

12 May 1977

MEMORANDUM FOR THE RECORD

FROM : Wm. George Jameson
Office of General Counsel

SUBJECT : Gordon Novel v. Louisiana Expo, Inc. et al., Civil
Action No. C 77-578-A, United States District Court for
the Northern District of Georgia, Atlanta Division

On Friday, 6 May 1977, I received a call from Department of Justice attorney (Ms.) Brook Hedge, who informed me that the U.S. Attorney would move for an extension of time in Mr. Osborn's behalf in this litigation, and that there did not appear to be any reason for Justice not to provide Mr. Osborn with appropriate representation.


Wm. George Jameson

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OGC 77-2811

2 May 1977

William T. Arnold, Esq.
Civil Division
Department of Justice
Washington, D.C. 20530

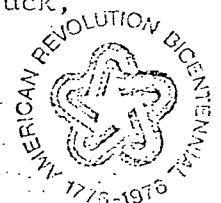
Dear Mr. Arnold:

Enclosed, as you requested in our conversation of 27 April 1977, are the complaint served upon Mr. Howard J. Osborn, a former Director of Security of this Agency, and a letter dated 21 April 1977 from Mr. Osborn's attorney requesting that the Department of Justice provide Mr. Osborn counsel and representation in an action brought by Gordon Novel. We recommend that such representation be provided.

Mr. Osborn has told me that he has no knowledge about any of Novel's allegations and that he does not know any of the individuals named in the complaint. A search of appropriate files in this Agency has failed to surface any information to the contrary. Furthermore, the complaint alleges that Mr. Osborn acted, both individually and in his official capacity, to deny plaintiff his constitutional rights during a time period from November 1975 to March 1976. However, Mr. Osborn retired from the Agency on 31 December 1974.

While there is no indication that Mr. Osborn has been connected at any time with these allegations or persons, one of the named defendants is a current CIA employee named Peter Houck. The allegations regarding him also appear to be unfounded. Thus far he has not been served by plaintiff. Mr. Osborn stated that he has never had any contact with that employee.

While I am having Agency files searched for possible additional information regarding these allegations, I believe it fair to conclude that these allegations regarding Mr. Osborn are entirely unfounded. Mr. Novel in the past has claimed, among other things, that he both has been and has not been a CIA operative and that he expected to be named Director of Central Intelligence. He contacted the CIA Domestic Contacts Division, an overt Agency component, on 31 October 1975 in order to propose CIA sponsorship of one of his commercial ventures. Mr. Houck,



an overt employee of that component, informed him that his proposal was rejected, but Novel insisted on meeting directly with those CIA officials who expressed disinterest, and threatened to contact the Director to the detriment of their careers. On 9 February 1976 Mr. Novel was advised that he was wasting our time and that he should not contact this Agency.

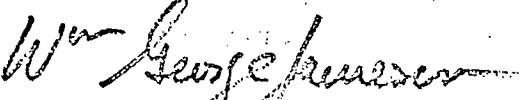
That month Mr. Novel was arrested by agents of the U.S. Alcohol, Tobacco and Firearms Bureau in New Orleans for conspiracy to detonate incendiary devices in a downtown New Orleans building during Mardi Gras. After a three-day trial, the jury could not reach a verdict on Novel. Mr. Houck provided testimony regarding his contacts with Novel. It should be noted that, while the present complaint alleges a CIA conspiracy to convict Novel in New Orleans, there was no effort at that time to blame Novel's arrest and prosecution on CIA. Prior to commencement of a second trial, Mr. Novel fled to Georgia, where he turned himself over to Georgia authorities after a fugitive warrant in Louisiana was issued for his arrest on the conspiracy charge. He remains free on a \$25,000 bond issued by a Cobb county judge.

In view of these facts, we recommend that Mr. Osborn's request be granted. As a prominent former official of this Agency, Mr. Osborn's name has been in the public domain to a great extent over the past few years. In particular, he has been called to provide testimonial assistance to the Church Committee. We may only speculate as to how Mr. Novel learned of his name; however, it seems clear that the allegations concerning Mr. Osborn are vexatious.

I have related to Mr. Debelius your comment that it may be necessary for him to file a motion for an extension of time. While he intends to contact Mr. Novel's attorney in this regard, he urges that Justice make relevant motions in Mr. Osborn's behalf. Since I have worked with Mr. Debelius on another occasion, I would be happy to contact him in your behalf.

If you have any questions or comments, please do not hesitate to contact me. I assume that at some time in the future we shall need your assistance regarding Mr. Houck as well, and I shall provide any additional information that may come to my attention.

Sincerely,


Wm. George Jameson
Office of General Counsel

Enclosure

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