

MEMORANDUM FOR: Deputy Director for Operations

FROM: []
Chief, Political and Psychological Staff

SUBJECT:

1. Attached is a memorandum prepared by [] [], head of the QRDYNAMIC organization. This is a wholly-owned Agency instrumentality, a Ukrainian ^{ethnic} ~~exile~~ group headquartered in New York with its printing and publishing facility in Western Europe. The objective of the QRDYNAMIC activity is to produce and infiltrate into the Soviet Union material aimed at keeping alive Ukrainian nationalist spirit while exploiting the vulnerabilities of the Soviet system.

2. The subject of QRDYNAMIC's concern is a recently released study by the General Accounting Office (GAO) of the U.S. Congress describing alleged Nazis and ~~Axxx~~ collaborators whom U.S. intelligence organizations purportedly assisted in settling in the U.S. following World War II. The Chairman of the House ^{committee on} Judiciary

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[18 July 85]

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Peter W. Jus.
~~Committee~~, Congressman Michael Rodino, commissioned this study and *reportedly intends to hold* announced that hearings based on the report will be conducted by his Committee in the fall. Of the ~~12~~¹⁹ individuals described in the report, only one has a continuing relationship with the Agency, Mykola Lebed, the founder and former head of QRDYNAMIC.

3. ^{GAO} The study is based on an extensive review of DO file material, some of which goes back to predecessor organizations. Based on a file review and discussions with Agency officers familiar with the background of Mr. Lebed, it would appear that he has been erroneously placed ^{by GAO} in the category of Nazi collaborator ~~based~~ ^{rather than} on underground actions he committed either against the Nazis or before the war as a Ukrainian underground fighter. Based on the record, he was not a Nazi collaborator and, in fact, was considered by the Nazis to be a fugitive.

4. The issue at hand is significant beyond the question of the report's accuracy. With the report in the public domain, several newspaper articles have appeared, and it seems only a matter of time until Mr. Lebed is mentioned by name. This could

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have a serious and possibly destructive effect on the entire QRDYNAMIC operation. Attendant publicity would strain the credibility of the organization. It can be assumed that investigative reporting would probe its contacts and sources of support and that Agency funding would soon become either apparent or widely speculated. At the same time, it can be expected that the Soviet Union would utilize its active measures capability in an effort to destroy the organization, which has been a continuing target of Soviet intelligence services since its inception in 1944 *forties*.

5. This office first learned of the GAO report on 29 June 1985 through an article in the New York Times, one day after the report had been made public. Neither the report itself nor the fact that it was being prepared had been coordinated with this office. We were, in fact, completely unaware that any such report was in preparation. When we looked into the matter, we were told by IMS that about two years ago the GAO had obtained authorization from a senior officer in the DO to have access to DO files for the purpose of compiling such a report. Further, this senior officer authorized the release of such documents to the GAO and the

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preparation of the report, specifically without requiring that this be coordinated with any area divisions or staff within the DO. Apparently as a result of this unusual procedure, the existence of the report came as a complete surprise to this office.

6. In light of the above, we recommend that certain corrective measures need to be taken at once to prevent the demise of one of our major instrumentalities targeted against the Soviet Union:

a. That the Chairmen of the appropriate House and Senate oversight committees be briefed of the situation, and that they apprise Congressman Rodino as appropriate.

b. That means be explored to effect a correction of the record and that this correction may be made public as soon as possible.

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c. That a review be conducted to determine if there was impropriety in the handling of DO information with regard to sources and methods.

Attachment

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