

Kronthal copy

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Request for a Report within the Intelligence Community

FROM:

Raymond M. Reardon  
Chief, Counterintelligence Center,  
Security Group

EXTENSION

NO.

DATE

22 January 1990

(b)(3)

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Director of Security

1/22/90 2/2/90

(b)(3)

(b)(3)

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2. DD/PS

2/5 2/5

3. C/SAD

2/7

4.

C/SIB

2/7

FYI, Dr. Lynch has told Mr. Reardon he does not intend to provide input re SEO as he suggested in the attached memorandum.

5.

[Redacted]

*pls document file.*

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

*No SAD action - LIC completed the req. w/ some assistance from [Redacted] will send us a copy of the final response.*

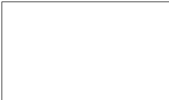
*Democracy is sometimes a scary proposition.*

22 January 1990

MEMORANDUM FOR: Director of Security

FROM: Raymond M. Reardon  
Chief, Counterintelligence Center,  
Security Group

SUBJECT: Request for a Report within the Intelligence  
Community



(b)(3)

I received a copy of the attached memoranda from the SSCI on 22 January 1990. The Counterintelligence Center (CIC) has been asked to put together an overall response. CIC/INV will be working directly with the Special Activities Division, Office of Security, in providing input to paragraphs 2, 3, 4 and 6. In view of some of the other issues raised, such as SEO, I thought you might like the opportunity to provide input to the overall response.



Raymond M. Reardon

(b)(3)(b)(6)

Attachment:  
As stated above

WARNING NOTICE  
INTELLIGENCE SOURCES  
OR METHODS INVOLVED



(b)(3)

SECRET

**EXECUTIVE SECRETARIAT  
ROUTING SLIP**

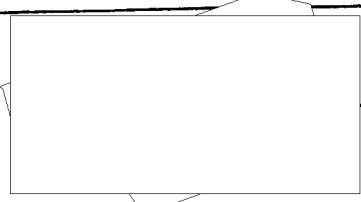
TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	D/ICS		X		
4	DDA				
5	DDI				
6	DDO		X		
7	DDP&C				
8	DDS&T				
9	IG				
10	COMPT				
11	D/OCA	X			
12	GC				
13	Chm/NIC				
14	D/PAO				
15	COUNSEL/DCI				
16	ADDO/CI		X		
17	D/SEO		X		
18					
19					
20					
21					
22					

SUSPENSE \_\_\_\_\_ ASAP \_\_\_\_\_  
Date

Remarks D/OCA will coordinate with C/CI and prepare response for DCI signature.

3637 (10-81)



Executive (b)(3) (b)(3)3  
(b)(3) y  
(b)(6)  
Date (b)(3)  
(b)(6)

JOSEPH R. BIDEN JR. DELAWARE  
 PAUL S. SARVANES, MARYLAND  
 ALAN CRANSTON, CALIFORNIA  
 CHRISTOPHER J. DODD, CONNECTICUT  
 JOHN F. KERRY, MASSACHUSETTS  
 PAUL SIMON, ILLINOIS  
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JESSE HELMS, NORTH CAROLINA  
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# United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

GERYLD B. CHRISTIANSON, STAFF DIRECTOR  
 JAMES P. LUCIER, MINORITY STAFF DIRECTOR

October 18, 1989

Senator David Boren  
 Chairman  
 Senator William Cohen  
 Vice Chairman  
 Select Committee on Intelligence  
 United States Senate  
 Washington, D.C.

Dear Senators:

As you know, competitive analysis has been demonstrated by the 1975-1976 A Team-B Team exercise to be beneficial to better intelligence support to protecting our national security. It turns out that the Central Intelligence Agency's benign view of the Soviet military threat in the mid-1970s was far too complacent, but we would never have had available the more accurate warning of the growth of Soviet strategic superiority provided by the B Team had it not been for the exercise of competitive analysis. Contending points of view and varying schools of analysis and interpretation are inevitable in the art of intelligence, and experience has shown that we should encourage competitive analysis.

On September 24, 1986, the Senate unanimously agreed to my amendment to S. 2477, the Intelligence Authorization Act for Fiscal Year 1987, directing the CIA to conduct competitive analysis on 32 important intelligence issues. One of these issues, numbered 24, was "The possibility that the CIA and the State Department have been penetrated by the KGB at various levels." The CIA's classified report to the Senate on this topic was received in 1987. It was, however, only a short and cursory paragraph, and it was not the result of competitive analysis.

Since then there have been five probable espionage cases reported in the media which suggest that the CIA and the State Department should have treated my amendment more seriously.

First, the senior foreign service officer Mr. Felix Bloch has been placed on administrative leave by the State Department because he was detected engaging in unreported contacts with Soviet Intelligence and is suspected of espionage. These contacts reportedly even included the passing of a briefcase from Mr. Bloch to a known Soviet Intelligence Officer.

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Second, there are recent media reports that the late CIA senior analyst Mr. John Paisley may have been a long-term Soviet mole at the CIA. A recent book has described the details surrounding Mr. Paisley's suspicious death in September, 1978, and the evidence that he might have been recruited during his World War Two Merchant Marine voyages to the Soviet Union to be a long-term Soviet Intelligence mole inside the CIA. Mr. Paisley apparently lied about his wartime visits to the Soviet Union when he entered CIA.

Third, this book also reports that the senior CIA officer Mr. James Speyer Kronthal was a Soviet Intelligence mole inside CIA. Mr. Kronthal apparently committed suicide in 1953, when his treachery was discovered.

Fourth, this book and another recent book have reported the details of the damage caused by the convicted spy Mr. Karl Koecher, a CIA contract employee who was a mole inside the CIA for Soviet/Czech Intelligence.

[Redacted]

(b)(1)  
(b)(3)

Because the CIA and the State Department did not take my original amendment seriously, and because of the subsequent evidence suggesting serious Soviet Intelligence penetrations of the CIA and the State Department, it is clear that counter-intelligence at CIA and the State Department must be strengthened. In accordance with the 1986 Helms amendment, I therefore request that the Senate Select Committee on Intelligence require the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, and the Secretary of State to submit reports, utilizing the method of competitive analysis, on the following:

1. The reason why the 1987 CIA report on this topic was only cursory and failed to fulfill the original 1986 Senate directive for a competitive analysis of whether the CIA and the State Department were penetrated by Soviet-bloc intelligence services.

✓ 2. The evidence which would determine whether the senior foreign service officer Felix Bloch, the late CIA senior analyst John Paisley, the former CIA contract employee Karl Koecher, the late senior CIA officer James Kronthal, [Redacted] (b)(1) [Redacted] were spies for Soviet-bloc (b)(3) intelligence services, including any evidence indicating when they may have first begun spying for Soviet-bloc intelligence services.

✓ 3. The circumstances of the detection of Mr. Bloch's, Mr. Paisley's, Mr. Koecher's, Mr. Kronthal's, [Redacted] (b)(1) [Redacted] (b)(3)

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[redacted] reported dealings with Soviet-bloc intelligence services. (b)(1)  
(b)(3)

4. The reasons why it took the United States Government an inordinate length of time to suspect Mr. Bloch's, Mr. Paisley's, Mr. Koecher's, Mr. Kronthal's, [redacted] (b)(1)  
[redacted] probable espionage dealings with Soviet-bloc intelligence services. (b)(3)

5. The likelihood that there could be similar, though as yet undetected, cases in the State Department and the CIA suggesting the probability of espionage, including a list of all former and current State Department and CIA employees who have had unreported contacts with Soviet-bloc intelligence services, or were involved in false flag entrapments, or were possibly compromised by Soviet-bloc intelligence services.

6. An assessment of the possible damage that Mr. Bloch, Mr. Paisley, Mr. Koecher, Mr. Kronthal, [redacted] (b)(1)  
[redacted] may have done to United States foreign policy, intelligence, and national security interests by their actions, including an analysis of the damage that they may have done as Soviet-bloc intelligence agents of influence over United States policy. (b)(3)

7. An assessment of whether the Director of the Federal Bureau of Investigation, the Secretary of State, and the Director of Central Intelligence, should establish a joint Security Evaluation Office. The joint Security Evaluation Office would set personnel and physical security standards for all U.S. embassies abroad. These security standards would apply to all personnel of the State Department and all its agencies, and also to all U.S. Government personnel belonging to all U.S. diplomatic missions abroad. These security standards would also apply to all facilities and buildings of all U.S. diplomatic missions. The joint Security Evaluation Office would also monitor the compliance of the State Department and all U.S. mission personnel and facilities with these security standards.

[redacted] (b)(1)  
(b)(3)

9. An assessment of whether each annual security report on each U.S. mission should be forwarded to the State Department Regional Security Officer, to the FBI representative in each mission (where applicable), and to the joint Security Evaluation Office. The joint

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Security Evaluation Office would analyze these reports, make enforcement recommendations, and consolidate the reports and enforcement recommendations for submission to the Chief of Diplomatic Security at the State Department. The Chief of Diplomatic Security would submit the consolidated annual mission security report and enforcement recommendations to the Assistant Secretary of State for Diplomatic Security and to the Secretary of State. The Secretary of State would use his existing statutory authority to administer and enforce the joint Security Evaluation Office security standards.

10. An assessment of whether the Assistant Secretary of State for Diplomatic Security should submit the consolidated annual mission security report and enforcement recommendations to the Senate Committee on Foreign Relations and to the Senate Select Committee on Intelligence, together with a summary of all enforcement, corrective and disciplinary actions taken.

11. An assessment of whether upon being transferred back to the United States or being posted to any other permanent change of station, all U.S. diplomatic mission country team members at all U.S. embassies should be interviewed on all security issues, including lifestyle, foreign contact reporting, and non-fraternization policy, by State Department diplomatic security officers, and if there is sufficient reason, by the FBI.

I hope that by posing these questions and asking for these competitive analyses and assessments, progress will be made in improving our counter-intelligence. I appreciate the efforts already being made in this area by the SSCI, and I look forward to working with you further toward achieving additional improvements.

Sincerely,



(b)(6)

JESSE HELMS