

15-3-15

0674-153C
15 July 1974

MEMORANDUM FOR: Acting Deputy Director for Operations
SUBJECT: Robert R. Mullen Company

1. Attached hereto are:

- a. MEMORANDUM FOR THE RECORD by [redacted] (b)(1)
dated 15 July 1974, subject: "Proposed Response (b)(3)
to News Media - Request for Compensation from
the Agency," and
- b. a rough first draft of a public statement on the
Mullen Company's cooperation with CIA prepared
by Mr. Mullen. As indicated in the bottom of
the statement, Mr. Mullen is asking for our and
Senator Baker's clearances.

2. In regard to Mr. Mullen's public statement, I
recommend that we thank Mr. Mullen for having made it
available to us but ~~do not~~ provide an official or
unofficial clearance or make any other suggestions
in regard to his contents.

advise him that we can't
CIA/DCI

3. In regard to Mr. Mullen's request for monetary
indemnification, I propose to have [redacted] inform
Mr. Mullen that his lawyer may contact Mr. John Warner,
General Counsel, CIA.

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

4. I would appreciate early approval of these 2
recommendations so that [redacted] can communicate
them to Mr. Mullen.

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

[redacted]

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

Chief, Cover & Commercial Staff

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

2 Atts: A/S

[redacted]

David H. Blee, Acting DDO

DATE: 15 July 1974

cc: OGC, OLC, IG, Mr. Bolten

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

SECRET

A-520

[REDACTED]
15 July 1974

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

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Response to News Media.
Request for Compensation from the Agency.

1. Upon arriving home from the office on Friday, 12 July 1974, the undersigned found a letter from Robert R. Mullen, chairman of the board of Robert R. Mullen Company, which contained a draft of a response which Robert R. Mullen is considering making to the news media concerning the role the Robert R. Mullen Company played in the Watergate incident and reciting the company's history of cooperation with the Agency.

2. Mr. Mullen had attached a note requesting that he be telephoned, which was done at approximately 1800 hours on 12 July. We briefly discussed the draft of the response prepared by Mr. Mullen, who was uncertain whether to give it to the newspapers, ask Senator Baker to put it into the Congressional Record, or forget the whole matter. I told Mr. Mullen that the draft, a copy of which is attached, would be discussed with Erich (Isenstead) on Monday, 15 July.

3. Mr. Mullen then stated that Robert F. Bennett, president of Robert R. Mullen Company, was about to place the company in bankruptcy and had asked Mr. Mullen to write off Mr. Bennett's debt to Mr. Mullen of \$150,000. Mr. Mullen believed that Mr. Bennett plans to go to California to accept employment with one of Howard Hughes' companies. Mr. Mullen then said he wished to get in touch with someone in the Agency for the purpose of requesting payment of \$50,000 to Mr. Bennett and \$100,000 to himself as he felt that the financial problems of the Mullen Company resulted from its cooperation with the Agency. The undersigned observed that the difficulties stemmed from the hiring of E. Howard Hunt by the Mullen Company which the undersigned had recommended against for reasons of cover and security. Mr. Mullen evaded a response

[REDACTED]
(b)(1)
(b)(3)

SECRET

to this comment and said merely that he hoped the matter could be discussed with the Agency. Mr. Mullen said he has no point of contact in the Agency other than the undersigned and desires that someone in the Agency contact his attorney.

4. It was ascertained that his attorney is James Hefferman of the firm of Sutherland, Asbill and Brennan, 1616 "K" Street, N. W., Washington, D. C. Mr. Mullen agreed that due to the lateness of the hour and because it was Friday evening, the matter could wait until early in the week of 15 July, and that he would be notified concerning both the above-described news media release and his request for compensation. (b)(1)

5. The above was related to C/CCS at approximately 1830 hours on 12 July. (b)(3)

6. Mr. Mullen resides in [redacted] (b)(1)

[redacted] and his telephone number is Code [redacted] (b)(3)

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

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

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

DISTRIBUTION:

- Original - [redacted] (b)(1)
- cc: 1 - DDO (b)(3)
- 1 - OGC
- 1 - IG
- 1 - OLC

Attachment: Mr. Mullen's Draft of Proposed Response to News Media

SECRET

From the desk of

ROBERT R. MULLEN

July 9, '74

Marty,

Per our phone conversation,
this is what I drafted.

Call me.

bob...

(305) 361 2517

DRAFT

In response to inquiries from the media Robert R. Mullen & Co. wishes to state that some years ago at the urgent request of the Central Intelligence Agency it assisted in the opening of an office in a certain country. In our judgement, it ^{still} would be contrary to the interests of the United States to divulge the name of this country, ^{partially since} but the office was not concerned with matters in that country but was required solely for the transmission of vital information from certain persons aiding the U.S. The Mullen Company was able to help on very short notice and did so without charge to the Government, ~~only reimbursement of out of pocket costs.~~

When this work was concluded--with a success for which we were warmly thanked by appropriate officials, ^{several} ~~two~~ employees were redundant. They remained on our payroll until proper places could be ^{quietly} found for them. They were employed by the Mullen Company only in normal ~~and non-secretive~~ aspects of its business and in no way imposed on the hospitality of the countries in which they resided. In no instance did this represent more than 5% of the Mullen Company activity, and was entirely non-profit. ^{in due course} they left the Mullen Company and all relationship ~~between the Mullen Company and the CIA was terminated.~~

The employment of Mr. Hunt had no relationship whatsoever to the above. Although he had been an ^{employee} ~~official~~ of the CIA and was recommended ~~to~~ ^{us} by that agency, we were advised that he was fully retired. His work for our Company was as a writer and executive on a specific project of a public advertising and public relations nature. When he became a consultant at the White House he terminated his full time employment with ~~us~~, but continued on a part time basis on our project. ~~which was carrying on completely~~

At no time were we advised, or were we aware, of the nature of his work for the White House.

The above information, with the approval of the CIA, was made freely available to the FBI, the Watergate prosecutors and the Ervin Committee. It is to answer speculations, surmises and misinformation that we feel it necessary to state the above.

Robert R. Mullen, Chairman

Robert F. Bennett. president

The above statement accords with our understanding and information,

CIA, by _____

The above statement accords in ^{detail} general with the ~~longer~~ statements given our committee by officials of the Mullen Company and the CIA.

Ervin Comm. by H. Baker