

TOP SECRET

JAN 24 1951

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MEMORANDUM FOR: REAR ADMIRAL LESLIE C. STEVENS
CHIEF, JSPD, JCS

SUBJECT: Security Considerations in Preparation
of Covert Vessel Irmy.

REFERENCE: T. S. Memo from ONI, OP322Y4 Ser 00036/51
dated 15 Jan 51, enclosing copy of DIO 6ND
Secret Ser 002X32, dated 9 Jan 51.

I note that you have received a copy of the reference
document and, therefore, believe you would be interested in
the memorandum prepared for me on this subject.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 382B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

FRANK G. WISNER
Assistant Director for
Policy Coordination

Enclosure:
T. S. 54284 dated 24 Jan. 51

EE-I/E 7/1b
24 January 1951

cc: Orig & 1 - addressee
#3, 4 - III/RE
5, 6 - EE-I

CLASSIFICATION CANCELLED OR CHANGED
BY AUTHORITY OF [Signature]
COMPLISHED BY [Signature]
Secret
100-1-58-41
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24 January 1951

MEMORANDUM FOR: ASSISTANT DIRECTOR FOR POLICY COORDINATION

SUBJECT: Security Considerations in Preparation of Covert Vessel Irmay.

REFERENCE: T. S. Memo from ONI, OP 32274 Ser 00036/51 dated 15 Jan 51, enclosing copy of DIO 6ND Secret Ser 002132, dated 9 Jan 51.

1. In view of the extreme sensitivity of the proposed mission of the covert vessel Irmay, the Eastern European Division, OPC, has handled this project from its inception in a manner believed consistent with the highest security precautions, and has purchased, overhauled the vessel, and installed all special equipment with a minimum revelation of government interest. The general principle followed was based on the decision that information of any sort regarding the vessel and its proposed use would be divulged only on a "need to know" basis. The following discussion of the development of this program illustrates how rigidly this was followed:

a. Inspection and Purchase. The Irmay was purchased through private channels which cannot be traced to the U. S. Government. A well-known private yachtsman secured the services of a leading yacht broker and following an extensive survey of a number of possible vessels, bought the Irmay after OPC had properly satisfied itself that this vessel would meet its operational requirements.

b. The Overhauling and Installation of Special Equipment. Since it was necessary to put the ship in first-class shape and to install a considerable amount of special equipment aboard, the vessel was put in a small yard in Baltimore by the owner, who personally directed the work. Coverwise, it was explained to all interested parties that the owner was in the process of writing a charter for a two to three-year period with a marine research organization, which explained the extensiveness of the job and the installation of special equipment. Any sensitive equipment was brought into the yard in secure manner over weekends and was immediately put into two locked rooms which had been specially constructed to hold this equipment. No workmen other than OPC employees were permitted entry to these rooms. By all reports, the special equipment was considered by all who had any contact with it to be scientific equipment installed by the Institute.

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The cover story that the owner had chartered the vessel to a research institute was given authenticity by the incorporation of [] in Maryland and the appointment of certain private citizens as its officers. [] has followed all normal procedures pertaining to establishing a non-profit organization, for research activities, and has obtained the services of two well-known Baltimore businessmen as officers. In addition, [] has retained the services of a lawyer to properly handle its affairs. On the first of December, [] assumed operation of the Imray and directed its senior man aboard to proceed to the Caribbean area. [] maintains a bank account in Baltimore and all operating expenses of this vessel are paid by [] To date, [] has not come under scrutiny, but OPC is confident that it could withstand close examination without fear of revealing government affiliation.

d. Registry. As a further security measure, the ostensible owner was directed to change the registry to Panamanian. This has been accomplished.

e. Crew. Under the terms of the charter with [], it was the owner's responsibility to provide a complete crew. Obtaining a satisfactory, capable captain was naturally the key to development of any good crew. After screening a large number of qualified prospects, Captain Halmes was selected because of his wide experience in yachting and extremely favorable references received. In short order, he assembled a crew, which was described from the start as being a good notch above average, both in respect to character and knowledge of yachting. As soon as the various crew members were recruited, the owner transferred personnel background data to OPC and clearances were obtained in all instances before the vessel was ready to depart. It is important to point out that the owner and this office screened all personnel considered very carefully and exercised their best judgment in selecting the final complement for this very important project.

f. Coordination with Other Agencies. The project outline left the matter of coordination with other agencies to the judgment of this office. Consequently, as pointed out above, the operational principle was that of "need to know". For example, to obtain special support from the Maritime Administration in changing the registry, on 28 November 1950, Mr. Huntington T. Morse, Special Assistant to the Administrator, was cleared and took steps to authorize the owner to change registry. The State Department also was approached securely through channels, when on 10 January 1951 through Mr. Joyce, steps were taken to insure [] of the support of the various Consulates at the vessel's ports-of-call. Also preliminary notification of the arrival of the vessel in the Mediterranean area has been given to CINCPAC together with some

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details of this ship. Final details including notification of expected arrival and information on registry change are currently being cabled to CINCPAC.

2. From the foregoing, it is believed that the Eastern European Division, OPC, took every precaution to maintain the security of this project up to the moment when Captain Holmes became guilty of the severe security violation which was reported in the reference memorandum. It was apparent to OPC that a serious breach of security had occurred when [redacted] telephoned on 29 December. To maintain the security of the mission, OPC immediately contacted Mr. Frank E. Russell Assistant Deputy Commissioner of Customs and requested that he stop the threatened inspection of the vessel by Mr. Hopkins of the Miami office of the Bureau of Customs. Mr. Russell was also asked to advise Customs officials in other ports of the true status of the vessel. Thanks to the reference document, the Eastern European Division, OPC, learned on 17 January the identity of the individual charged with the security violation and has already laid plans to secure his replacement and return Captain Leslie Holmes to the United States for further investigation of these charges and such action as is deemed advisable.

3. In the light of this experience, the Eastern European Division, OPC, will in the future advise the Office of Naval Intelligence of any Eastern European Division, OPC, operations that have any bearing upon the Office of Naval Intelligence. Further, other authorities such as the Bureau of Customs will likewise be properly advised of Eastern European Division, OPC, operations whenever appropriate.

[Chief, EE]

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