

Executive Registry

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## MEMORANDUM FOR: Mr. Colby

SUBJECT

: Reporting to Congressional Committees and the Special Prosecutor

1. Forwarded herewith is a memorandum from the Acting General Counsel summarizing Agency associations with four attorneys who have some involvement with the Watergate affair. These have been submitted for consideration for inclusion in "Volume III" of the papers being provided the Ervin Committee, the Special Prosecutor, and our Oversight Committees. Also forwarded is a memorandum from SAC/DDO opposing reporting one of these cases, that of Robert McCandless and his law firm, as well as raising the basic question of protecting Agency associations with private persons and businesses.

2. We are of the opinion that none of these cases is appropriate for inclusion in "Volume III." They involve the remotest ties between the Agency and persons associated with the Watergate inquiry. To record this material formally with other subject matter of presumably greater relevance would attach undue significance to it and risk undeserved notoriety and publicity for persons in no way involved in the matter.

3. Although we are committed to making full and frank disclosures, we also owe some protection to persons not involved in Watergate from the dramatic reporting currently being given the issue. There certainly seems to be room for an exercise of judgment in what we report and how we report it. To this end we propose that three of the four items reported by the Acting General Counsel be reported and that this be done  $\varepsilon$  sparately from "Volume III," discreetly and in low key. This could be done orally to appropriate members of the various authorities involved, for their background information. We propose that these communications follow the general line set forth below:

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SECTET

The Agency has associations, past or present, with three attorneys involved in one way or another in the current Watergate matter.

Robert McCandless, counsel for John Dean, has until recently been a member of the law firm of Burwell. Hansen and McCandless.

Differences among the partners over McCandless' representation of Dean has led to his severing his membership in the firm.

Paul O'Brien, reported counsel for The Committee to Reelect the President, is a member of the law firm of Hanson, O'Brien, Birney, Stickle and Butler.

James J. Bierbower, counsel for Jeb Magruder, was an employee of the Agency in the early 1950s.

4. The requirement to report such material to the authorities should be explained in advance to the persons involved, as well as the manner in which we plan to proceed. Predictably each will have reservations about any approach, and we should make every effort to design our statements to their requirements. We have discussed the matter with the Office of General Counsel and the Office of Legislative Counsel and would recommend that OGC take the matter up with the Federal prosecutors and that OLC approach our Subcommittees to determine the best way of handling this material. We would not propose to contact the Ervin Committee unless our Committee Chairmen have strong feelings about our doing so.



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5. It is noted that SAC/DDO has requested that he be consulted if this information is to be given the authorities, and his participation in designing the form of conveying the information should be solicited.

> Donald F. Chamberlain Inspector General

Attachments: As Stated Above



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