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28 February 1973

MEMORANDUM OF CONVERSATION

SUBJECT: CIA Support of SEC Overseas Investigations

PARTICIPANTS: Securities Exchange Commission

Theodore C. Barreaux-Deputy Director, Office  
of Policy Planning  
Wallace Timmerly-Director, Enforcement Division

Central Intelligence Agency

Paul Walsh-Assistant Deputy Director,  
Intelligence

[REDACTED]  
[REDACTED] Office of Economic Research

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Mr. Barreaux noted that his visit was part of an overall SEC effort to develop liaison with agencies involved in international affairs.

The SEC, under White House direction, was participating in a multi-agency drive against organized crime. As part of this drive the Commission was seeking to acquire information on the overseas security dealings of "organized mobsters". State has provided the Commission with useful overt information but Mr. Barreaux indicated there was a tremendous need for detailed covert collection, particularly on security transactions and company ownership. This information would be required from collectors in the Caribbean, Latin America, and Europe, particularly

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Mr. Walsh indicated that the Agency desired to help but would be severely constrained. Material collected either through the Domestic Contact Service or the Clandestine Service, in general, would carry controls which would severely restrict its usefulness in law enforcement. Moreover, the Agency would have to assure that its sources and accesses were protected and it could not, by law, have a domestic law enforcement role.

Mr. Barreaux said he appreciated Mr. Walsh's position. He felt the SEC would still find the information desirable even with the controls. He also indicated that the CIA should not be concerned about jeopardizing its access to legitimate business, because businessmen **also** have an interest in removing organized criminal elements from international security transactions. He also noted that the Commission would make available to the Agency information that it uncovered which might be of Agency use.

Mr. Walsh indicated that he would have to discuss the matter with the Director of Central Intelligence and the Clandestine Service. He suspects that this request would require a special collection effort.  agreed noting that this information was not presently being acquired. Mr. Walsh made no other commitments.

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