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23 May 1973

MEMORANDUM FOR THE RECORD

On this date Mr. William E. Colby and the writer held a meeting with Congressman Lucien N. Nedzi. The reason for the meeting was to review with the Congressman material sent us by the Directorates describing the Agency activities that had flap potential.

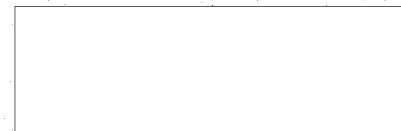
At the outset, Mr. Colby advised that the Director had issued instructions to each directorate to come forward with descriptions of activities (especially involved in the domestic scene) that had flap potential. In addition, in a memorandum to all employees of the CIA, the Director had instructed all employees to report to him any activities the Agency was conducting that they construed as outside the Agency charter. Congressman Nedzi requested a copy of this Agency notice be furnished to him.

The full report, including the sensitive section, was discussed with the Congressman item-by-item and in most cases he actually read the text. This took two hours and the Congressman followed the material with great care.

With regard to the item concerning Mr. McCord's letters to the Agency in July and December 1972 and January 1973, he expressed astonishment that the material took so long to be surfaced and when surfaced took so long to get to the Director. He was very outspoken in his criticism of the people involved.

I will not try to set forth all his reactions to the material, which I believe he found sobering, but I will set out hereinafter the items in which he showed special interest:

- a. Alien documentation furnished to the Secret Service. He desired more information concerning the reason why issued, the use, and how controlled.



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b. Financial support to the White House in connection with the replies to letters and telegrams as a result of the President's speech on Cambodia in 1970. He requested more information on this subject.

c. Beacons furnished Ambassadors. He was interested in the number issued to Ambassadors and the position the State Department took on the use of these beacons. He was interested if the Department of State was pushing this program, as he believed they should be.

d. Logistics' acquisition of police equipment. He questioned whether LEAA, Department of Justice, should not be doing this rather than the Agency.

e. He noted Logistics furnished telephone analyzers, and desired to know what they were and how used.

f. (b)(1)
 (b)(3)

g. OER's crash project concerning Robert L. Vesco requested by the DCI. The Congressman was interested in who outside the Agency instigated the project and why was it stopped.

h. Several ORD projects indicated research done without knowledge of the host system or on unwitting subjects. He was of the opinion that this was risky and recommended it be terminated. He stated he would like to see a directive go out to the researchers concerning these practices.

i. John Dean's request re Investors Overseas Service. He reviewed the six reports that had been furnished. He noted, however, that the item stated "there were multiple channels to the Agency from the White House" and requested information concerning these channels.

j. Alien passports. Mr. Colby advised that he planned to review this whole subject and the Congressman agreed with the need to do so.

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The Congressman noted that in connection with John McCone's consultative role with the Agency the Director had stated some time in the past that he planned to take action regarding individuals in this category. The Congressman requested a report on what had been done.

Mr. Nedzi asked Mr. Colby if the Agency had considered how much of the information just reviewed with him could be made public. Mr. Colby stated this had not been done yet, and spoke to the question of sources, methods, and the impact on the institution. The Congressman stated that in the current climate he felt it was necessary to open up more information to help clear the air. Mr. Colby stated the Agency would give the matter deep consideration, and added he had been thinking of a general statement along these lines to be used at his confirmation hearing.

The meeting ended at 12 o'clock noon.

(Signed) William V. Broe

William V. Broe
Inspector General

Distribution:

Director of Central Intelligence
Mr. Colby
Office of Legislative Counsel

NOTE: The above listed items, except for item j, are being pursued by the Office of the Inspector General.

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