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CHAPTER X

IMPACT OF THE "MONSTER PLOT" ON CIA'S  
POSITIVE INTELLIGENCE AND CI MISSIONS

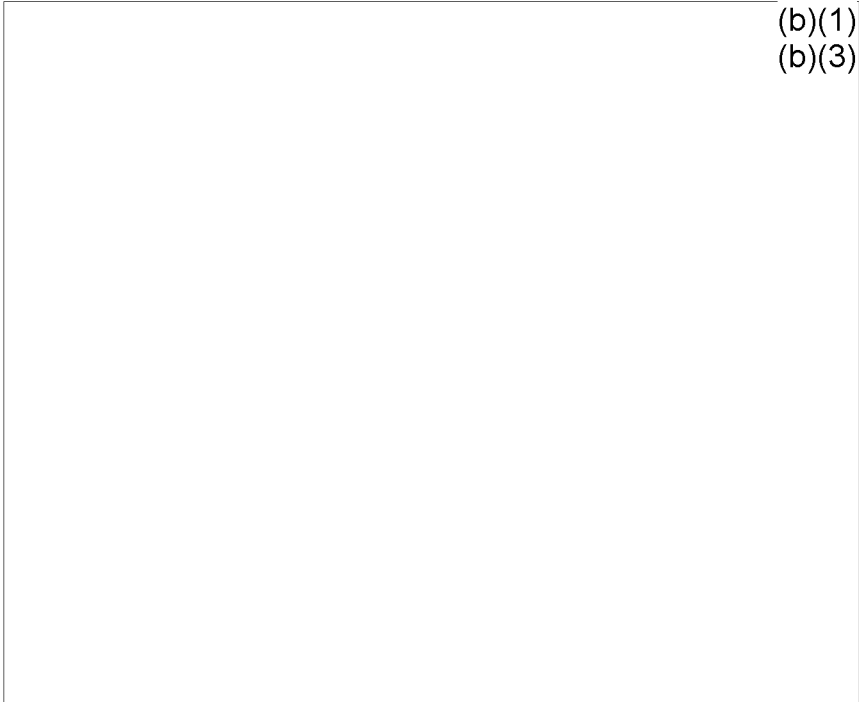
The effect of "mirror reading" analysis, as practiced by many officers of SB Division during the 1960's, was to impede the development of new sources of information. This technique also cast doubt on the bona fides of existing agents and sources, and caused confirmable information to be treated with skepticism if it had been received from a supposedly "tainted" source.

It has not been possible, in the course of this study, to examine in depth the negative effect which the Angleton-Murphy-Bagley thesis (often referred to within the Agency as the "Monster Plot") had on the development of new positive intelligence operations, because the search of numerous developmental case files, in which the impact of the thesis is known to be reflected, would have been too time-consuming. Had time permitted, however, there is no doubt that we could have amply demonstrated the thesis' baneful effect.

Because time has not permitted us to document the problem across-the-board, we have chosen instead to concentrate on two cases by way of detailed illustration. The first is

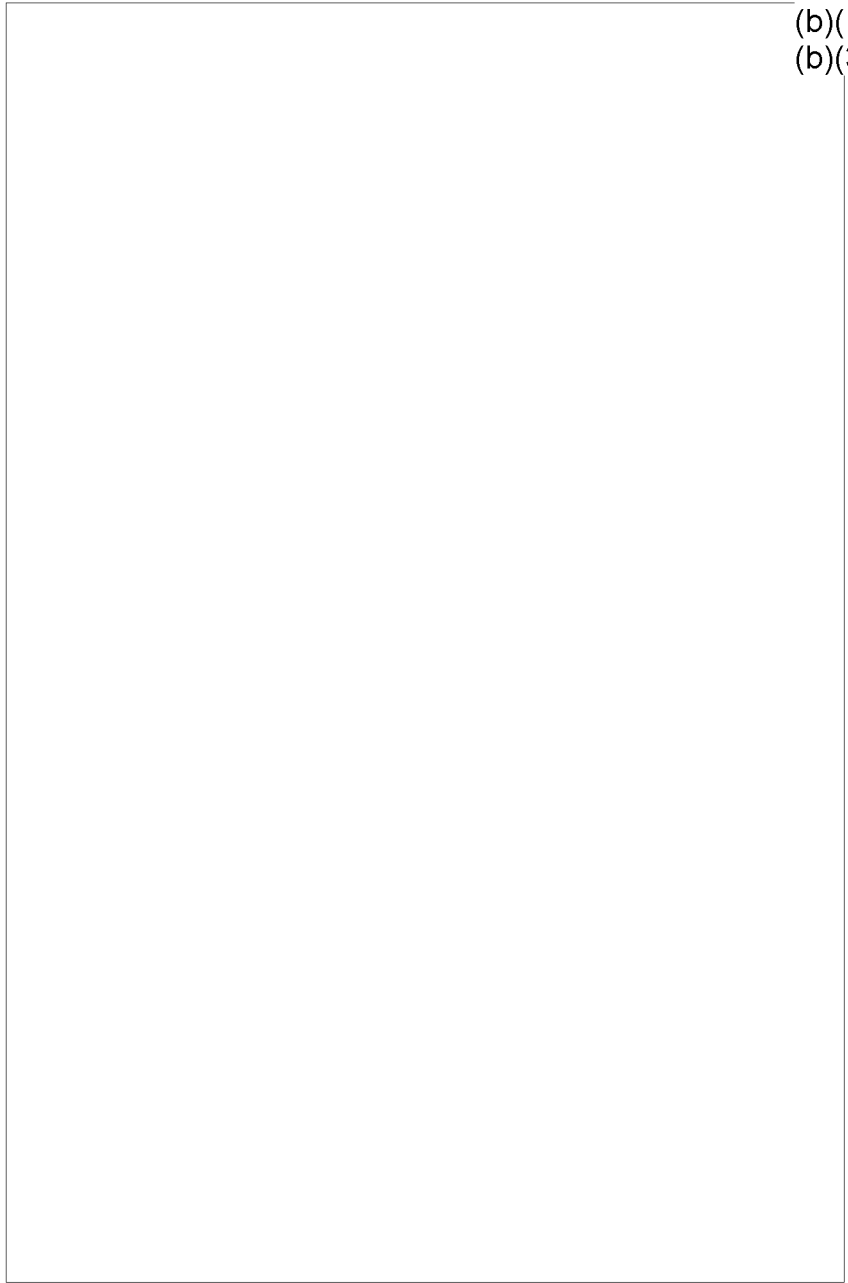
[redacted] The second concerns two Soviet diplomats, Vladimir P. Suslov and Vasilii V. Vakhrushev.

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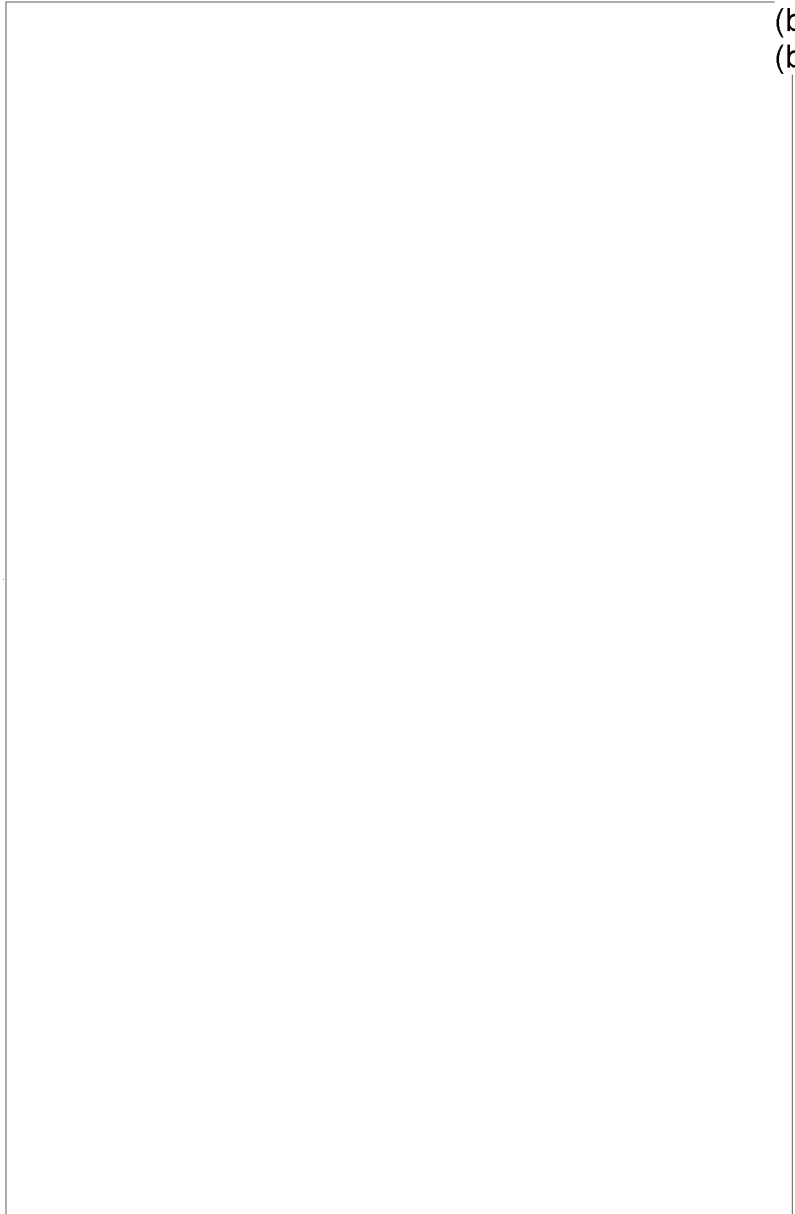


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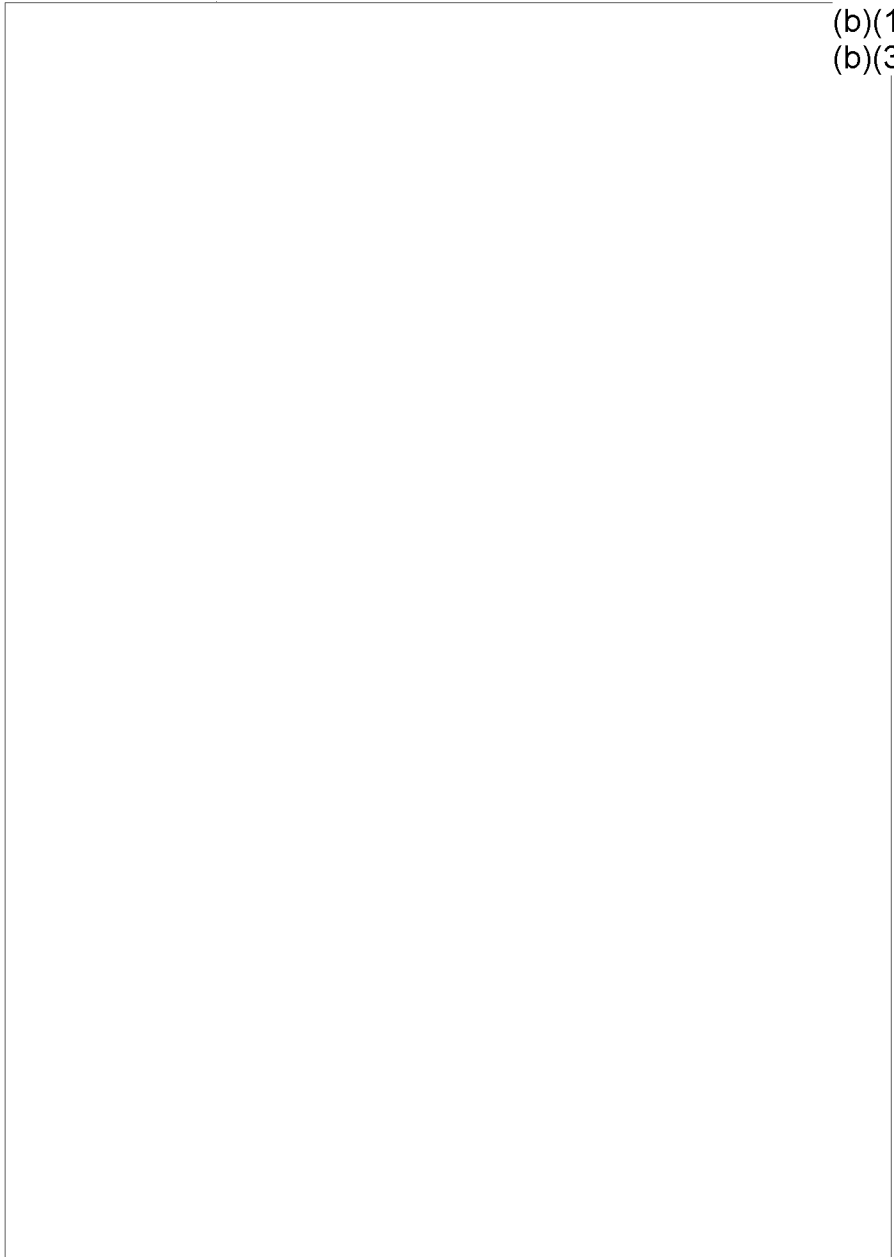


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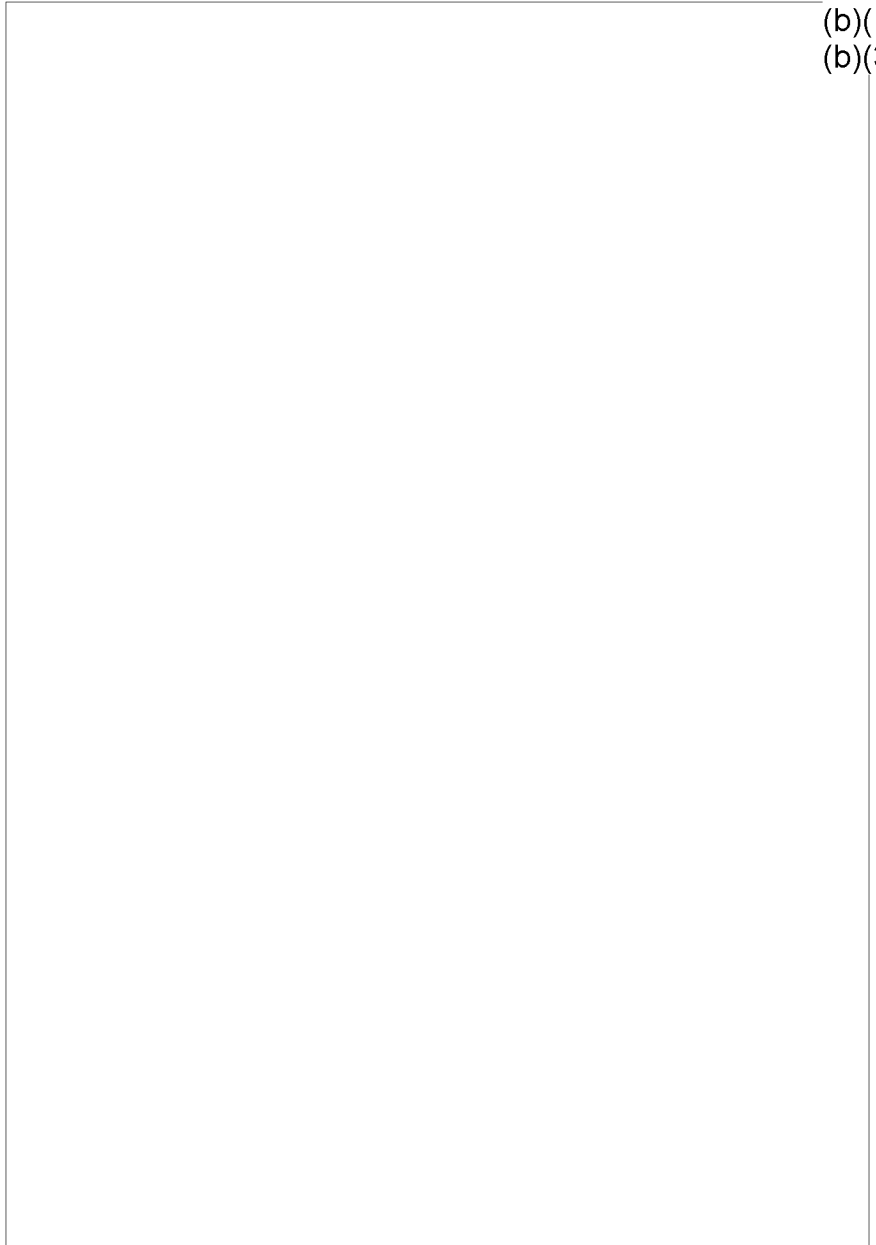


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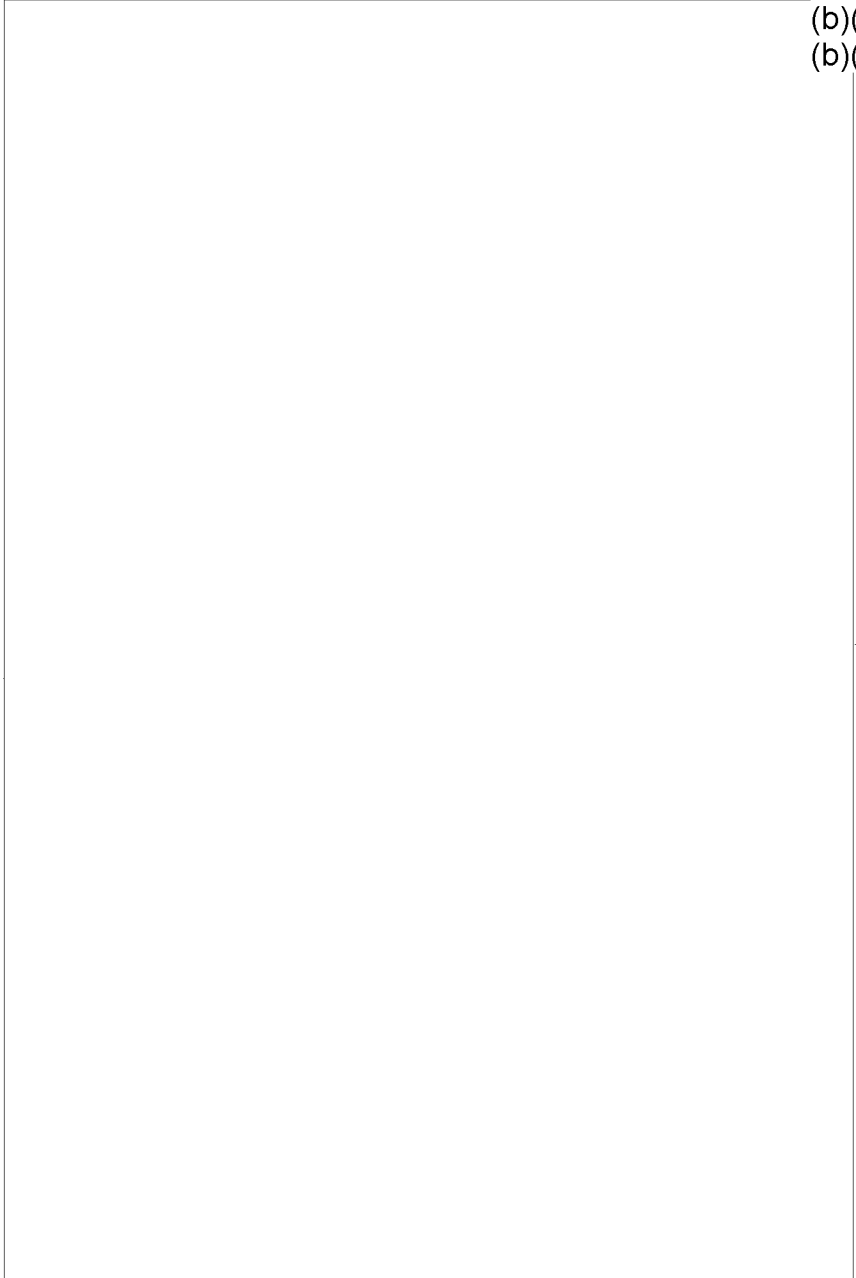


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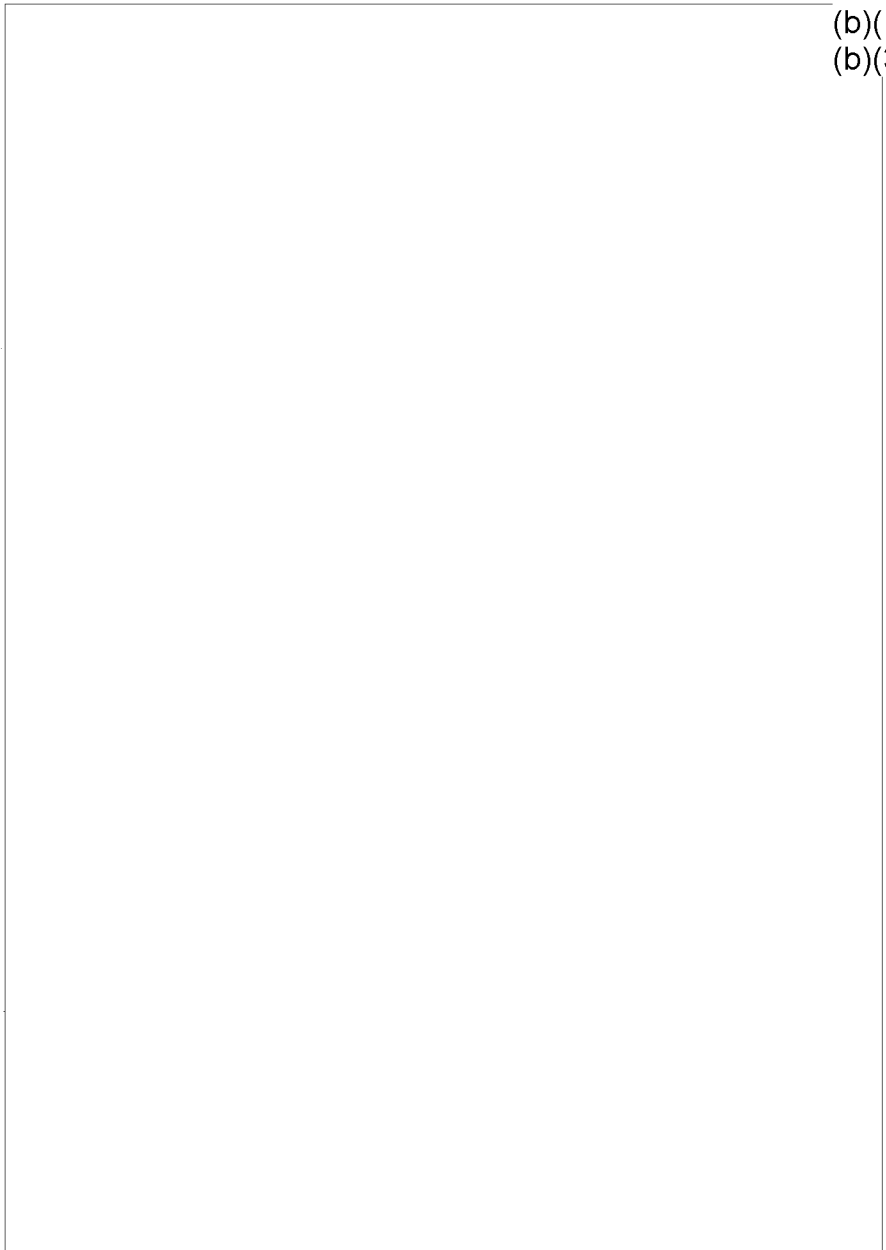


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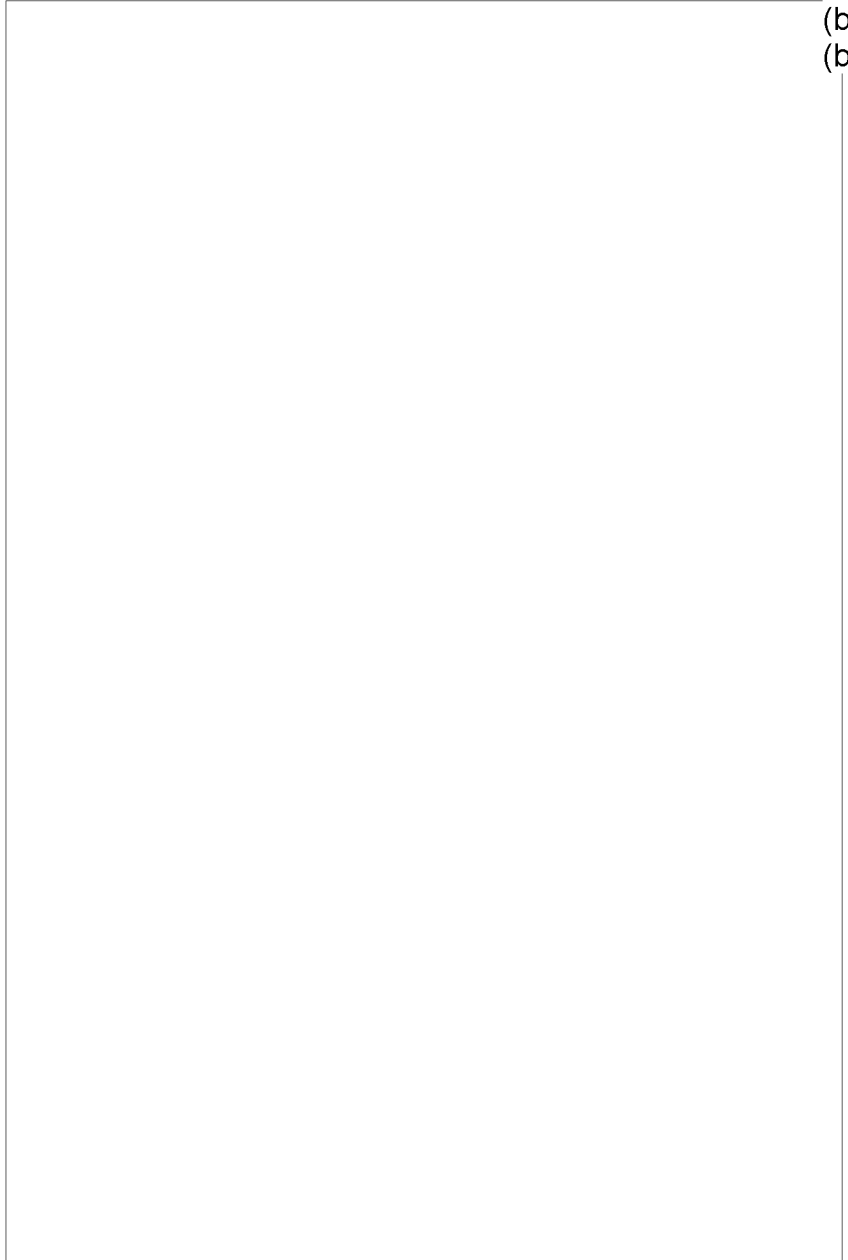
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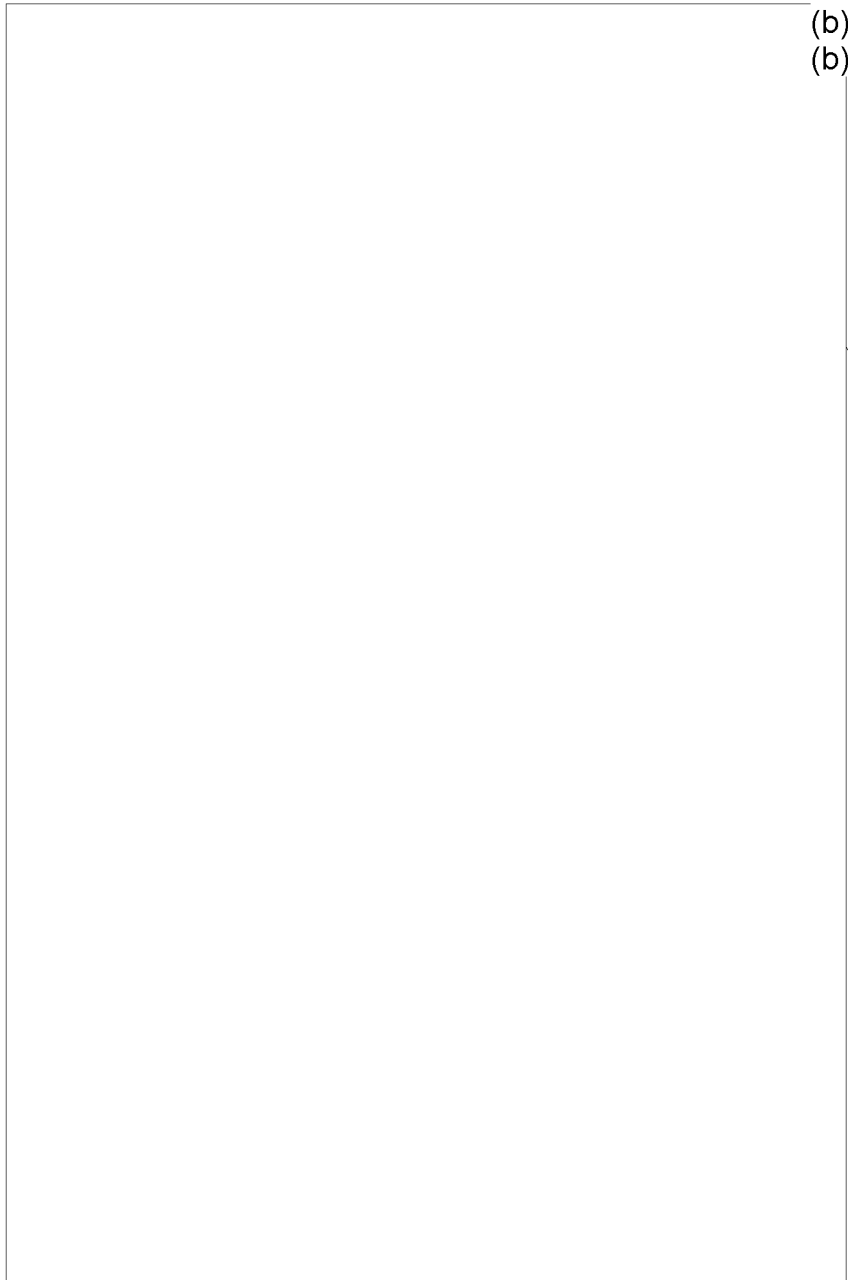
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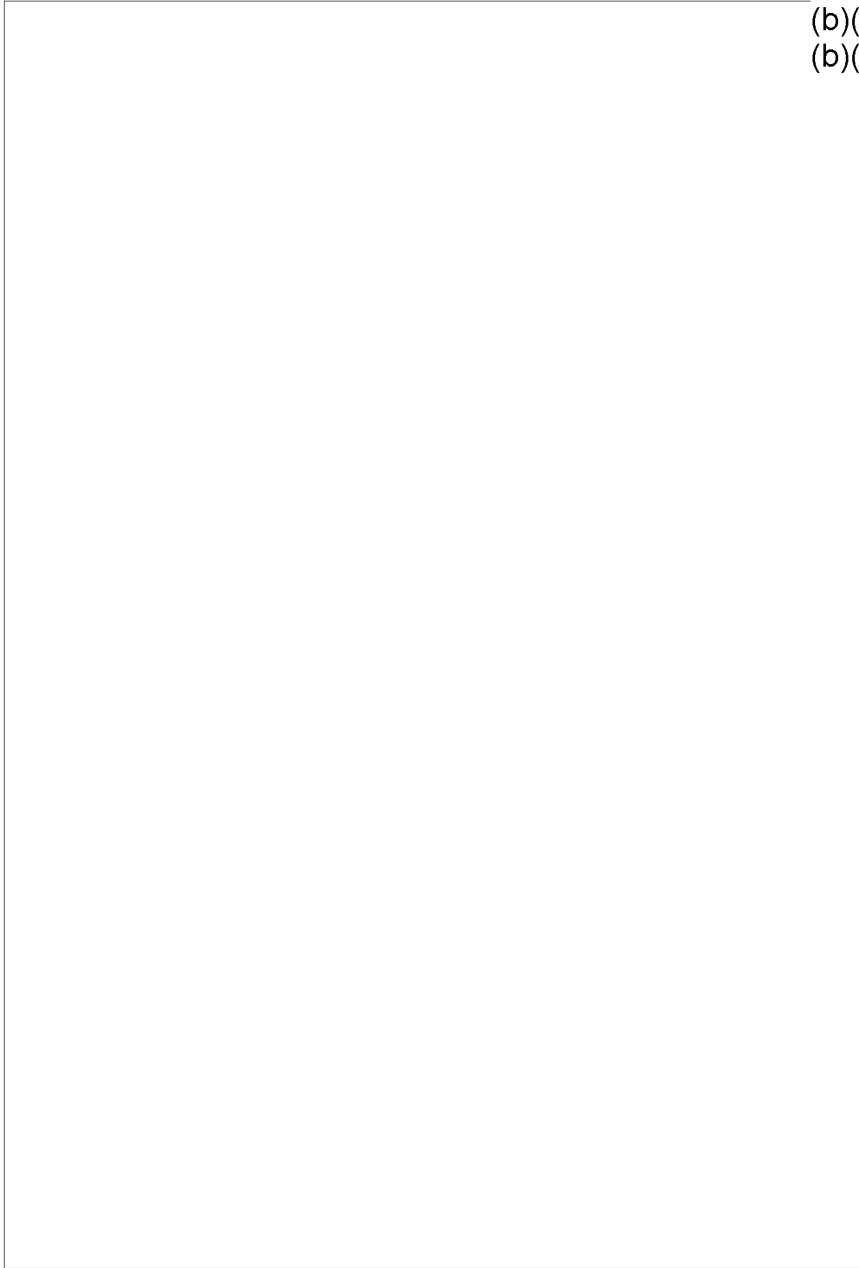


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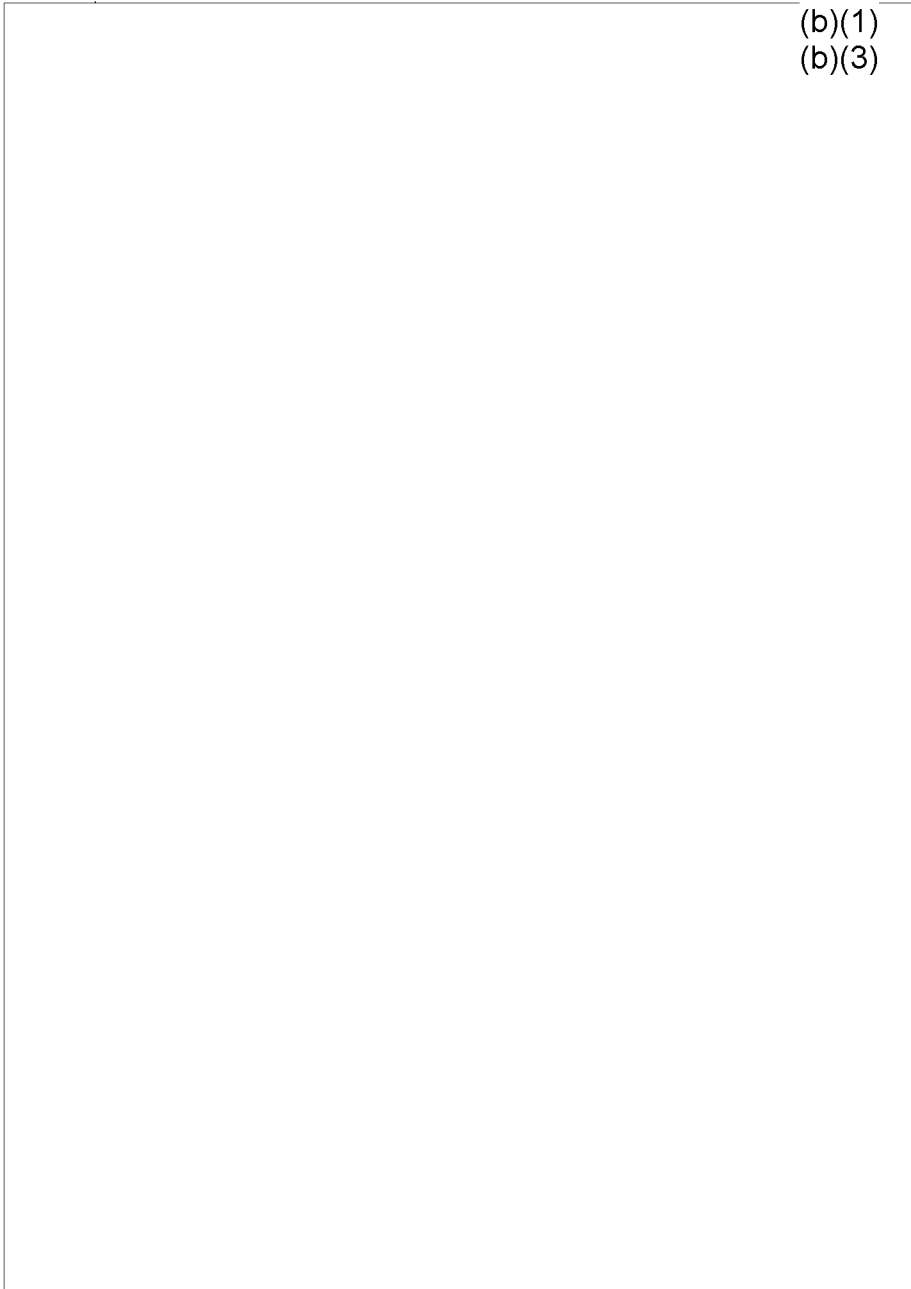


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2: Effect on Other Potential Operations

As previously mentioned, limitations of time have prevented an in-depth study of the effect of the Nosenko case on positive, human-source intelligence operations against the Soviet Union. There are differing views among persons we have talked to on this subject, each probably reflective of some aspect of a complicated situation.

The cases of Suslov and Vakhrushev provide a good example. Both men were long-time friends of Nosenko. Concerning both, we had reliable, independent confirmation of possible vulnerability to recruitment. At the time Nosenko proposed that we mount operations against them with that aim in mind, neither would have qualified as a top priority target, yet they were sufficiently high-ranking in the Soviet hierarchy to be of interest and both were very well-connected with other, more important Soviet officials. Suslov was Undersecretary for Political Affairs in the United Nations Secretariat in New York at the time of Nosenko's proposal. Vakhrushev, who inter alia had once served as an escort-interpreter for Vice President Nixon during the latter's

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visit in 1959 to the USSR, was Counselor of the Soviet delegation to UNESCO in Paris. Both men drank excessively, had had marital problems, and manifestly enjoyed the amenities of life outside the Soviet Union.

As of mid-1964, Bagley felt that SR Division should not take advantage of the opportunities which their ready accessibility in New York and Paris presented. As usual, it was precisely the fact that we possessed confirmatory information regarding their vulnerability that weighed most heavily against them. In a 7 July 1964 memorandum, SR Division stated:

Nosenko is offering us two prime targets for recruitment, both old personal friends of his, neither of the KGB and both now serving abroad. One is V.V. Vakrushev [sic] in Paris, the other is Vladimir P. Suslov in New York. Neither has been recalled as a result of Nosenko's defection, and Nosenko himself claims the KGB is not aware of his special relationship with them. Suslov has come to our attention through other sources and through his own indiscretions, supporting our suspicion that he is being offered to us; Vakrushev [sic] has been recently mentioned by [a medium-level Soviet official who was also a CIA agent], possibly to feel out our interest. Nosenko, in strongly urging us to recruit aggressively among Soviets, and particularly these two, has commented, we think significantly, "Some won't work, some will, we mustn't be daunted by failure but must push on." It thus appears that the KGB might be offering us new "agents" among UN personnel whose later "discovery" by the KGB could involve us in a major political flap.<sup>42</sup>

Had the question of pursuing these operational leads been left to Bagley alone, it is fairly certain that no attempt would have been made to exploit them. His view was summed up as follows:

We are fighting in the bull's terrain -- he's strongest there. Of all available Sovs, Suslov would give us the closest-in reaction, but he best briefed, has tricks we don't know. 61-a

Murphy's attitude, on the other hand, was less one-sided. He was an activist; as he said when debriefed on 16 July 1976, ". . . The most difficult thing that I had as a personal problem during all that time was . . . to insist on the development of the Division as a whole and try to push new cases." On the other hand, he was troubled by the supposed inconsistencies in Nosenko's story: "All this time, I had this other thing and my attitudes toward it were in part based on some of my own experiences. . . . I certainly didn't believe that Nosenko was entirely bona fide. . . ." 131

Within the SB Division itself, the conflict was apparently never satisfactorily resolved as long as both Murphy and Bagley remained in positions of authority within it. We have already seen Leonard McCoy's April 1966 letter, in which he

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spoke of "the morbid effect which the Nosenko case has, and will continue to have, on intelligence collection, against the USSR . . ." (See Page 81 of this study.)<sup>74</sup> A report by the CIA Inspector General, published in October 1968, was highly critical of SB Division's performance between 1964 and 1967, and attributed the Division's problems to preoccupation with the Nosenko case. The report states that the Division "gained a reputation for excessive pessimism . . . for being one-sided in its approach to counterintelligence, security, and operational matters. . . . Facts and implications are repeatedly marshalled to show the RIS at work continuously, on a massive scale, aiming their work at us, and practically never missing a trick." 110

The fact that even Bagley was somewhat torn between the demands of his CI role and the necessity for collecting intelligence is implied in an interview which he and another senior SR Division officer had with Helms on 19 November 1964:

Mr. Helms wanted to know what we expected to gain from our operation against Vakhrushev in view of the fact that we believe him to be offered to us by the KGB. We pointed out that Vakhrushev's family connections and official position in Paris should give him access to positive and counterintelligence information of value, and that we could take what the KGB was willing to sacrifice and sort the good from the bad. Mr. Helms remarked that this had been taking us months with Nosenko and doubted that we want to get into a similar situation again.<sup>50</sup>

Although time has not permitted us to examine the record of the Vakhrushev and Suslov cases in detail, it is evident that before and after the above conversation, periodic efforts were made, as the occasion arose, to capitalize on the Vakhrushev and Suslov leads. How efficient or resourceful these efforts were, given the suspicions which surrounded the two targets, we have not been able to determine.

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3: How CIA Worked to Defeat Itself

The lessons to be drawn from the [ ] Suslov, and Vakhrushev cases are clear.

The [ ] case in particular demonstrates that Nosenko was not an isolated phenomenon. On the contrary, he was the victim of a system of illogic for which it is difficult to find a parallel in Agency history. Secondly, it brings into sharp relief a pattern of self-defeating behavior within the Agency in its conduct of intelligence operations against the United States' single most threatening adversary.

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The collection of intelligence has been less systematically reduced to a coherent doctrine than most other Governmental activities, because secrecy and compartmentation have often combined to keep even its more senior practitioners from comprehending the process as a whole. Yet there has been one basic principle upon which neophytes and old hands alike have long depended; this has been the evaluation of information from one source according to the degree of confirmation by other independent sources. The usefulness of this relatively simple principle has been accepted in the past as applicable in the field of both positive and counterintelligence.

The Monster Plot shattered the whole basis for confirmation. As long as any defector or potentially recruitable agent was to be viewed as possibly in some way responsive to a Soviet supra-authority fostering and directing a "grand design" directed at deceiving the United States, there were by definition no longer any valid independent sources. Quite to the contrary, everything any source said could be part of the same integral, though infinitely complex, pattern of deception.

Difficulties produced by the above assumption were aggravated by a pattern of dichotomous thinking. The Soviet defectors and agents-in-place who came under analysis were either good or bad, normal or psychotic, trustworthy to the nth degree (e.g., Golitsyn, Deryabin) or threats to U.S. national security. A middle ground was seldom given serious consideration. This predilection for dichotomies was made to order for Golitsyn, because paranoids do tend to divide all humankind into two categories: their own persecuted selves on one hand, and the persecutors on the other. Even where persecutors and persecutees can be shown to exist, rational men tend to see a preponderant middle component in the population, whereas in paranoid thought the fallacy which logicians call the "law of the excluded middle" is prevalent.

It is troubling that so many otherwise able CIA officers fell prey to this fallacy; but why they did so is beyond the competence of this study. Whatever the reason, the result was to reduce SB Division to a house chaotically divided. It is the view of a number of senior CIA intelligence officers who lived through the difficult period of the 60's and to whom we have talked during this investigation, that the Monster Plot thesis set CIA positive and counterintelligence

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programs back by a number of years. And though we may be tempted to look back and say that this is now water over the dam, there can be no assurance that such is the case. For if one poses the question of how many additional Soviet agents and defectors we might have gained had our handling of those who did approach us been better calculated to encourage, rather than discourage, them, the only answer is: Nobody knows.

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## CHAPTER XI

METHODOLOGY AND LEADERSHIP

Our Letter of Instruction requested that we address ourselves to "the nature and validity of methodology of previous Nosenko bona fides studies." We have interpreted this instruction as referring to those studies made under the auspices of David Murphy and Venant Bagley, with input from the CI Staff, between 1962 and 1968. Our attention has been principally devoted to the so-called "thousand-page paper," of February 1967, and the briefer, revised version published in February 1968. We also have reviewed a very large number of formal and informal writings, many of which have been quoted in previous chapters; all will be found included, in their full versions, in the annexes.

1: Lack of CI Methodology

Webster's New International Dictionary (1954) gives, as one of its definitions of Methodology, the following:

A branch of logic dealing with principles of procedure, whether of theoretic or practical science.

While the word "methodology" can perhaps be stretched to include many things, it is doubtful that it could be so defined as to encompass the techniques which Bagley described as "mirror reading" without being distorted beyond recognition. Certainly, no possible definition could cover mis-translation, selective omission of data, and deliberate misuse of technical data-gathering equipment (i.e., the polygraph).

The disturbing fact is that the analytical and investigative procedures and techniques employed in the Nosenko case were all in varying degrees viewed by the major protagonists -- Messrs. Angleton, Murphy, and Bagley -- as legitimate exercises of the counterintelligence process. We do not believe that they were.

We accept without question the necessity for counter-intelligence, as a category of the intelligence process concerned with the activities of hostile powers' covert and clandestine activities against the United States and our allies. But such a discipline, if it is to fulfill its purposes, must employ an orderly and systematic methodology. Unhappily, in the Nosenko case it did no such thing.

We are forced to conclude that, in the 1960's, when Golitsyn, Nosenko, and [redacted] contacted CIA, the Plans Directorate and its Clandestine Service were intellectually, technically, and procedurally unprepared to handle them. A useful study entitled KUBARK Counterintelligence Interrogation was published by CIA in July 1963, but the handling of Nosenko gives no indication that any of the Agency personnel directly involved had profited from it, if indeed they had read it at all. Insofar as we can ascertain, in respect to Soviet nationals, the Directorate lacked:

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A. Explicit written criteria to be applied in evaluating bona fides of a defector or prospective agent.

B. Explicit written procedures for the collection, analysis, and evaluation of the counter-intelligence product of a defector or prospective agent.

C. Explicit written procedures for psychological evaluation of a defector or prospective agent.

D. Any broadly-based systematic data base (or systematic written procedures for employing it, had it existed) regarding the relevant psychological characteristics of Soviet agents. There did exist some psychological data regarding defectors, but they had not been collated and analyzed, nor were they objectively applied to the cases of Nosenko and Golitsyn. The latter was himself never even tested.

## 2: Influence of Angleton on Methodology

The predominant influence in the CI field within the Agency until 1975 was James Angleton, a man of loose and disjointed thinking whose theories, when applied to matters of public record, were patently unworthy of serious consideration. His contention that the Sino-Soviet schism was a disinformation project carried out under the direction of the KGB was subject to ridicule even by some of his friends and supporters.

Angleton's reputation for expertise rested, therefore, on his purportedly unique knowledge of the KGB's worldwide covert political role. In truth, no one could compete with Angleton as an expert on this subject. His analyses, based on fragmentary and often inapplicable data, were more imaginative than systematic, and therefore neither easily comprehended nor replicated by his interlocutors. But unlike the Emperor and his imaginary clothes, Angleton's fantasies were never vulnerable to objective examination, simply because he surrounded such data as existed with a wall of secrecy. His "facts" were available in full only to a minimum number of trusted apostles; to the rest of the intelligence community, both American and foreign, he doled them out selectively -- seldom in written form -- to prove whatever point he was trying to make at the time.

Angleton's preference for oral over written communication is worth emphasizing. During his incumbency as its Chief, the CI Staff, though it supposedly had in its possession information concerning a horrendous hazard to both the United States and its allies, never committed to paper any complete, written, documented report on the subject. Therefore, the threat could never be systematically analyzed and evaluated. Only when Angleton finally departed did dispassionate analysis of CI Staff's data holdings finally become possible, and it has consistently failed to support his central claims regarding the KGB's massive influence in world affairs.

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Nevertheless, Angleton retained great influence within the Agency until his departure. He certainly could have remedied the rather obvious lacunae, outlined in Section 1 above, had he chosen to do so. That he never took the necessary action is certain; why he did not is a question beyond the scope of this study.

What Angleton did successfully do, on the other hand, was to exercise a great deal of influence on Bagley and Murphy. Whether this influence preceded the Nosenko case, we have not been able to ascertain, but in any case by mid-1962 it had taken root and flowered.

Bagley in particular was an apt pupil and emulator of Angleton, but with the added defect of applying his faulty thought processes with enormous energy and considerable superficial organization. As his profuse writings show, Bagley was master of the grandiose non sequitur. He was also disinclined to define his terms. He made much in his writings of a technique which he called "mirror reading"; yet we have been unable to uncover any definition of the term in the thousands of pages which he and his staff left behind in the course of employing this purported analytical method.

Mirror reading may originally have meant interpreting a defector's statements so as to extract the reverse meaning; maybe it stemmed from the idea of a mirror-image. The term may even have been coined simply as a figure of speech, meant half in jest. But it ended up, still undefined, as an accepted doctrine of how to approach a counterintelligence problem. It must be taken seriously, if only because of its unfortunate impact on the Nosenko and related cases.

### 3: Impact of Faulty CI on Positive Intelligence Collection

There is an important interrelationship between counter-intelligence, as it was conducted in the 1960's, and the collection of positive intelligence from human sources. Only if this relationship is spelled out can the full impact of the events we have been describing be comprehended.

At the time CIA was established, the primary mission of what was later to become the Plans Directorate's Clandestine Service was conceived to be the collection of strategically-significant intelligence from clandestine human sources. How successful was the Clandestine Service in fulfilling this mission?

For purposes of this discussion, let us define strategic intelligence as relating to the military plans, intentions, and capabilities of the two major hostile powers which have emerged since 1945, the Soviet Union and Communist China.

Addressing ourselves to the Agency's success in obtaining strategic intelligence on these two powers, three significant findings emerge:

A. Between 1949 and 1970, the Agency never was able to develop a single in-place human source within the government of Communist China, capable of producing intelligence of strategic importance.

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B. During the same period, the Agency was by contrast successful in developing a number of in-place human sources who reported strategic intelligence on the USSR and the other Warsaw Pact countries.

C. Almost without exception, the human sources mentioned in sub-paragraph B volunteered their services in the first instance; the Agency did not develop them from scratch. After they had of their own initiative indicated some degree of willingness to cooperate with U.S. intelligence, the Clandestine Service attempted to assert sufficient control over them to enable us to guide their collection activities. In some cases, there was also a question of whether a volunteer would defect outright, meaning that he would leave his native territory to seek asylum in the non-Communist world, or alternatively remain in place in order to provide a continuing flow of intelligence; the Agency normally attempted to persuade the volunteer to take the latter course. It was in such ways, then, that the Agency can be said to have "developed" its best agents.

The above definition of "agent development" may seem, to some well-informed readers, so self-evident as to be superfluous. It is not, however; for Agency claims of success in the human-source collection field have often been so phrased, whether intentionally or not, as to give the impression that our achievements stemmed largely from the process which, in Clandestine Service parlance, is called "development and recruitment." The impression that we "recruited" our best Soviet and Warsaw Pact sources, in the 1949--1970 period, following a period of orderly development must be dispelled before there can be meaningful discussion of previously described lacunae. In most major Soviet cases prior to 1970, it might be more nearly correct to say that the foreign nationals involved "developed" the Americans. In the case of Penkovskiy, to cite an extreme example, U.S. officials made even the latter process so outrageously difficult for him that he had to write a letter to both the Queen of England and President Eisenhower in order finally to achieve a clandestine working relationship with the British and American intelligence services.

Points A, B, and C above are also valid as applied to the field of counterintelligence information, with one important exception. In the CI field, much information has been obtained from spies of hostile powers arrested in areas under the control of the United States or nations friendly to us. Thus, in this latter field, we are not as dependent on agents or defectors as we are in the case of the positive intelligence collection effort.

Within the framework of what has just been said, we can now judge the seriousness of the lacunae listed on page 184.

If our most significant positive intelligence and much of our most significant counterintelligence from human sources have come from Soviet or other Warsaw Pact nationals who volunteered their services, why did we fail more fully to systematize their handling? Even more to the point within the framework of the present study, why would we not give such persons the benefit of every reasonable doubt rather than

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treating them with suspicion and, in the cases of Nosenko and [redacted] outright inhumanity?

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There are no easy or certain answers. Nonetheless, a retrospective glance at the intellectual preparation of those who led the Clandestine Service may shed light on the problem and permit the formulation of constructive recommendations for future action.

The leaders of the Clandestine Service in its first quarter century were, for the most part, people who had emerged from World War II, oriented toward action rather than contemplation. Angleton was almost unique in his interest, however ineptly applied, in long-range analysis. Within the Clandestine Service, his generation was in general suspicious of theory, and ill-prepared in most cases to cope with it.

On the other hand, the best of the Service's leaders -- and there were many good ones -- were successful because they possessed a difficult-to-define quality called common sense. Its value should not be underestimated. For example, when Penkovskiy was producing strategic intelligence which remains of value to this day, it was the common sense of such leaders as Richard Helms and John Maury which led them to resist Angleton's allegation that Penkovskiy was a "disinformation agent."

Unfortunately, over time, common sense alone has proved less and less adequate to guide a rapidly growing organization through the turmoil of a form of endeavor whose complexities most of the leadership seem originally to have underestimated. This point is difficult to clinch without overly-lengthy explanation, so we content ourselves with an example, drawn from a 5 December 1966 memorandum by Leonard McCoy in which he attempted to explain Murphy's abandonment of common sense in favor of the Monster Plot thesis. McCoy ascribed Murphy's conversion to a series of, to the latter, otherwise inexplicable frustrations:

- a. As head of [an operational] base in Germany, he had major responsibility for the failure of every . . . operation which [it] ran.
- b. He was publicly disgraced by the "beer-in-the-face" recruitment failure in Vienna.
- c. After he moved to Berlin Base, Lt. Col. Popov was transferred from Vienna to Berlin and was soon compromised.
- d. While he was in Berlin Base, close cooperation with the West German services resulted in the loss of a large number of our agents who were compromised through Felde, a Soviet agent in the BND CI Section.
- e. [An] MI-6 staff officer was discovered to have been working for the Soviets while in Berlin [George Blake].

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g. The Berlin tunnel was discovered and closed.

g. Several Berlin Base support agents were found to be under hostile control, and all SR cases running in Berlin were rolled up.

h. Shortly after he met [a Soviet defector-in-place] in Paris, the latter was called home and shot.

i. He was again publicly disgraced by the kidnaping failure in Tokyo. <sup>93</sup>

Reactions to such frustrations and failures differed from individual to individual. Many Clandestine Service managers went calmly about their business, simply adapting their operational procedures to the apparent limitations and opportunities of the current situation. A very small but influential minority reacted by ascribing every adversity to the Monster Plot.

But while the planning and execution of individual operations improved and often achieved a very high level of efficiency, there were few initiatives of a broadly constructive nature to remedy the Clandestine Service's basic deficiencies. Initiatives which might usefully have been taken were inhibited by three factors:

A. Major organizational changes tended to disturb an increasingly rigid organizational framework, in whose continuance a number of senior executives had a vested interest.

B. The leadership of the Service was overconfident, taking excessive credit for any and all successes, while blaming failures on events beyond their control (e.g., President Kennedy's refusal to approve some of the air strikes planned in support of the Bay of Pigs invasion).

C. Finally, many senior as well as middle-level managers of the Directorate had not kept pace with the times. They were almost without exception honorable and highly-motivated men but, as many of history's lost battles prove, honor and high motivation do not necessarily lead to correct decision-making.

As a member of the generation now under examination, the senior author can say from personal experience that this generation's intellectual blind-spots played an important role in limiting the Service's performance.

Senior Clandestine Service supervisors of the period 1948-1970 had seldom themselves been trained in rigorous analytic techniques, and thus seldom were in a position to demand high standards of analysis of their subordinates. Furthermore, until the massive outflow of retirees in recent years changed the demography of the Service, most senior operational supervisors had received their higher educations

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before systematized analysis became routine even in such "soft" subjects as political science (for which a knowledge of inferential statistics is now required at most universities). Many, probably most, of these same gentlemen were also educated during a sort of interregnum in academe, when the study of classical logic had passed from vogue and had not yet been replaced by emphasis on scientific method. In the realm of technology, almost all senior executives in the Clandestine Service before 1970 (the senior author of this study included) had finished college before the first digital computer, an invaluable analytical tool, became commercially available about 1951.

There also have been, of course, a number of bright spots. Some of the Plans Directorate's Divisions and Staffs had subordinate components which specialized in substantive intelligence, and built up great expertise on specific subjects over the years. From time to time, there were also bursts of enthusiasm for the use of psychological evaluation techniques in the assessment of prospective agents. But these cases were exceptions; primary reliance within the Clandestine Service was on judgments which, though sometimes bolstered by impressive figures and arcane terminology, were nevertheless essentially intuitive and non-systematic.

Such systems and criteria as did exist were largely in the heads of various individuals, and there is no evidence of any appreciable long-term consensus among the latter. Every defector case tended to be subject to the vagaries of the momentary line-up of CIA leadership. The existence of an Interagency Defector Committee, subordinate to the DDP, introduced some uniformity of approach, but its concerns were limited for the most part to superficial administrative and procedural formalities.

This lack of system in the substantive handling of defectors and prospective agents meant that the judgments of top managers in the Agency were often reactions to ad hoc arguments. There is no doubt that Helms, for example, often accepted judgments and theoretical formulations tailor-made by Angleton, at which he certainly would have boggled had they come from the mouth of almost anyone else.

It may be argued, to cite the subject of our present study as an example, that the mountainous quantities of data which were Bagley's stock-in-trade, and which culminated in the "thousand-page paper," were too numerous and complex to have been mastered by any manager at Helms' level. We discount this argument on the grounds that, had the process of handling and evaluating the data been systematized on the basis of a well-articulated doctrine, they could have been presented in a standardized form, both in the case of Nosenko and others, in such a manner as to allow even a very busy executive to make an intelligent decision. It was thus not the quantity of data, but rather the lack of any orderly methodology for their evaluation and presentation which led inevitably to errors in judgment at all levels of command. Poor judgment then culminated all too often in less-than-adequate leadership in the CI and Soviet operations fields.

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5: Summary

If we seem to have wandered far afield from the "nature and validity of methodology of previous Nosenko bona fides studies," we have done so because the unfortunate handling of Nosenko ~~was not an isolated event~~. Rather, it was symptomatic of some fundamental inadequacies of the Plans Directorate.

What this means to us is that the long-needed improvement in our ~~conduct of counterintelligence activity~~, now well underway, must be carried on within the framework of a searching reexamination of the analytical techniques employed by the Directorate and its Clandestine Service. We do not of course pretend to know to what extent such a process is in course, or is already envisaged for the future.

Whatever may be the case, however, we believe that the last quarter of this century is going to be even more exigent, though in a different way, than the past twenty-five years. We therefore sum up the implications of this chapter by posing a single question: How can we ensure that the upcoming generation of Clandestine Service leaders is better prepared intellectually to meet the challenges which face them than were those who ran the Service in the sixties?

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CHAPTER XII

CONCLUSIONS AND RECOMMENDATIONS

1: The Letter of Instruction

General guidance for the preparation of this report was contained in a Letter of Instruction, signed by the Deputy Director for Operations on 8 June 1976. It assigned the following tasks:

You are tasked to write an analysis of the Nosenko case which will address the following matters:

- a. The bona fides of Nosenko.
- b. The value of Nosenko to the United States and allied governments.
- c. The relationship and significance of Nosenko to other agents and operations.
- d. The identification of unexploited Nosenko penetration leads and information.
- e. The nature and validity of methodology of previous Nosenko bona fides studies.

We have interpreted the above responsibilities rather liberally, because the ramifications and implications of the Nosenko case have proven more far-reaching than we, and probably the framers of the above Letter, anticipated. Nonetheless, we shall commence this concluding chapter with responses to the matters covered in sub-paragraphs a through e above.

1-a: Bona Fides

Doubts regarding Nosenko's bona fides were of our own making. Had the job of initially assessing him as a person, as well as of gathering and evaluating the intelligence he had to offer, been handled properly he could have been declared a bona fide defector as readily as have many other Soviet intelligence officers.

This is not to say that we can be certain of the genuineness of any defector. It will always remain hypothetically possible that the Soviet Government, acting through the KGB or some other instrumentality, will attempt to plant an intended "disinformation agent" or prospective penetration of our Government on our doorstep. But the usefulness of the Soviets' doing so, in the manner ascribed to them in the Nosenko case, is probably as slight as is the feasibility. Soviet success in using native-born citizens of other countries to spy on their own homelands has been considerable. By contrast, there is no record of the USSR successfully infiltrating the government of a major non-Communist power by use of an acknowledged Soviet citizen, least of all one

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whose career has been spent in a Soviet intelligence or security service. Thus, the probability of the KGB embarking upon, or succeeding in, the type of enterprise envisaged by Angleton, Murphy, and Bagley, was from the outset negligible.

As we conclude this study, it has consumed almost the full time of five intelligence specialists over a period of some six months. No information uncovered during that time has lent substantial credence to any of the doubts or suspicions harbored in the early days of this case by Messrs. Angleton, Murphy, and Bagley.

We therefore conclude that Nosenko was from the beginning a bona fide defector.

1-b: Value of Nosenko

Nosenko's contribution has been summarized in Chapter IV. He has been of great value, but probably could have been even more valuable had he been properly handled.

1-c: Relationship to Other Agents and Operations

As was made clear in Chapters X and XI, the Nosenko case, through no fault of the defector himself, had a most unfortunate effect on all clandestine operations in the Soviet field.

1-d: Identification of Unexploited Leads

We have not felt that this subject was one which we could feasibly or properly investigate. To do so would have meant delving into the past and current operations of both the SE Division and the CI Staff to ascertain the extent to which there might have been "exploitation" of any of the hundreds of persons whom Nosenko identified by name. Time would not have permitted us to accomplish this task, nor would our doing so have been consistent with the principle of compartmentation.

1-e: Methodology

It has been made clear in Chapter XI that the variety of techniques used in handling Nosenko did not conform to any generally accepted sense of the term "Methodology." Angleton, Murphy, and Bagley must be judged incompetent in their handling of this case. In addition, by the arbitrary and secretive manner in which they conducted their business, they imposed a similar incompetence upon their subordinates.

2: The Question of Responsibility

An obvious question arises at the end of this long recital: Where did responsibility lie for the multiple errors of the Nosenko case?

Fixing responsibility was not a part of our mission as defined by the Letter of Instruction. Nor would we wish to assume the full task of making a judgment regarding it. There is, however, one point to which we may properly address

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ourselves: Who was not responsible?

Our opinion cannot be considered definitive, but it may help others avoid some rather natural misapprehensions.

The prevailing principle within most large organizations is that the supervisor must accept responsibility for the actions of his subordinates. Applied to CIA as it functioned during the Nosenko case, that principle would lead one to apportion a goodly share of blame among three DCI's (McCone, Raborn, and Helms) and three DDP's (Helms, FitzGerald, and Karamessines).

In fact, we believe that to fix blame on the basis of hierarchical responsibility would be unfair. Detailed examination of the documentation in this case leads to the following conclusions:

A. The supervisory echelons above SB Division and CI Staff were never accurately informed concerning the conduct of the case, despite voluminous reporting directed to them. They were thus making decisions on the basis of data and evaluations which were inaccurate and misleading. Under the circumstances, the possibility of correct decisions was virtually nil.

B. Except for Helms, no subsequent DDP during the period covered by this report exercised any real authority over the conduct of the Nosenko case. Although they were in theory the direct supervisors of Angleton and Murphy, FitzGerald and Karamessines were onlookers more than they were participants.

C. Helms himself was the victim of incomplete reports and erroneous analyses from the two persons on whom, until 1967, he principally depended for advice regarding Nosenko. He himself eventually realized that he was being badly served, and for this reason assigned Admiral Taylor to investigate the handling of the case and recommend procedures for its resolution. Upon receiving Taylor's recommendations, Helms promptly accepted and implemented them. Thus, while there is room for argument as to whether he acted as soon as he should have, the record shows that once Helms received an accurate evaluation of the problems involved in this case, he took immediate corrective measures.

There are of course other questions which could be raised, such as whether Helms was wise in his choice of subordinates. These are, however, beyond the scope of this study.

Within the restricted framework of judgment which we have imposed upon ourselves, our overall conclusion is that the echelons of supervision above SB Division and CI Staff were not responsible for the errors of the Nosenko case.

### 3: Recommended Action

Most of our recommendations for action have been previously stated or implied. In the following paragraphs, we

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recapitulate them, with such supplementary remarks as seem necessary.

3-a: Examination of the Role of Professionals

We recommend that the role which can properly be played within the Agency by members of the organized professions -- medicine, psychiatry, psychology, law, and others -- be given careful study, within the context of (1) ensuring that the Agency puts their skills to the best possible use, while (2) refraining from involving them in matters not properly within their professional purview.

3-b: Improvement of Intellectual Standards

We recommend that the Operations Directorate, and its Clandestine Service, take whatever steps are possible to ensure that the intellectual caliber of their personnel is equal to the exigencies of the future.

We realize that the present personnel selection system sets high standards for those entering on duty at the professional level, particularly as regards IQ and education. But the standards presently in force do not by themselves guarantee that future selectees will possess independence of mind, analytical ability, and objectivity.

In the case of personnel already on board, it should be kept in mind that we live in a rapidly-evolving, technologically-oriented civilization. Knowledge and intellectual skills adequate at this time may be inadequate a few years from now. For an intelligence organization, we define "inadequate" as anything which is less than the best.

We suggest that a board of expert consultants be established, drawn primarily from research institutions, high-technology enterprises, and the academic world to recommend a program of screening new entrants, and improving the analytical skills of those already on duty, with the aim of achieving and maintaining a high level of intellectual excellence throughout the Operations Directorate.

3-c: Detection of Deception

We recommend that high priority be accorded a program to develop new methods of detecting deception.

Some steps are already underway in this regard, but they should be extended and given greater emphasis. Present methods, based mainly on the use of the polygraph, are clearly obsolete.

Specific criteria of bona fides will follow naturally from improved methods of detecting deception.

3-d: Collection, Analysis and Evaluation of CI Product

We are not making a recommendation in this regard because, although well aware of the inadequacies of the Nosenko period, we do not know how the matter is now being handled.

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3-e: Psychological Aspects of Defector/Agent Handling and Personnel Selection

We recommend a multi-track program of psychological research, geared specifically to the Operations Directorate's needs, to develop a new generation of personality assessment techniques necessary for both defector/agent handling and selection of DDO personnel. This program should be under direct DDO control.

A surprising amount of relevant expertise now exists within the Agency, and some valuable research is underway, but it is not being geared to DDO's needs to the extent it could be. Instead, it is being handled by DDS&T/ORD/Life Sciences Division, which currently accords it a low priority and may eliminate it altogether.

It is theoretically possible to establish, within the reasonably near future, certain measurable physiological correlates of a number of personality types.

It is also theoretically quite possible, though not yet demonstrated, that by establishing such physiological correlates we could take much of the guesswork out of personality evaluation. We would thus substantially reduce the threat which the employment of unstable or anti-social personalities (e.g., Philip Agee) poses for the Agency, and particularly for the Operations Directorate.

3-f: Further Research on Past CI and SE Division Cases

We recommend that the psychological research program (sub-paragraph 3-e) be supplemented by continuing research on past CI and SE Division cases involving Soviet or Soviet Bloc nationals. The purpose would be to extract possibly objectifiable indicators of the personality of the defectors, agents, or suspects involved, in order that a personality typology be built up to cover persons in those three categories. Such a typology should enhance our ability in the future to predict the behavior of such persons, as well as to improve our handling of them.

3-g: Psychological Assessment of Agents and Defectors

We recommend early, systematic psychological evaluation, by clinical psychologists using standardized measurement techniques, of all denied area agents, as well as defectors from the denied areas. We recommend against dependence on psychiatric examinations, unless the psychiatrists are willing to use the same standardized instruments as the psychologists would.

Although few, if any, of the Soviet or Soviet Bloc agents to whom we have had direct and continuing access have ever been tested—as long as they remained in agent status, we do not accept as valid the reasons usually given for not testing them.

Implementation of this recommendation would, if the other programs above-recommended are also carried out, contribute substantially toward authentication of agent sources and information.

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4: Review by Higher Echelons

In addition to review at the appropriate echelons of command, we recommend that this report be thoroughly reviewed by the Inspector General and General Counsel.

Although the statute of limitations presumably renders impossible ~~criminal actions~~ as a result of this case, there will remain virtually indefinitely the threat of an action for damages on the part of Nosenko. In the view of the senior author, this danger is minimized by keeping Nosenko actively and productively engaged in work on behalf of the CIA and FBI. Nonetheless, the possibility of Nosenko's eventually deciding to press publicly for further compensation cannot be totally discounted. The Agency should therefore be fully prepared in advance for such a contingency.

5: Moral Responsibility

We recommend consideration be given to establishing a written code of moral responsibility for Agency employees.

Even the conduct of a declared war is to some extent restricted by certain morally-based limitations, such as the Geneva Convention. While the nature of clandestine and covert activities demands exemption from many legally-imposed limitations, this fact should not be taken to imply a total dispensation from all moral imperatives. We believe, for example, that the long incarceration of Nosenko and the [redacted] were morally indefensible.

We suggest that there should be enough consensus within the Agency regarding categories of impermissible actions for an explicit code of moral or ethical standards -- call them what you will -- to be established and enforced.

Enforcement is as important as establishment of such a code. In the aftermath of the Nosenko and [redacted] cases, manifestations of outrageously poor judgment on the part of key Agency officers seem regularly to have been followed by assignment to desirable European posts. This sequence may have been adventitious; but whether it was or not, it projected an image of amorality on the part of the Agency's leadership which does not bode well for CIA's future in a democratic society. One of the Clandestine Service's most positive features has always been the dedication of its personnel; yet amorality and dedication are self-evidently inconsistent in our society. It is essential that the Agency's leadership keep this fact in mind.

(b)(1)

(b)(3)

(b)(1)

(b)(3)

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APPENDIX:CHRONOLOGY OF THE YURIY IVANOVICH NOSENKO CASE1962

mid-March	UN Disarmament Conference opens in Geneva.	
5 June	[redacted]	(b)(1)
9 June	Nosenko offers, [redacted] to sell information to American intelligence; identifies self as KGB officer. [redacted]	(b)(1) (b)(3) (b)(3)
11 June	Bagley and Kisevalter meet Nosenko. They advise Headquarters Nosenko has conclusively proven bona fides.	(b)(3) (b)(3)
12 June	Bagley and Kisevalter meet Nosenko and report him cooperative.	
13 June	Meeting No. 4.	
14 June	Meeting No. 5.	
15 June	Nosenko returns to Moscow after agreeing to re-establish contact with CIA when next in West.	
16 June	Nosenko case discussed at CIA Headquarters by Angleton, Maury, Bagley and Kisevalter.	
ca 20--26 June	Bagley studies Golitsyn's reporting on alleged KGB disinformation mission.	
26 June	Bagley discusses Nosenko material (in disguised form) with Golitsyn. Golitsyn agrees Nosenko's information may reflect disinformation.	
27 June	Bagley suggests Nosenko under KGB control and commences to build case against Nosenko.	
14 August	Kisevalter completes "summary transcripts" of CIA's five meetings with Nosenko in Geneva.	

1963

13 September	Yuriy Krotkov, KGB SCD agent, defects to British.
4 November	The Cherepanov incident in Moscow.

1964

19 January	Nosenko informs CIA of his return to Geneva.
23 January	Meeting No. 1. Nosenko says he wants to defect.

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24 January	Meeting No. 2. Bagley cables Headquarters that suspicions regarding Nosenko's bona fides are justified. Requests TDY to Headquarters.	
25 January	Meeting No. 3. Karpovich meets Nosenko vice Bagley.	
26 January	Meeting No. 4.	
27 January	Murphy tells Helms SR goal is to "break" Nosenko.	
28 January	Meeting No. 5.	
29 January	Meeting No. 6	
30 January	Meeting No. 7. Bagley, now back in Geneva, requests Nosenko remain in place.	
31 January	Meeting No. 8.	
1 February	Meeting No. 9.	
2 February	Meetings No. 10 and 11.	
3 February	Meeting No. 12.	
4 February	Meeting No. 13. Nosenko insists on immediate defection and is exfiltrated to [redacted]	(b)(1)
5 February	Nosenko arrives [redacted]	(b)(1)
6 February	Nosenko cooperates with debriefing in [redacted] FBI judges Nosenko's information "valid and valuable."	(b)(3) (U)(1)
7 February	Murphy visits [redacted] to assess Nosenko.	(b)(3) (b)(1)
8 February	Murphy confirms Bagley and Karpovich judgment that Nosenko not bona fide.	(b)(3)
9 February	Murphy assures Nosenko we consider him bona fide, and makes detailed financial commitments to him.	
10 February	Murphy, back at Headquarters, tells Karamessines Nosenko is KGB agent on mission.	
11 February	McCone directs Nosenko be brought to Washington soonest because Soviets are publicizing the case. McCone also notifies President of CIA's suspicion that Nosenko is on KGB mission.	
12 February	Nosenko arrives in United States.	
14 February	Nosenko is confronted by Soviets and confirms desire to remain in United States.	

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17 February	Helms approves Murphy's plan for handling case on basis Nosenko not bona fide. Concurrently, Bagley assures Nosenko of future collaborative relationship with CIA and sets schedule of emoluments.
18--21 February	Nosenko is debriefed.
20 February	Helms agrees to bring Golitsyn into the case. Golitsyn will receive virtually full access to Nosenko material.
24 February	FBI begins debriefing of Nosenko. Nosenko complains of his treatment by FBI [redacted] (b)(1)
25 Feb--6 March	FBI debriefing continues despite Nosenko's reluctance. (b)(3)
9 March	Murphy tells Helms little of Nosenko's information is new. Nevertheless, FBI believes Nosenko to be genuine KGB defector.
12--28 March	[redacted] (b)(1) (b)(3)
12 March	Deryabin reports extensive errors in "transcripts" of 1962 meetings with Nosenko.
20 March	Helms, Angleton and Murphy meet with McCone to discuss plans for confinement and hostile interrogation of Nosenko. Goal is to "break" him.
23 March	CIA disseminates to State Department Nosenko's information on microphones in U.S. Embassy, Moscow.
1 April	CIA clears its proposed handling of Nosenko with FBI, which interposes no objection. Helms advises State Department that Nosenko is not genuine defector and raises possibility of turning Nosenko back to Soviets.
2 April	Helms, Murphy, and Houston meet with Deputy Attorney General Katzenbach to discuss CIA's freedom of action under provisions for "parole" to Agency. Murphy briefs McCone on reasons why Nosenko is considered KGB plant.
4 April	Following "polygraph," Nosenko is confined in safehouse at Clinton, Maryland. Bagley confronts Nosenko, saying his KGB mission has been known to CIA for two years.
6 April	Hostile interrogations begin.

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25 April	Interrogations cease, since Nosenko has not confessed.
end-April	Microphones found in U.S. Embassy, Moscow.
14 May	Interrogations resume and continue until late July.
23 June	Gittinger administers psychological test to Nosenko.
29 June	Golitsyn presents his conclusions on Nosenko.
20--21 July	CIA tells MI-5 and MI-6 that Nosenko is KGB plant and links Krotkov with wide-spread "diversionary plot."
10 November	Interrogation of Nosenko stops.
19 November	Helms orders rapid windup of Nosenko case.
<u>1965</u>	
5--8 January	CIA and FBI attempt to reach common position on Nosenko.
18 January	FBI tells McCone they are in no position to reach firm conclusion regarding Nosenko.
25 January	Murphy initiates planning for Nosenko's confinement at LOBLOLLY.
26 Jan--5 March	Hostile interrogations resume.
3--21 May	Gittinger interviews Nosenko.
26 July--13 Aug	Deryabin interrogates Nosenko in Russian.
27 July	Angleton, Murphy, and Osborn inspect LOBLOLLY.
13 August	Bagley tells Nosenko his position is hopeless and breaks off direct SR Division contact with him.
10 December	McCoy forwards his dissenting paper to Murphy.
<u>1966</u>	
12 January	Murphy tells Helms no one from SR Division has seen Nosenko since August 1965, and they discuss use of "special techniques" on Nosenko.
19 April	Murphy again discusses use of "special techniques" with Helms.
21 June	Murphy discusses sodium amytal interview and other "special techniques" with Helms.

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6 July	Bagley makes first case officer visit to Nosenko in a year.
23 August	Helms instructs FitzGerald and Murphy to terminate Nosenko case within 60 days. Murphy organizes SR Division task force to meet Helms' deadline.
30 August	Murphy tells Helms chance of Nosenko confessing is not great.
1 September	Helms forbids use of sodium amytal and other "special techniques" on Nosenko. Helms considers turning Nosenko over to Soviets.
2 September	Murphy obtains from Helms extension of 60-day deadline until end of year.
18--28 October	Nosenko is interrogated extensively with assistance of polygraph.
<u>1967</u>	
February	SB Division produces long-awaited report on Nosenko case.
10 March	Murphy forwards portions of SB Division's report on Nosenko to Angleton.
16 March	Admiral Taylor questions Murphy on Nosenko case.
29 March	Angleton objects to manner in which SB Division report treats Golitsyn material about Nosenko.
10 May	Admiral Taylor finds SB report on Nosenko unconvincing and overly-lengthy.
26 May	Taylor requests Office of Security comments on SB report. Director of Security recommends Bruce Solie to take over interrogation of Nosenko.
19 June	Solie comments on SB Division study and recommends alternative lines of inquiry.
11 August	Solie is assigned to interrogate Nosenko.
27 October	Office of Security moves Nosenko from LOBLOLLY unbeknownst to SB Division or CI Staff.
30 October	Solie's first interview with Nosenko.
<u>1968</u>	
February	SB Division produces revised report on Nosenko representing compromise with CI Staff.

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2--6 August

Office of Security administers first-  
ever, valid polygraph to Nosenko.  
There are no signs of deception.

September--October

FBI and CIA Office of Security reports  
conclude Nosenko bona fide defector  
and not dispatched by KGB.

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