet known as the transatmospheric vehicle. According to the US

officer, the Soviets evaluated him for nearly a year before asking him to photograph classified documents.

In written instructions to the Air Force officer, Izmaylov said he was only interested in current material concerning the advanced and prospective weapon's system such as being developed under the SDI program. All transactions and communications were to be carried out by the use of dead drops at remote locations.

Izmaylov was expelled from the United States for activities incompatible with his diplomatic role. He was the highest-ranking Air Force officer at the Soviet Embassy.

Randy Miles Jeffries

From 14 December to 20 December 1985, Randy Miles Jeffries was in contact with Soviet intelligence officers and subsequently with agents of the Federal Bureau of Investigation who were posing as Soviet intelligence officers. The 26-year-old Jeffries, married and the father of three children, requested \$5,000 for Secret and Top Secret documents. Jeffries had taken 60 pages of classified documents, including transcripts from Department of Defense testimony before the House of Representatives Subcommittee on the Procurement of Military Nuclear Systems. Hired only six weeks previously as a \$500-per-month messenger for the Acme Recording Company, Inc., Jeffries had worked from 1980 to 1982 for the Federal Bureau of Investigation. Jeffries was a known drug user; however, his background investigation did not reveal any causative factors for withholding a security clearance.

During the time Jeffries was employed by Acme, he set aside material intended for destruction and carried them out of his place of employment hidden under his coat. He contacted the Soviet Military Office in Washington, DC, in person in an attempt to sell the documents. In subsequent contacts he used a cover name of "Dano." The material he passed to the Soviets included transcripts of US nuclear war-fighting machines, vulnerabilities of US computer and telephone systems, and operating areas of the Trident submarine. He planned to also sell additional sensitive documents on command, control, communications, and intelligence (C31) as well as Top Secret data on US Navy communications systems used to signal nuclear submarines.

On 13 March 1986, Jeffries was sentenced to three to nine years in prison.

Mikhail Katkov

Mikhail Katkov, a second secretary assigned to the Soviet Mission at the United Nations, was detained in New York City on 17 December 1987 as he was attempting to acquire defense-related technology. He was ordered to leave the United States on the following day.

Although few details about the case have been released, officials acknowledged that Katkov had been under surveillance for “some time” and that his activities amounted to “not a high deal, but nonetheless serious espionage.” According to a State Department source, Katkov was the 42nd Soviet representative to have been expelled from the United States for espionage since 1950.

Bruce Leland Kearn

Bruce Leland Kearn, Navy operations specialist, assigned as command Secret control officer on board the USS *Tuscaloosa*, was arrested in March 1984 and convicted at a General Court Martial for dereliction of duty and willfully delivering, transmitting or communicating classified documents to unauthorized persons. No nation was named as having received any of the classified documents.

While absent without leave, Kearn left behind a briefcase, which was found to contain 147 classified microfiche (copies of 15,000 pages of Secret documents), seven Confidential crypto publications, and child pornographic photographs and literature. He was sentenced to four years confinement.

Karl F. Koecher

Karl F. Koecher, former CIA employee, and his wife, naturalized US citizens of Czechoslovak origin, were arrested 27 November 1984 as they were preparing to fly to Switzerland.

At the time, Karl Koecher was believed to be the first foreign agent to have penetrated the CIA for having operated successfully as an “illegal” for Czech intelligence for 19 years. In 1962, Czech intelligence trained Koecher to be a foreign agent. He and his wife staged a phony defection to the United States in 1965,

and soon they became known as outspoken anti-Communist members of the academic community. In 1971 they became naturalized citizens.

Two years later, Karl obtained a translator’s job with the CIA where he translated Top Secret materials until 1975. Koecher, who claimed that he was a double agent, was arrested after being observed making frequent contact with KGB operatives.

According to federal prosecutors, Mrs. Koecher operated as a paid courier for Czech intelligence until 1983. An FBI agent testified that from February 1973, to August 1983, Karl Koecher passed on to Czechoslovak intelligence highly classified materials including names of CIA personnel.

The case never came to trial. On 11 February 1985, the Koerchers were exchanged in Berlin for Soviet dissident Anatoliy Shcharansky.

Penyu B. Kostadinov

Penyu B. Kostadinov, a commercial counselor at the Bulgarian Commercial Office in New York, was arrested in December 1983 at a New York restaurant as he exchanged a sum of money for classified material. Kostadinov had attempted to recruit a graduate student who had access to documents related to nuclear energy. The American agreed to work under FBI control to apprehend Kostadinov.

One of Kostadinov’s official functions was to arrange for exchange students between Bulgaria and the United



Karl F. Koecher

States. Although Kostadinov claimed diplomatic immunity at the time of his arrest, this was later denied by a Federal court. In June 1985, Kostadinov was “swapped” along with three other Soviet Bloc agents for 25 persons who had “been helpful” to the United States.

Craig Dee Kunkle

The FBI arrested Craig Dee Kunkle, former Chief Petty Officer who specialized in antisubmarine warfare, on 10 January 1989 as he attempted to sell classified information for \$5,000 to FBI agents posing as Soviet diplomats. The arrest took place at a Williamsburg, Virginia motel.

On 9 December 1988, Kunkle mailed a packet of diagrams, photographs, and information related to antisubmarine warfare tactics to an Alexandria, Virginia, post office box he believed to be a Soviet drop point. The material was collected by Federal agents who had been in communication with Kunkle on six previous occasions.

An investigation by the Naval Investigative Service and FBI began in early December 1988, when Kunkle’s attempt to contact the Soviet Embassy in Washington was intercepted. Kunkle had served for 12 years in the US Navy in antisubmarine squadrons in the Atlantic and Pacific fleets and was discharged in 1985 “under less than honorable conditions,” reportedly for multiple incidents including indecent exposure. Kunkle also had a history of alcohol and drug abuse in addition to marital and financial problems. During his period of active duty, he held a Secret clearance.



Clayton John Lonetree, found guilty of espionage on 21 August 1987.

The former Chief Petty Officer was employed as a security guard at a local hospital. At the time of his arrest, Kunkle stated that he offered to sell classified information because he was short of cash and angry with the Navy.

Kunkle was indicted on one count of attempted espionage and ordered held without bond. He pleaded not guilty to the charge. On 4 May 1989, Kunkle changed his plea to guilty because, he said, he did not want to subject his family to a trial. He faced a maximum sentence of life in prison and a \$250,000 fine. The judge imposed a 12-year sentence that was agreed upon by prosecutors and Kunkle’s attorneys. The judge, noting Kunkle’s money problems, fined him \$550. He is not eligible for parole and was placed on three years probation in addition to the sentence.

Yuriy P. Leonov

On 18 August 1983, Yuriy P. Leonov, a lieutenant colonel in the GRU (Soviet military intelligence), under cover as a Soviet Air Force attaché, was apprehended after receiving 60 pounds of government documents from an editor working under FBI control. The following day Leonov, who had diplomatic immunity, was declared *persona non grata* and expelled from the United States.

This ended a two-year recruitment attempt by Leonov against Armand B. Weiss, an editor of technical publications and a former government consultant. Weiss had previously held a Top Secret clearance. In all, Leonov paid Weiss \$1,800 for sensitive but unclassified publications on weapon systems. Ultimately, Leonov demanded a classified document. Under FBI direction, Weiss provided the item with a large number of highly technical publications for \$500 cash. Leonov was arrested by FBI agents waiting outside the editor’s office.

Clayton John Lonetree

Clayton J. Lonetree enlisted in the US Marine Corps and in 1984 was posted to Moscow, USSR, where he served as part of the Marine Corps Guard Detachment for the US Embassy. During his assignment in Moscow, Lonetree had an affair with a Soviet woman, Violetta Seina, who had previously been a telephone operator and translator at the US Embassy. Soon after their relationship began, Seina introduced Lonetree to her

“Uncle Sasha” who was later identified by US intelligence as being a KGB agent.

In December 1986, Lonetree turned himself in to authorities at the US Embassy in Vienna, Austria. Lonetree was tried on 13 counts, including espionage. Among these counts were charges that he conspired with Soviet agents to gather names and photographs of American intelligence agents, to provide personality data on American intelligence agents, and to provide information concerning the floor plans of the US Embassies in Moscow and Vienna. On 21 August 1987, the 26-year-old Lonetree was found guilty of espionage and 12 related charges.

On 24 August 1987, he was sentenced to 30 years in prison, fined \$5,000, lost all pay and allowances, reduced to the rank of private, and given a dishonorable discharge. On 27 February 1996, Lonetree was released from prison.

John Raymond Maynard

John Raymond Maynard, a US Navy seaman, while on unauthorized absence, was found to have 51 Top Secret documents in his personal locker. Until the time of his arrest in August 1983, Maynard was assigned to the staff of the Commander-in-Chief Pacific Fleet in Hawaii as an intelligence specialist. He was convicted at a General Court Martial for wrongfully removing classified material and was sentenced to 10 years confinement.



Richard Miller, the first member of the FBI to be indicted for espionage.

Alice Michelson

The FBI arrested Alice Michelson on 1 October 1984 as she was boarding an airline flight in New York bound for Czechoslovakia. Michelson, an East German national, had in her possession tape recordings hidden in a cigarette pack.

Michelson was in the United States as a courier for Soviet intelligence. Her assignment was to meet with a US Army sergeant who was to provide her with classified material. Unknown to Michelson and her Soviet handlers was the fact that the sergeant was a double agent, posing as a KGB collaborator.

Michelson was indicted and held without bail; however, before coming to trial she was “swapped” in June 1985 along with three other Soviet Bloc agents for 25 persons who had “been helpful” to the United States. The FBI described the case as a classic spy operation.

Richard Miller

On 3 October 1984, Richard Miller, the first FBI special agent to be indicted for espionage, was arrested with two accomplices, Svetlana and Nikolai Ogorodnikov.

According to news reports, Miller provided classified documents to the Russians in exchange for a promise of \$50,000 in gold and \$15,000 in cash and the sexual favors of Svetlana, a Russian emigre who, as a KGB illegal agent, developed Miller for recruitment and introduced him to a KGB officer.

Miller, who was married and had eight children, had trouble keeping up with the mortgage payments on his home in San Diego county and had been moonlighting to keep afloat financially. Compounding his problems was a two-week suspension without pay in April 1984, because of what FBI officials described as a chronic problem of being overweight. Only a few weeks after his suspension, Miller was approached by Ogorodnikova and asked to become a Soviet spy. Miller, who was assigned to the counterintelligence squad, met Ogorodnikova clandestinely.

On one occasion, Miller waited outside while Ogorodnikova visited the Russian consulate general in San Francisco. Miller stated, but later denied, that he

had let her take his FBI credentials into the consulate. After discussions between Ogorodnikova and a senior consulate official, Aleksandr Grishin, including a conversation that the government presented as wiretap evidence, the couple planned a trip to Vienna. There, prosecutors said Miller was to meet at a safehouse with KGB officials. Grishin was later named an unindicted coconspirator and left the United States. Miller did not go to Vienna. A week before the departure date, he went to his FBI supervisor and reported his dealings with Ogorodnikova. A search of Miller's residence uncovered several classified documents.

At the time of their trial, the Ogorodnikovs were accused of having been "utility agents" for the KGB since 1980. After a 10-week trial, and in an agreement with federal prosecutors, each pleaded guilty to one count of conspiracy. Nikolai Ogorodnikov was immediately sentenced to eight years imprisonment. His wife later received a sentence of 18 years.

Richard Miller pleaded innocent and after 11 weeks of testimony, a mistrial was declared. Following a second trial, which ended on 19 June 1986, Miller was convicted on six counts of espionage for the Soviet Union and bribery. His claimed that he was trying to infiltrate the KGB as a double agent was rejected by the jury.

On 14 July 1986, Miller was sentenced to two life prison terms plus another 50 years and fined \$60,000. This conviction following his second trial was overturned in 1989 on the grounds that US District Judge David Kenyon erred in admitting polygraph evidence.

Miller was granted bail in October 1989, while awaiting a new trial on charges that he passed Top Secret FBI data to the Soviet woman who was his lover. Miller was forbidden to leave the Los Angeles area without special permission and underwent therapy as ordered by the Probation Department.

On 9 October 1990, he was convicted on all counts of espionage for the second time. On 4 February 1991, he was sentenced to 20 years in Federal prison. On 28 January 1993, a federal appeals court upheld his conviction. On 6 May 1994, Miller was released from prison following the reduction of his sentence to 13 years by a Federal judge.

Francisco de Asis Mira

Francisco de Asis Mira, a Spanish-born naturalized US citizen, entered the Air Force in May 1979. He was subsequently assigned to detachment 1, 601st Tactical Control Group, Birkenfeld, West Germany. Sergeant Mira had been disgruntled because he had been trained as a computer technician but was not being used in that capacity. Beginning in May 1982, while still assigned in West Germany, Mira initiated a method of passing classified defense information to the East German State Security Service.

Mira sneaked a 35-mm camera into the radar site where he worked and photographed the cover and random pages of code books and maintenance schedules of Air Defense Radar installations. He processed the photos, with the help of his girlfriend, and then used two local minor drug dealers to carry the material to East Germany and attempt to make contact with the KGB. Mira also sent a request for \$30,000 to \$50,000 for the film. The requested amount of money was not provided but the East Germany intelligence officer did express interest in a longer term relationship. The two drug dealers were told by the intelligence officer to stop their drug dealing and obtain steady employment.

The drug dealers made four trips between September 1982 and March 1983, each time passing information provided by Mira, and were paid between \$1,136 and \$1,515 per visit. Realizing he was "in over his head" and feeling used by his accomplices, Mira sought to extricate himself from a bad situation.

In March 1983, Mira went to the Air Force Office of Special Investigations (AFOSI) and related what he had done, not realizing how thorough the investigative process would be. Under questioning, Mira claimed that he wanted to become a double agent and that he "wanted to show the Air Force I could do more with my intelligence." But in subsequent interviews he admitted he had originated the idea to commit espionage to make some money and enlisted the two West Germans to assist him. He was disgruntled because he had not gotten the assignment he wanted.

In August 1984, Mira was dishonorably discharged and sentenced to 10 years confinement. Under a plea bargain he would serve only seven years of the sentence.

Samuel Loring Morison

Samuel Loring Morison was born in London, England, on 30 October 1944, where his father was stationed during World War II. Much of Morison's younger years were spent in New York and Maine. He attended Tabor Academy, a college preparatory school in Massachusetts and in 1967 graduated from the University of Louisville.

His family has a history of service to the US defense community, and his paternal grandfather was a Navy historian. His grandfather was also a Rear Admiral in the Naval Reserve and a professor at Harvard University. Morison served as an officer in the US Navy to include duty off the Vietnam coast in 1968. In 1974, Morison was employed as an analyst at the Naval Intelligence Support Center (NISC).

In 1976, Morison affiliated himself with *Jane's Defense Weekly* by doing part-time work as the American editor for the London-based firm. In the years that followed, Morison became increasingly dissatisfied with his position at NISC and more intent on obtaining a full-time position with *Jane's* where he was earning up to \$5,000 per year for his part-time employment. As a GS-12 Soviet amphibious ship analyst with a Top Secret clearance, Morison provided *Jane's* with three Secret satellite photographs that he had taken in July 1984, from the desk of a coworker at NISC. The classified control markings were cut away by Morison before mailing them to *Jane's*.

Jane's, in turn, published the photographs, which depicted a nuclear-powered Soviet aircraft carrier under construction. The 11 August 1984 edition of *Jane's*, which included these still classified photographs was



Samuel Loring Morison

noted by authorities who instituted an investigation of the leaked information. The joint investigation by the Naval Investigative Service and the FBI led to Morison, resulting in his arrest on 1 October 1984. A search of Morison's apartment in Crofton, Maryland, revealed several hundred government documents. Many of the documents were classified.

Investigations of this incident never revealed any intent to provide information to a hostile intelligence service. Morison was charged with espionage and theft of government property and at his trial he testified that his only purpose in sending the photographs to *Jane's* was because the "public should be aware of what was going on on the other side." On 17 October 1985 and Morison was found guilty in Federal Court of the charges in Federal Court and on 4 December 1985, was sentenced to two years in prison.

Tommaso Mortati

Tommaso Mortati, former US Army paratrooper, was arrested in Vincenza, Italy, by Italian security authorities. He was charged with passing Top Secret documents to the Hungarian military intelligence service.

According to European news reports, the former army sergeant who was born in Italy, confessed to disclosing secrets about American and NATO bases in Italy, and claimed he belonged to a still-active espionage net. He is presumed to have been a member of the same network that included the Clyde Lee Conrad spy ring in Bad Kreuznach, Germany.

Mortati emigrated to the United States where he obtained US citizenship. He left the army in 1987 but remained in Italy as his American wife continued to work for the U.S. Army base in Vincenza.

Mortati's arrest followed that of Hungarian-born naturalized American Zolton Szabo who recruited Mortati in 1981, sent him for two weeks of training in Budapest, and continued to be his contact. Mortati confessed to Italian authorities that he attempted to bribe several Italian officers in 1984 and 1985, offering money for information.

Press reports state that Italy's military secret service was informed about Mortati's activities by German and Austrian counterintelligence authorities. A search of

his home revealed a hidden two-way radio to transmit his reports in code. Up until the time of his arrest, he had received \$500 a month from the Hungarian Intelligence Service plus a payment for every report filed based on its importance.

Michael R. Murphy

Michael R. Murphy, a US Navy Seaman assigned to the USS *James K. Polk*, reportedly made several calls to the Soviet Mission to the United Nations in June 1981. Murphy offered to make a deal, which he said “would benefit both the Soviets and himself.” He was offered immunity from prosecution in exchange for cooperation. A polygraph examination indicate that he had contacted the Soviets three times, but had not passed any information. In August 1981, Murphy was discharged from the Navy.

Frank Arnold Nesbitt

Frank Arnold Nesbitt, a former Marine and Air Force communications officer was arrested by the FBI on 14 October 1989 and charged with delivering unauthorized information to the Soviet Government.

Nesbitt, a Memphis, Tennessee, resident, left behind family and bewildered colleagues in June 1989, appending a terse note to his weed trimmer (“I’m gone. Don’t look for me.”) and flew to Belize in Central America. Plans to settle there did not work out, so he moved on to Guatemala City where he enrolled in Spanish classes. In August while sightseeing in Sucre, Bolivia, he happened to board a bus full of Russian Ballet dancers. He attended the ballet that evening and the next day bumped into a Soviet official traveling with the group. This meeting set in motion his trip to Moscow.



Frank Arnold Nesbitt

From Sucre he went to La Paz where a Soviet Embassy official arranged for his flight to Moscow. Nesbitt claims he stayed 11 days in Moscow in a safe house, wrote from memory 32 pages detailing US defense communications, was polygraphed, toured the city, and met important KGB personnel. However, he grew upset over the Soviets’ failure to grant him citizenship and provide him with an apartment and a job.

He returned, in a circuitous route, to Guatemala where he contacted US authorities who then accompanied him to Washington, DC. He was met by the FBI and arrested 11 days later. He offered his services as a double agent to the FBI claiming he did not give the Soviets any useful information. The National Security Agency, however, determined that information Nesbitt said he provided is still classified.

The former communications officer served in the military between 1963-66 and 1969-79. On 8 November 1989, he was indicted on a charge of conspiring with a Soviet agent to pass sensitive national defense information to the Soviet Union. Nesbitt initially pleaded innocent to espionage and conspiracy charges.

According to his lawyer, Nesbitt “wanted to have some excitement in his life.” A Soviet foreign minister spokesman has said that Nesbitt was denied Soviet citizenship because a check of his autobiography he gave the Soviet parliament “led to suspicion of his possible connections with the criminal underworld.”

On 1 February 1990, Nesbitt changed his plea to guilty in order to receive a substantially reduced sentence. On 27 April he was sentenced in US District Court to 10 years in a psychiatric treatment facility at a federal prison. His psychiatric evaluation states that he suffers from severe personality disorders.

Bruce Damian Ott

Bruce Ott originally from Erie, Pennsylvania, joined the US Air Force in December 1983, having first served four years in the US Army reserve. Ott was a high school honors student, who in April 1984 was assigned duties as an administrative clerk at the First Strategic Reconnaissance Wing, Beale AFB, California.

In early January 1986, Airman 1st Class Ott, then 25 years old, attempted to contact the Soviet Consulate General in San Francisco, California, for the purpose of providing sensitive material to the Soviets. An investigation was initiated, and Ott was arrested on 22 January 1986 by Air Force Office of Special Investigations and FBI agents at a Davis, California, motel as he attempted to sell classified information to undercover agents posing as Soviet representatives. One of the documents he tried to sell was "The Strategic Air Command Tactical Doctrine for SR-71 Crews" Regulation 55-2, Volume XI. At the time, Beale Air Force Base was the home base of the SR-71 "blackbird" reconnaissance aircraft.

A military prosecutor contended that Ott had told the "Soviet official" that he would like to be a "long-term mole." Ott was in serious financial difficulties, and his motivation to commit espionage was to extricate himself from debt. He had hoped to be paid up to \$165,000 for his information. Several friends described Ott as being immature, quiet, naive, and friendly.

Following an eight-day General Court Martial proceeding, Ott was convicted and found guilty for failing to report unauthorized contacts, attempting to deliver a classified document to a foreign agent, and for unauthorized removal of classified information from his duty section. On 7 August he was sentenced to 25 years at hard labor in prison, reduced to the lowest rank, forfeited all pay and allowances, and a dishonorable discharge. According to his defense lawyer, Ott was a "damaged individual who desperately turned to spying



Bruce Damian Ott

in an attempt to release himself from pressures and to save his fading self-image."

Yuriy N. Pakhtusov

Yuriy N. Pakhtusov, a lieutenant colonel in the Soviet army, arrived in the United States in June 1988. He was assigned to the Soviet Military Mission as assistant military attaché.

Two months later, he began approaching an American employee of a defense contractor to obtain documents dealing with how the US government protects classified and other sensitive information contained in its computer systems. What he didn't know was that the American reported the approaches to US authorities.

Pakhtusov, 35-years-old, was caught as part of a sting operation after he received classified documents from the American employee working under FBI control. On 9 March 1989, he was ordered out of the country and declared *persona non grata* for engaging in activities incompatible with his diplomatic status.

Leslie J. Payne

Specialist Fifth Class Leslie J. Payne was stationed in the US Army in West Germany when he attempted to pass classified documents to an unnamed foreign government. The 27-year-old Payne gave the classified documents to his East German-born wife, 29-year-old Krista, who acted as the intermediary.

The West German police arrested the couple in October 1974, and a West German court tried Krista, who may have been working for the East German intelligence. Payne was tried by US Army court and found guilty of passing classified documents "for the benefit of a foreign government." On 15 January 1975, Payne was sentenced to four years hard labor and given a dishonorable discharge.

Ronald William Pelton

Ronald William Pelton grew up in Benton Harbor, Michigan, and graduated in 1960 in the upper 25 percent of his high school class. Following high school, he joined the US Air Force for a four-year tour. In November 1965, at the age of 24, Pelton was hired as a civilian employee communications specialist at the National Security Agency (NSA). At NSA, Pelton held

a Top Secret security clearance. From 1966 to 1972, Pelton was assigned to Great Britain.

Pelton is married and has four children. During the 14 years he was employed at NSA, Pelton had serious monetary problems and he and his family lived in poverty in the Washington, DC area. Of the opinion that he could earn a greater income in the private sector, Pelton resigned from the NSA in July 1979, when he was earning a salary of approximately \$24,000 (the approximate salary of a GS-12 in 1979). That year he filed for bankruptcy. He had a series of jobs between 1979 and 1985 unrelated to defense or communications intelligence.

In January 1980, Pelton went to the Soviet Embassy in Washington, DC, with an offer to sell information he had gained as a result of his NSA employment. Pelton had several meetings between 1980 and 1983 with Anatoly Slavonic, an officer of the KGB assigned to the Soviet Embassy. In October 1983, he made the first of several trips to Vienna for extensive debriefings concerning his knowledge of an US intelligence collection project targeting the Soviet Union. The debriefing routinely lasted three to four days, eight hours per day. In January 1983 during a trip to Vienna, Pelton was paid \$15,000 and during his five years of providing US intelligence information to the Soviets he was paid a total of at least \$35,000.



Ronald William Pelton

In the summer of 1985, Pelton and his wife separated but did not obtain a divorce. On 25 November 1985, he was arrested on charges of espionage. Authorities were led to Pelton as a result of information provided by Soviet defector Vitaliy Yurchenko.

Pelton was convicted on 5 June 1986 on one count of conspiracy, two counts of espionage, and one count of disclosing classified information to unauthorized persons. On 16 December 1986, he was sentenced to three concurrent life terms plus a 10-year concurrent term.

Michael A. Peri

Michael A. Peri, age 22 and an electronic warfare signals specialist for the US Army, fled on 20 February 1989 to East Germany with a laptop computer and military secrets. He voluntarily returned to the West on 4 March of that year to plead guilty to espionage. He was sentenced to 30 years in a military prison.

Even after his court-martial, authorities were at a loss to explain what happened. Peri said he made an impulsive mistake, that he felt overworked and unappreciated in his job for the 11th Armored Cavalry Regiment in Fulda, West Germany. His work involved operating equipment that detects enemy radar and other signals.

Peri had been described as a “a good, clean-cut soldier” with a “perfect record.” During his tour of duty in Germany, he had been promoted and twice nominated for a soldier of the month award.



Michael A. Peri

Jeffrey Loring Pickering

On 7 June 1983, an individual using the name Christopher Eric Loring entered the Naval Regional Medical Clinic, Seattle, Washington, acting very erratic and stating that he possessed a large quantity of “secret documents vital to the security of our country.” The individual was in possession of one plastic addressograph card imprinted with the address of the Soviet Embassy, Washington, DC. During permissive searches of Pickering’s automobile and residence by NIS Special Agents, four Government marked envelopes containing classified microfiche and 147 microfiche cards containing a variety of classified defense publications were located.

Through investigation, the individual was identified as Jeffery Loring Pickering, who had previously served in the US Marine Corps. During his Marine enlistment, he was described as a thief, thrill seeker, and a perpetual liar. Pickering left the Marines in August 1973, but became dissatisfied with civilian life and began efforts to reenlist in the military. Pickering assumed an alias, Christopher Eric Loring, hid the facts of his prior USMC affiliation, and enlisted in the US Navy on 23 January 1979.

During interrogation, Pickering admitted stealing the classified material from the ship’s office of the USS *Fanning* (FF-1076) between July and October 1982. Pickering likewise expressed an interest in the KGB and advised of fantasizing about espionage. He ultimately admitted mailing a five-page Secret document to the Soviet Embassy, Washington, DC, along with a typed letter offering additional classified material to the Soviet Union.

On 3 October 1983, Pickering pled guilty at a General Court-Martial to several violations of the UCMJ, including espionage. He was convicted and sentenced to five years at hard labor, forfeiture of \$400 per month for 60 months, reduction to E-1 and a bad conduct discharge.

Jonathan Jay Pollard

On 21 November 1985, the FBI arrested Jonathan Jay Pollard, a 31-year-old Naval Investigative Service analyst (Antiterrorism Unit) and charged him with selling sensitive documents to the Israelis. He was turned in by a colleague at work who noticed that Pollard

requested classified documents not needed in his work. Pollard used his position as an analyst to justify his requests for documents to the Navy Message Center rather than clandestinely acquire the documents. He also had courier orders, and the Navy Message Center wrapped the documents Pollard passed to the Israelis.

The FBI entered the case on November 15 and began a series of interviews with Pollard. After an interview with FBI agents on November 21, Pollard and his wife drove to the Israeli Embassy in Washington where they stayed for approximately 20 minutes. Inside the Embassy, Pollard requested political asylum with the hope of fleeing the United States. The Israelis refused to grant them asylum.

When they came out, the FBI arrested Pollard who then confessed he worked for the Israelis and that he sold sensitive documents to them since June 1984. The next day, the FBI arrested his wife, Anne Henderson Pollard. Both were charged under the espionage code for selling classified documents to an Israeli intelligence unit for \$50,000.

Immediately after the arrest, the Israeli Government announced that this news came as a complete surprise and that the Government would cooperate in any with the US Government. The Israelis also promised to return any stolen classified documents. An Israeli Government postarrest investigation, codenamed Siren, was launched. A few days after the investigation began, the Israeli Government announced that the Pollard case was a rogue operation conducted by a few intelligence operatives. The United States was not satisfied with the Israeli explanation and pressed Prime Minister Simon Peres.

In response to Peres’ agreement to cooperate fully, a delegation of high-ranking officials from the FBI and Departments of State and Justice traveled to Israel in December 1985 to pursue the Pollard investigation. The delegation included Abraham Sofaer, Legal Affairs Advisor at State and his assistant, Pat Schaubel; Joseph diGenova, US Attorney for the District of Columbia; Assistant Attorney General Edward S.G. Dennis Jr., head of the criminal division; Deputy Assistant Attorney General Mark M. Richard; and William J. Birney, the second-ranking prosecutor in the US attorney’s office

in Washington, DC; and FBI agents Joseph Johnson and Eugene Noltkamper.

The delegation remained in Israel for one week. The cooperation promised by Peres was not forthcoming. The Israelis finally relented and gave up their stonewalling after the delegation threatened to return to the United States. When the delegation returned to the United States, they believed that the Israelis had fully cooperated with them. The Department of State issued a statement to that effect. Later, the American Government learned that the Israelis had not been as honest as once thought.

When the United States learned that the Israelis withheld the role of Col. Aviem Sella, Israeli Air Force, who recruited and handled Pollard for several months, the United States protested again to Israel. The Americans threatened to withdraw its immunity from prosecution granted to Rafael Eitan, Yossi Yagur, and Irit Erb, all involved in the Pollard operation. The Israelis again agreed to fully cooperate but, to this day, it is believed they still did not come clean on the Pollard operation.

According to the Israelis, at their first meeting with Pollard, he identified himself as a civilian Navy intelligence officer and produced his ID card and his courier authorization. He said he wanted to give the Israelis certain information that was being withheld from them by the United States. At the first meeting, Pollard did not provide any classified information but did at a subsequent meeting. At a meeting in Paris, Pollard was introduced to his new handler, Rafael Eitan, who agreed to pay Pollard \$1,500 each month.



Jonathan Jay Pollard

On 4 June 1986, Jonathan Jay Pollard pleaded guilty in US District Court to reduced charges of espionage in return for providing government prosecutors with details of what was described as a highly organized and well-financed Israeli spy operation of which he was a part. A negotiated plea avoided a trial that would have made it necessary to declassify some of the sensitive information and would have obviously strained relations between the United States and Israel. The Israeli Embassy in Washington released a statement labeling as “baseless” recent news reports, which suggested Pollard was part of a widespread Israeli espionage operation in the United States.

Pollard pleaded guilty to one count of conspiring to deliver national defense information to a foreign government. The usual sentence for espionage is life in prison but by Pollard’s pleading guilty, the government, as part of its plea bargain, waived the right to ask for a life sentence. Anne Henderson Pollard also pleaded guilty to lesser charges: being an accessory after the fact to possession of national defense documents and conspiring to receive embezzled government property. Each of her offenses carried a maximum penalty of five years imprisonment and a \$250,000 fine. The government agreed to recommend to the judge that Anne Pollard serve her sentences concurrently. As part of the plea-bargain agreements, the Pollards had to continue to cooperate with investigators and testify if necessary.

In February 1987 Wolf Blitzer, a reporter for *The Jerusalem Post*, stated that “far from the small-time bungler portrayed in some news accounts,” Pollard was “a master spy, who provided very important information to the Israelis.” News wire reports stated that information provided by Pollard “included detailed information that expedited Israel’s raid on Tunisia in 1985 and noted that a report in *The Jerusalem Post* described him as one of the most important spies in Israel’s history.”

On 4 March 1987, Pollard was sentenced to life in prison. His wife, Anne, received a five-year term. After Anne was released from prison, she went to Israel to reside. She is now divorced from her husband.

Pollard has continuously sought pardon for his activities but in 1997, for the second time, President

Clinton denied clemency to Pollard. The President cited Pollard's lack of remorse and said that to shorten his sentence after he had served only 10 years was unwarranted and would not serve the goal of deterrence. He previously denied clemency in March 1994, as did President Bush in January 1993.

Daniel Walter Richardson

Daniel Walter Richardson, a US Army sergeant stationed at the Aberdeen Proving Ground, Maryland, was arrested on 7 January 1988 and charged with attempting to spy for the Soviet Union.

Richardson intended to offer unspecified national defense information to Soviet representatives in exchange for money. No information is believed to have been compromised. Officials stated that Richardson was apprehended after electronic surveillance picked up his efforts to contact Soviet representatives. This led to his negotiation with an undercover government agent posing as a Soviet.

He was arrested at the Holiday Inn in Aberdeen, Maryland, (with an unclassified military manual and circuitry from the M-1 tank in his possession) as he attempted to meet with the undercover agent. An Army spokesman stated that Richardson had a Secret clearance but "no ready access to classified materials." Although trained as an instructor, his job was to issue tools to students at the Ordinance Center School at Aberdeen.

An administrative official identified "money and revenge against the military" as Richardson's chief motivations for espionage. Described as a mediocre soldier, Richardson was demoted in August 1987 for repeated tardiness. He was charged at the time of arrest



Sharon Scranage being led away from arraignment on 11 July 1985 at the US District Court in Alexandria, Virginia.

with espionage, failure to report contacts with a foreign government, theft, and unauthorized disposition of government property.

On 26 August 1988, Richardson was sentenced by a military jury to 10 years in prison, fined \$36,000, and discharged with a bad conduct record.

Ivan N. Rogalsky

Ivan N. Rogalsky, a Soviet alien living in New Jersey, entered the United States in December 1971. He had been a merchant sailor in the Soviet Union and while in the United States was employed as an electrician and mechanic.

In November 1975, Rogalsky met an Radio Corporation of America (RCA) engineer at a party in Palo Alto, California. Rogalsky asked the engineer, who was associated with the RCA Space Center, Princeton, New Jersey, for unclassified information concerning the space shuttle program. The engineer reported the request to the FBI and agreed to cooperate with the FBI counterintelligence operation directed against Rogalsky. On 7 January 1977, after accepting a classified document from the engineer, Rogalsky was arrested on charges of conspiring to commit espionage. The document concerned a highly classified and sensitive project under study at RCA for the Department of Defense. A ranking official assigned to the Soviet Mission of the United Nations, Yevgeniy Petrovic Karpov, was named coconspirator in the case.

In January 1981, Rogalsky, then 38 years old, was released from Federal custody without standing trial. The Federal District Court judge hearing the case ruled that Rogalsky was mentally incompetent to stand trial and ordered him to undergo periodic psychiatric counseling.

Sharon Marie Scranage

Sharon Marie Scranage was a CIA clerk stationed in Ghana. Shortly after her arrival there in May 1983, she began to date Michael Soussoudis, a cousin of the Ghanaian head of state. The two became intimate, and Scranage began to provide sensitive CIA information to him. Later, when Scranage hesitated to cooperate with him, he not only threatened her but other CIA employees if she did not continue with her espionage activities. Scranage provided the identity of several CIA

affiliates to Soussoudis and compromised intelligence on communications, radio, and military equipment.

In May 1985, Scranage returned to the United States and took a routine CIA polygraph examination. When her responses aroused concern, the FBI initiated an investigation. Scranage admitted providing information to Soussoudis, who had since relocated to the United States. Scranage cooperated with the FBI in apprehending him.

In November 1985, she was sentenced to five years' imprisonment, which was later reduced to two years. Soussoudis' 20-year prison sentence was suspended on the condition he leave the United States and that eight Ghanaians accused of working for the CIA be released from custody and allowed to leave Ghana.

Brian Everett Slavens

PFC Brian Everett Slavens, USMC, Marine Barracks, Adak, Alaska, advised his sister, while on leave, that he did not intend to return to the Marine Corps and that he had visited the Soviet Embassy in Washington, DC, during late August/early September 1982. Slavens' father alerted the Marine Corps of his son's intent to desert, and summarily, Slavens was arrested by Naval Investigative Service Special Agents on 4 September 1982.

During interrogation, Slavens admitted entering the Soviet Embassy and offering to provide information concerning the military installation where he worked on Adak. He denied transferring any classified material to the Soviets, but explained that his intent was to sell US military information for \$500 to \$1,000. According to Slavens, he was actually inside the Soviet Embassy less than 30 minutes, during which time he was asked to provide an autobiographical sketch and to reconsider his actions.

Slavens subsequently requested legal counsel, and his lawyer later agreed to have Slavens undergo a polygraph examination. Slavens was administered a polygraph examination on 5 September 1982, the results of which indicated that he did not disclose any classified information to the Soviets.

On 24 November 1982, Slavens pled guilty to a charge of attempted espionage at a General Court-Martial held

at Marine Corps Base, Camp LeJeune, North Carolina. He was sentenced to two years confinement, a dishonorable discharge, and forfeiture of all pay and allowances.

Glenn Michael Souther

On 11 July 1988, the Soviet newspaper *Izvestia* announced that Glenn Michael Souther, a former US Navy photographic specialist, who disappeared in May 1986, had been granted political asylum in the Soviet Union.

Just before his disappearance, Souther, a recent graduate with a major in Russian Studies from Old Dominion University in Virginia, was questioned by FBI counterintelligence agents. According to one source, investigators were acting "on more than suspicions, but didn't catch him in the act of espionage, and thus couldn't hold Souther at the time he was questioned."

According to US Government officials, several years before Souther was granted access to highly classified satellite intelligence, his estranged wife warned Navy investigators that her husband was a Soviet spy. An investigation did take place but failed to turn up any evidence to support his wife's charges.

While attending Old Dominion University, Souther had been assigned as an active reservist to the Navy Intelligence Center in Norfolk where he had access to classified information. Souther's sudden disappearance was of considerable concern to FBI and Navy officials



Glenn Michael Souther

since the former Navy enlisted man had held special security clearances while on active duty with the Sixth Fleet in the early 1980s. During that time he had access to highly classified photointelligence materials. Souther joined the Navy in 1975 and left active duty in 1982 with the position of photographer's mate.

According to the Soviets, the former Navy specialist had asked for asylum because "he had to hide from the US special services which were pursuing him groundlessly." Described as a bright but undisciplined young man by former teachers and acquaintances, Souther reportedly had wanted to become a US Naval officer, but had been turned down as a Navy officer candidate.

On 22 June 1989, at the age of 32, he reportedly committed suicide by asphyxiation after shutting himself in his garage and starting his Russian-made car. Russian newspapers suggested he had been disappointed by aspects of Soviet life after defecting in 1986 and was prone to depression.

Michael Timothy Tobias

On 29 July 1984, Radioman Seaman Michael T. Tobias, assigned aboard the landing ship USS *Peoria* (LST-183), secreted crypto cards from a shredder before their destruction. The theft occurred when a second radioman signed off the destruction report for 12 cards without witnessing their actual destruction.

In August 1984, Tobias and a friend, Francis Pizzo, Jr., drove to the Soviet Consulate in San Francisco, but arrived during the early morning before regular business hours. Having failed in their initial attempt to contact a "foreign power" and obviously having second thoughts about committing espionage, the pair drove back to San Diego and called the US Secret Service offering to sell

the cards back to the Government for amnesty and money.

The price to the US Government was discounted from \$100,000 to \$1,000, a price that Tobias's younger brother, Bruce Edward, participated in setting. Several calls were placed to the Secret Service by Pizzo, one of which was traced by the FBI. The suspects were confronted by FBI agents and submitted to an interview to verify their identification. The interview concluded with insufficient evidence to detain the subjects. The following day, both Tobias and Pizzo fled with the help of an acquaintance, Dale Irene.

On 17 August 1984, Tobias and Pizzo were arrested in San Francisco. While confined, Tobias called Irene, suggesting he retrieve and destroy nine cards from behind a toilet in Tobias's apartment. On 22 August 1984, Irene was interviewed at his house at which time he produced the nine crypto cards that he had failed to destroy.

The Government withdrew plea-bargain arrangements with Pizzo, Irene, and Bruce Tobias when the three repeatedly failed lie detector tests, particularly on matters regarding the existence and disposition of two more crypto cards, which were never found.

On 22 January 1985, Bruce Tobias and Dale Irene pled guilty to two counts of theft of Government property. Bruce Tobias was sentenced to time served (159 days) and 10 years probation. Dale Irene was sentenced to two years confinement. On 7 August 1985, Pizzo pleaded guilty to four counts of conspiracy and one count of theft of Government property and was sentenced to 10 years confinement and five years probation. On 14 August 1985, Michael Tobias was convicted on four counts of conspiracy and three counts



Michael Timothy Tobias



Francis Pizzo, Jr.

of theft of Government property and sentenced to 20 years confinement and five years' probation.

Arne Treholt

Arne Treholt, head of the press section of the Norwegian Foreign Ministry, was arrested on 20 January 1984 by Norwegian authorities while boarding an airplane for Vienna, Austria. At the time of his arrest, he had a suitcase of classified documents in his possession.

A search of his apartment uncovered a collection of 6,000 pages of classified material. Treholt, charged with supplying secret NATO documents to the KGB, had come under suspicion as early as 1980 while he was serving as a member of the Norwegian delegation to the United Nations in New York. At that time he was placed under surveillance by the FBI.

Pretrial statements and testimony reveal that he received over \$7,000 from Soviet intelligence and that he had been subject to blackmail. It is also believed that Treholt was motivated by pro-Soviet ideological beliefs. Treholt pleaded innocent to charges and underwent an 11-week trial by jury.

On 20 June 1985, the Norwegian court found Treholt guilty of seven counts of espionage. He was sentenced to 20 years' imprisonment.

Douglas Tsou

Douglas Tsou, Chinese-born former FBI employee, was indicted in 1988 on one count of espionage following his admission that in 1986 he had written a

letter to a representative of the Government of Taiwan in which he revealed the identity of an intelligence officer of the Peoples Republic of China.

According to testimony at the trial, which was delayed until October 1991, the unidentified agent operating in Taiwan had unsuccessfully approached the FBI with an offer to work as a double agent. Although the information Tsou passed to a Taiwanese representative in Houston, Texas, was classified Secret, Tsou claimed that he considered the information to be declassified since the offer was not accepted.

Tsou fled to Taiwan when the Communists rose to power on the mainland in 1949 and moved to the United States 20 years later where he began a naturalized US citizen. He worked for the FBI from 1980 to 1986, first in San Francisco and later Houston.

On 4 October 1991, Tsou was found guilty as charged. However, prosecutors claimed that this represented only "the tip of the iceberg" of what Tsou gave to Taiwanese officials during his six years with the FBI.

On 2 January 1992, Tsou was sentenced to a 10-year federal prison term.

James R. Wilmoth and Russell Paul Brown

James R. Wilmoth, a US Navy Airman Recruit, was a food service worker aboard the aircraft carrier USS *Midway*. The Naval Investigative Service arrested him in Yokosuka, Japan, in July 1989, for attempting to sell classified information to a Soviet agent in Japan, where the *Midway* was based.



James R. Wilmoth



Russell Paul Brown

He was tried and convicted at a General Court-Martial on 24 September 1989. In addition to attempted espionage, Wilmoth was convicted of failure to report a contact with a citizen of the Soviet Union, conspiracy to unlawfully transfer classified material, and possession, use, and distribution of hashish.

He was sentenced to 35 years at hard labor; however, since he cooperated in the investigation, his sentence was reduced to 15 years. He also received a dishonorable discharge and was ordered to forfeit all his pay.

He had been in the US Navy for over two years and had a history of disciplinary problems, including unauthorized leave of absence. Wilmoth did not have a security clearance.

Classified information was procured by Petty Officer Third Class Russell Paul Brown, also stationed aboard the *Midway*. Brown held a Secret security clearance and took classified documents obtained from the burn bag in the electronic warfare center of the *Midway*. He passed the documents to Wilmoth, who planned to exchange the documents for cash in an arrangement with a KGB intelligence officer in Japan.

Brown was convicted in October 1989 of conspiracy to commit espionage and lying to Navy investigators. A military judge sentenced him to 10 years in prison, a dishonorable discharge, reduction in rank from E-3 to E-1, and forfeiture of all pay and allowances. Motivation for the attempted sale to the Soviets was "money and greed."

Edward Hilledon Wine

In August 1968, Sonar Technician First Class Edward Hilledon Wine, Jr., US Navy, arranged to provide classified US submarine information to a civilian associate for passage to representatives of the Soviet Union in New York City. Wine had been assigned to a nuclear submarine, USS *Skate* (SSN-578), home ported in New London, Connecticut. The civilian associate informed the FBI of Wine's intention, and the FBI contacted the Naval Investigative Service (NIS).

An investigation resulted in the arrest of Wine. A subsequent search resulted in the discovery of handwritten notes containing Secret data pertaining to

submarine patrol schedules and a confidential technical publication. Wine was given a General Court-Martial, pled guilty to mishandling classified material, sentenced to three years in prison, reduced to E-1, and given a dishonorable discharge.

Hans Palmer Wold

Hans Palmer Wold was an Intelligence Specialist Third Class assigned to the Intelligence Division aboard USS *Ranger*, when he requested and was granted leave from 13 June through 2 July 1983. The leave was granted with the understanding that Wold could remain in the local San Diego area, but on or about 2 July, Wold's command received a message from the American Red Cross, Subic Bay, Republic of the Philippines, in which Wold requested an extension of leave. Wold's request was granted, and his leave extended to five additional days. But he failed to report for duty on 7 July 1983 and was listed as an unauthorized absentee.

Wold's command then requested Naval Investigative Service (NIS) assistance in locating him and ensuring his turnover to the Special Security Officer for the Commander of the US Naval Forces in the Philippines (COMUSNAVPHIL) at Subic Bay for appropriate debriefing. On 19 July 1983, NIS special agents apprehended Wold at his fiancée's residence in Olongapo City, in the Republic of the Philippines, for being an unauthorized absentee. During Wold's apprehension, an undeveloped roll of Kodak 110-color film was seized.

Wold was released to the Intelligence Officer at COMUSNAVPHIL to be debriefed. During his processing, Wold told a Chief Intelligence Specialist that the roll of film seized by NIS contained photographs from a Top Secret publication. NIS was apprised of the contents of the film and initiated an investigation into the matter.

Wold admitted to NIS special agents that he had covertly photographed portions of a Top Secret publication aboard USS *Ranger* during early June 1983, with the intention of contacting the Soviets. The film, processed under strict security measures, revealed that it did in fact contain images of pages from a Top Secret publication entitled "Navy Application of National Reconnaissance Systems." It was determined that a total of 12 out-of-focus images were on the roll of film.

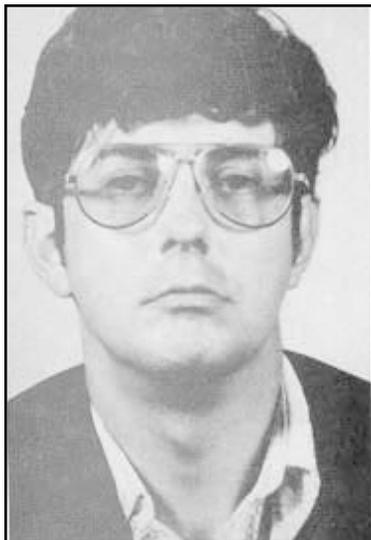
On 5 October 1983, Wold pled guilty at a General Court-Martial to unauthorized absence; using marijuana aboard USS *Ranger*; false swearing; and, three specifications of violating title 18 US Code, Section 793, "making photographs with intent or reason to believe information was to be used to the injury of the U.S. or the advantage of a foreign nation."

Wold was sentenced to four years at hard labor; a dishonorable discharge; forfeiture of all pay and allowances; and reduction in rate to E-1.

Ronald Craig Wolf

Ronald Craig Wolf, a former Air Force pilot from 1974 to 1981, was arrested on 5 May 1989 in Dallas, Texas, for selling classified information to an FBI undercover officer posing as a Soviet agent. During his Air Force career, Wolf was trained as a Russian voice-processing specialist and flew intelligence missions on reconnaissance aircraft in the Far East. He held a TOP SECRET clearance.

Discharged from the military in 1981 because of his "unsuitability for service due to financial irresponsibility," he worked as an automobile salesman for a while, but was unemployed at the time of his arrest. The FBI's investigation began in March 1989 when information was obtained indicating Wolf's desire to sell sensitive information to the Soviet Union. Wolf talked with FBI undercover agent "Sergei Kitin" on a number of occasions thinking he was a representative of the Soviet Union assigned to the Soviet Embassy.



James D. Wood

During these conversations Wolf talked about his military experience, and his desire to "defect" and provide Air Force secrets "for monetary gain and to get revenge for his treatment by the United States Government." He was directed to mail letters to a post office box in Maryland detailing the type of information he was capable of providing. Wolf passed along classified documents concerning Top Secret signal intelligence. The FBI says they are "confident there was no exchange of information (with foreign agents) in this case."

On 28 February 1990, Wolf pleaded guilty in federal court. In return for his guilty plea, the government reduced the severity of the charges against Wolf from life imprisonment to up to 10 years in prison. In June 1990, Wolf was sentenced to 10 years without parole.

Jay Clyde Wolff

On 17 December 1984, the FBI arrested Jay Clyde Wolff, a 24-year-old auto painter and former US Navy enlisted man, in Gallup, New Mexico, for offering to sell classified documents dealing with US weapons systems aboard a US Navy vessel.

Wolff, who was discharged from the Navy in 1983, met with an undercover agent and offered to sell classified material for \$5,000 to \$6,000. According to the FBI, a tip led to the meeting with Wolff at a convenience store where he was apprehended.

Wolff pleaded guilty to one count of attempting to sell classified documents. On 28 June 1985, a judge sentenced him to five years in prison.

James D. Wood

James D. Wood, a US Air Force technical sergeant with an unblemished military record was arrested in New York on 21 July 1973. Sergeant Wood was charged with committing espionage on behalf of the Soviet Union.

The 35-year-old had been with the US Air Force Office of Special Investigations for four years prior to his arrest. At the time of the arrest, Wood was discovered to have highly classified documents in the trunk of his rental car. The documents were described as containing counterintelligence procedures and data showing what the United States had learned about the Soviet Union.

Included in the Confidential and Secret documents was a listing of names, possibly of Soviets supplying information to US intelligence.

Apparently motivated by money, Sergeant Wood was discovered by FBI agents when they followed a Soviet diplomat from Washington, DC, to New York. The Soviet was later identified as Victor Chernyshev, First Secretary, Soviet Embassy, Washington, DC. Wood would not reveal in court “for security reasons,” why he had attempted to commit espionage. He received an initial payment of \$1,000 in a dead drop in California. The Soviets provided him with elaborate written instructions for a meeting in New York in July, as well as a promise that his initial payment “would be greatly increased provided you supply us with valuable information.”

The married veteran of 18 years’ military service was sentenced to two years of hard labor and given a dishonorable discharge after pleading guilty to charges of trying to pass Secret documents to a Soviet diplomat.

Gennadiy F. Zakharov

Gennadiy F. Zakharov, a Soviet physicist employed at the United Nations Secretariat, was arrested on 23 August 1986, on a Queens New York subway platform as he gave \$1,000 to an employee of a US defense contractor for three classified documents.

Zakharov, who did not have diplomatic immunity, had attempted to recruit the employee over a period of three years. At the time of Zakharov’s first approach, a Guyanese national and resident alien of the United States, was in his junior year at Queens College, New York. Zakharov met with the student on numerous



Alfred Zehe

occasions and paid several thousand dollars for a wide range of technical but unclassified information about robotics, computers, and artificial intelligence.

At the time of Zakharov’s first approach in April 1983, the recruitment target, identified only by the codename “Birg,” informed the FBI and agreed to work under FBI control in order to apprehend the Soviet agent. Following his graduation in 1985, Birg obtained a position with a high-technology firm.

Under FBI direction, he agreed to sign a 10-year written contract with Zakharov to provide classified information. Money to be paid by the Soviets was to be determined by the quantity and quality of the information.

On 30 September 1986, Zakharov pleaded no contest to espionage charges and was ordered to leave the country within 24 hours. Zakharov’s expulsion came less than 24 hours after the release of American correspondent Nicholas Daniloff, who had been arrested in the Soviet Union for alleged espionage activities.

Alfred Zehe

Alfred Zehe, an East German physicist and operative for East German intelligence, was arrested on 3 November 1983, the result of a successful sting operation.

On 21 December 1981, Bill Tanner, a civilian engineer employed at the US Naval Electronic Systems Engineering Center in Charleston, South Carolina, walked into the East German Embassy in Washington, DC. Tanner offered to exchange classified information for money. Tanner was actually a double agent working under the control of the Naval Investigative Service and the FBI. The FBI’s target was the East German intelligence service, the Ministerium fuer Staatssicherheit (MfS); how it worked and what type of information it was looking for.

Zehe was Tanner’s primary contact. Zehe is reported to be the first East German operative apprehended in this country. In July 1984, Zehe was freed on \$500,000 bail to await trial. He subsequently pleaded guilty and was sentenced on 4 April 1983 to eight years imprisonment with a fine of \$5000.

In June 1985, Zehe was traded with three other Eastern Bloc agents for 25 persons who had “been helpful” to the United States.

Defectors

Artush Sergeyeovich Oganessian

Artush Sergeyeovich Oganessian, born 21 May 1939, Leninakan, USSR, was a lieutenant in the Armenian KGB who defected in Turkey in July 1972 and later redefected to the USSR.

Oganessian grew up in Leninakan and attended secondary schools there from 1947 until 1956. He was working as a tailor in 1959 when he was conscripted into the Soviet Army. Although he attended the Military Technical School for Rocket Troop Officers near Riga, Latvia he failed to qualify for a Commission. Subsequently, he served with an air defense rocket regiment as a corporal until his discharge on 9 December 1962. After returning home he worked as a merchandise inspector from January 1963 until April 1970. In 1969 he became a Communist Party member. A year later he joined the KGB in Leninakan and became a counterintelligence operations officer. Oganessian married a local girl on 3 April 1971 without formally notifying the KGB. Later the KGB ordered him to divorce his wife. This development and a growing disillusionment led Oganessian and his wife and infant son to flee from the USSR on foot, cross the border into Turkey, and defect to Turkish border guards on 10 July 1972.

Oganessian underwent extensive interrogation by Turkish authorities in Istanbul for several weeks. He was then released to US Intelligence for appropriate processing and arrived in the United States in the fall of 1972. Oganessian provided information on KGB internal security operations and personnel, as well as the local Armenian scene. He also brought out a KGB document entitled *Alphabetical List of Agents of Foreign Intelligence Service, Defectors, Members of Anti-Soviet Organizations, Members of Punitive Units and Other Criminals Under Search Warrant* published in 1969. This document gave a good insight into KGB counterintelligence operations and practices, especially concerning Soviet defectors and their backgrounds and status.

The Oganessians were resettled in the United States in mid-March 1973. They could not, however, adjust to life here. On 20 September 1973, Mrs. Oganessian, who was eight and a half months pregnant, insisted on an immediate return to the USSR to give birth in Armenia. On 27 September 1973, she was interviewed by a US State Department official who was satisfied that she was going of her own free will. The official turned her and her child over to the Soviets. During the meeting, Oganessian also decided to return to the USSR.

During his career, Oganessian used the aliases Atom Bagratuni, Arthur Zebum, and Artush Hohenessian.

Nikolay Grigoryevich Petrov

Nikolay Grigoryevich Petrov, born 24 October 1939, Korov Oblast, USSR, was a GRU officer who defected to the West in Indonesia in June 1972. He redefected to the Soviet Embassy in Washington, DC, and returned to the USSR in November 1973.

Petrov came from a peasant family whose ethnic origin was Mari, a Finno-Ugrian group. From 1947 until 1957, he attended local primary and secondary schools. After completing secondary school, he entered a nearby technical school to become an electrician. Upon graduation in 1959 he obtained a job with a collective farm in the area, traveling from village to village to install and repair electrical equipment. Petrov claimed that on this job he had easy access to home-distilled liquor, and he soon found that he was drinking to excess. To escape from this situation, he persuaded the collective farm chairman to release him so that he could join the Soviet Army.

Petrov began his military service in November 1959, in a tank training regiment in the Urals. After basic training, he was assigned to an armored regiment in Hungary in 1960. By early 1961 he was a tank commander and senior sergeant.

In 1962, Petrov was admitted to the Military Institute of Foreign Languages. He returned to Moscow to begin a five-year course in Indonesian with English as his second language. In September 1965, while at the Institute, Petrov married Nina Alekseyevna Kotenina, an economist in the Central Statistical Directorate of the RSFSR. In 1966, Petrov became a member of the

CPSU. While at the Institute, he had a favorable Party and academic record.

Petrov graduated from the Institute with the rank of lieutenant and joined the Tenth Directorate of the Soviet Army General Staff, which controls Soviet military aid programs. In 1967, Petrov was assigned as an interpreter to a Soviet State Committee for Economic Relations project in Surabaya, Indonesia. The project was responsible for the delivery and maintenance of Soviet naval craft and equipment provided to the Indonesian navy. A year later, Petrov was reassigned to Jakarta.

Up until that time, Petrov had had no contact with Soviet intelligence. Shortly after his arrival in Jakarta, however, he was approached by the Soviet military attaché who offered Petrov a translator's job in the attaché's office. Petrov accepted the new job out of deference to the military attaché, with the proviso that he first be allowed home leave in the USSR. The approval for this transfer came through in July 1969, and, when Petrov returned to Moscow on leave, the Tenth Directorate personnel office sent him on to the GRU personnel office.

While still in the USSR, Petrov entered the Military Diplomatic Academy. He completed the basic eight-month course in intelligence operations and clandestine tradecraft in April 1970 and then joined the GRU Indonesian Desk.

In January 1971, Petrov with his wife and son arrived again in Jakarta, where he served as interpreter and driver for the Soviet naval attaché. Within the GRU residency, he had the title of referent and the rank of senior lieutenant. At first his duties consisted of translating reports and assisting the more experienced operations officers. In December 1971, he received one agent to handle. This agent was an Indonesian navy civilian employee, who supplied current information on naval forces and personnel. Petrov also handled all of the military attaché's administrative finances. His superiors were satisfied with his work, and he was promoted to captain in March 1972.

On 6 June 1972, Petrov's wife and son left Jakarta on home leave. His own departure was delayed because of an agent meeting that was scheduled for late June. By himself, Petrov began to play slot machines in Jakarta

restaurants and drink heavily. On 12 June while gambling in a restaurant near the American Embassy he became slightly drunk. He also became exhilarated by an initial winning streak. When he began to lose, however, he went to the Soviet Embassy and took money from the military attaché's fund to which he had access as the accountable officer. He then went to dinner with a Soviet friend. During dinner Petrov had more to drink. After leaving his friend, Petrov returned to the restaurant in hopes of recouping his losses. However, at the end of the day he had lost all of his own money plus about \$900 from the military attaché fund.

In a drunken state Petrov went to the US Embassy to sell information for money. After waiting half an hour to see the defense attaché, he left the Embassy. While driving away in his car he swerved too sharply and his car overturned. Petrov succeeded in righting the car with local help and drove back to the US Embassy. He had been slightly injured in the accident, and his car was battered. This time he met the US defense attaché and other US officials.

Petrov returned to the Soviets for about a day and a half. During this period he claimed that he tried to commit suicide by hanging but the cord broke. Then on the morning of 13 June, while in the home of a fellow GRU officer, Petrov became sick. He went to the bathroom, managed to slip out of the house, and made his way to the home of the US naval attaché. While there, he signed a request for political asylum. He was subsequently exfiltrated to the USA.

Despite Petrov's request for US assistance, after his defection he showed no basic change of heart from his past loyalty as a dedicated Communist. He admitted that there was no ideological motivation for his defection. He claimed instead that he defected due to circumstances only. Petrov had a strong attachment to his wife and young son. He also had a deep feeling for his village and his close relatives who continued to live there.

Due to the circumstances of his defection and his continued loyalty to the Soviet system, Petrov was considered a good candidate for redefection. He did, however, provide a good deal of information on counterintelligence and positive intelligence topics while being debriefed. The most detailed and useful

data that he reported was on the training he received at the Military Institute of Foreign Languages and the Military Diplomatic Academy. Much of this was actually new information. Tight operational compartmentation substantially limited his knowledge about GRU headquarters and its operations. On the other hand, his reporting on GRU activities in Jakarta and on Soviet colony life there was more extensive and quite valuable. He was, for example, asked questions about which US intelligence had information just to test his reliability, and he in turn usually responded with accurate answers.

An attempt was made to resettle Petrov in a midwestern city, where he could have access to schools and job opportunities. This effort unfortunately failed.

Petrov continued to be a “hot and cold” handling problem. During the summer of 1973, on several occasions when Petrov was under the influence of liquor, he started calling Soviet diplomatic installations in Washington and New York. Finally, he contacted the Soviet Embassy and turned himself in on the evening of 12 November 1973. At a meeting on 15 November 1973 with State Department officials, Petrov stated that it was his own decision to return to the USSR. On 18 November 1973, Petrov, accompanied by a flying squad of KGB and GRU officers from the Embassy and the UN delegation, boarded an Aeroflot flight en-route to Moscow.

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THE DECADE OF THE SPY
1980-1989

1980	21 January	Christopher J. Boyce escapes from Federal Prison in Lompoc, California.
	29 October	David H. Barnett, former CIA employee, arrested for spying for the USSR.
1981	24 June	William H. Bell, Hughes Aircraft Corporation, arrested for spying for Poland.
	15 July	Joseph George Helmich Jr., US Army, arrested and charged with delivering classified information and equipment to Soviet agents.
	21 August	Christopher J. Boyce recaptured at Port Angeles, Washington.
	23 October	Stephen A. Baba, US Navy, arrested for providing classified documents to the South Africans. In Jan 1982 sentenced to eight years in prison.
	4 December	President Reagan signs Executive Order 12333, "United States Intelligence Activities."
1982	23 June	President Reagan signs Intelligence Identities Protection Act during a visit to CIA.
	22 September	Anatoliy Bogaty, KGB officer, defects in Athens, Greece.
1983	11 March	President Ronald Reagan signs National Security Decision Directive Number 84 "Safeguarding National Security Information" into law.
	6 June	Chinese Ministry of State Security established to collect foreign intelligence and conduct counterintelligence.
1984	12 April	Robert E. Cordrey, US Marine Corps, arrested for spying for the USSR and Czechoslovakia.
	22 August	Michael Timothy Tobias and Francis Xavier, US Navy, arrested for espionage in San Francisco, California.
	23 August	Bruce Edward Tobias, US Navy, arrested for espionage in San Diego, California. Convicted of non-espionage charges; theft of Government Statute. Dale Verne Irene, friend of Tobias also arrested.
	1 October	Alice Michelson, KGB cooptee, arrested for espionage.

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1984	1 October	Samuel Loring Morison, US Navy analyst, arrested for passing classified photographs to a publisher.
	3 October	Richard W. Miller, FBI, arrested for spying for the USSR.
	27 November	Karl Frantisek Koecher, CIA, and his wife Hanna are arrested for spying for the USSR and Czechoslovakia.
	15 December	Jay Clyde Wolff, former US Navy, arrested for espionage in Albuquerque, New Mexico.
	18 December	Thomas P. Cavanagh, Northrop Corporation, arrested for attempting to pass classified information to Soviet intelligence.
1985	22 January	Bruce Edward Tobias, US Navy, is convicted of espionage. Dale Verne Iren, a friend of Tobias, is also convicted.
	14 March	Thomas Patrick Cavanagh is convicted of espionage charges and is sentenced to life in prison.
	16 April	Rick Ames first walks into Soviet Embassy, gives classified information to KGB.
	17 May	Edward O. Buchanan, USAF, is arrested for spying for Soviets and East Germans.
	17 May	Jay Clyde Wolff, former US Navy, convicted of espionage.
	19 May	John Walker, former US Navy officer, is arrested on espionage charges. Later sentenced to two life terms plus 10 years.
	22 May	Michael Lance Walker, US Navy, arrested for espionage aboard the <i>USS Nimitz</i> , off Haifa, Israel.
	29 May	Arthur James Walker, former US Navy, arrested for espionage.
	31 May	Alice Michaelson is convicted of espionage.
	11 July	Sharon Marie Scranage, CIA employee, arrested for espionage.
	6 August	Francis Xavier Pizzo, US Navy, is convicted of espionage.
	9 August	Arthur James Walker of the Walker spy ring is convicted of espionage.

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1985	14 August	Michael Timothy Tobias, Radioman Third Class, US Navy, is convicted of espionage and sentenced to twenty years in prison.
	26 August	Edward O. Buchanan is convicted of espionage and is sentenced to prison.
	27 September	Sharon Marie Scranage, a CIA employee is convicted of espionage and is sentenced to five years in prison.
	17 October	Samuel Loring Morison, a naval analyst, is convicted of espionage and sentenced to two years in prison.
	28 October	Michael Walker, son of John Walker, is found guilty of espionage and is sentenced to 25 years in prison.
	2 November	KGB defector Vitali Yurchenko flees to KGB residence in Washington following dinner in Georgetown restaurant with his CIA handler.
	21 November	Jonathan J. Pollard, a naval intelligence analyst, arrested for spying for Israel.
	24 November	Ronald Pelton, a former NSA employee, is arrested on espionage charges. Sentenced to three concurrent life sentences.
	25 November	Lawrence W. Chin, a CIA analyst, is arrested for spying for Chinese Ministry of State Security.
	20 December	Randy Miles Jeffries, a congressional courier, arrested for espionage.
1986	22 January	Bruce D. Ott, US Air Force, arrested for espionage.
	23 January	Randy Miles Jeffries, a congressional courier, is convicted of espionage and sentenced to ten years in prison.
	7 February	Lawrence Wu-Tai Chin, a CIA analyst, is convicted of espionage. He commits suicide while awaiting sentencing.
	12 February	Karl and Hana Koecher are released in an East-West trade of prisoners.
	4 March	Robert Dean Haguewood, US Navy, arrested on charges of attempting to sell classified documents to a foreign government.

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THE DECADE OF THE SPY
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1986	7 March	U.S. orders Soviet Union to reduce its staff at the UN by 38%.
	14 March	Michael Sellers expelled for spying from the Soviet Union; first American expelled since June 1985.
	4 June	Johnathan Jay Pollard and his wife, Anne Louise Pollard, are convicted of espionage.
	5 June	Ronald William Pelton, formerly of the NSA, is found guilty of espionage and is sentenced to life in prison.
	19 June	Richard W. Miller, a FBI agent, is convicted of espionage and is sentenced to life in prison.
	19 June	KGB officer Oleg Agraniants defects in Tunis.
	24 July	Jerry Whitworth, US Navy, is convicted of espionage and sentenced to 365 years in prison for spying for the USSR.
	6 August	Bruce Damian Ott, an Air Force sergeant, is found guilty of espionage and is sentenced to 25 years at hard labor.
	7 August	Edward Lee Howard, former CIA employee, granted "The Right of Residence in the USSR" by the Soviet Union.
	23 August	Gennadiy Fedrovich Zakharov, KGB officer, arrested for espionage. Soviets retaliate by arresting US journalist Daniloff.
	22 October	Adolf Tolkachev, codenamed Farewell, executed for high treason by Soviet government.
	27 October	Allen Davies, a former Air Force staff sergeant, is arrested on espionage charges. He is then tried, convicted, and sentenced to five years in prison.
	18 November	The Intelligence Community argues against the Moscow Embassy staffing plan proposed by US Ambassador to Moscow Hartman on the grounds that it allows too many support personnel at the expense of intelligence and other substantive functions.

THE DECADE OF THE SPY
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1986	4 December	Michael H. Allen, US Navy, arrested for spying for the Philippine police. In August 1987 sentenced to eight years in prison.
	31 December	Clayton Lonetree, a US Marine Corps sergeant, is arrested on espionage charges.
1987	2 April	Moscow announces the defection of an American soldier, William E. Roberts, serving in West Germany.
	12 May	James Angleton, former CIA CI Chief, dies of lung cancer.
	28 May	John Allen Davies, formerly of the Air Force, is convicted of espionage.
	6 June	Maj. Florentino Azpillaga Lombard, from Cuban Ministry of Interior, defects to U.S. in Czechoslovakia.
	14 June	Former CIA employee Philip Agee returns to the US for the first time in 16 years.
	25 June	A State Department report describes Moscow's use of its Chamber of Commerce and Industry as a major front for KGB agents to collect western technology through trade promotion efforts.
1988	14 January	Daniel Walter Richardson, US Army, arrested for espionage.
	4 April	CIA's Counterintelligence Center established.
	16 April	Thomas J. Dolce, US Army, arrested for spying for South Africa.
	18 July	Former Navy enlisted man Glen Souther, who was the subject of an FBI espionage investigation, surfaces in Moscow and is granted political asylum.
	23 August	Imre Kercsik and Sandor Kercsik, arrested by Swedish authorities for espionage. Both acted as couriers for the Clyde Lee Conrad espionage ring.
	December	Randall S. Bush, US Navy, arrested for attempting to pass information to a foreign power.
	21 December	James W. Hall, US Army, arrested for spying for the USSR and East Germany. He is sentenced to 40 years in prison.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

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1989	10 January	Craig D. Kunkle, former U.S. Navy technician, arrested and charged with espionage by two FBI agents posing as Soviet officials.
	7 February	Alan C. Thompson, executive director of New York-based National Council of American-Soviet Friendship, a Soviet front group used to promote propaganda and disinformation, arrested on currency charges.
	4 March	Donald Wayne King and Ronald Dean Graf, US Navy, arrested on charges of espionage and stealing \$150,000 worth of classified military parts and electronic components.
	8 March	Soviet Army Lieutenant Colonel Yuri Pakhtusov, an assistant military attaché in the United States, is arrested for spying. He is declared persona non grata and is expelled from the US.
	21 May	Zoltan Szabo, U.S. Army, arrested by Austrian police for espionage as part of Clyde Lee Conrad ring.
	25 July	Russell P. Brown, US Navy, arrested for spying for the USSR.
	14 October	Frank Nesbitt, former Marine and Air Force officer, arrested and charged with delivering classified information to the Soviets.
	9 November	Berlin Wall's dismantling begins. On the same day, East Germany throws open its borders, allowing its citizens to travel freely to the West.
	1 December	Thomas Morati, former Administrative clerk, US Army, arrested in Italy as part of the Clyde Lee Conrad espionage ring. Sentenced on 21 December 1989 to 20 months in jail.