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CITE DIRECTOR [REDACTED], SECTION 1 OF 3.

TO: PRIORITY NAIROBI INFO TEHRAN.

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REF: DIRECTOR [REDACTED]

1. THE CABLE WHICH FOLLOWS IS FORWARDED IN ORDER TO PROVIDE AMBASSADOR HELMS PERTINENT PORTIONS OF THE TEXT OF SEYMOUR HERSH'S ARTICLE PUBLISHED IN THE NEW YORK TIMES 2 FEB 1975. PLEASE MAKE THIS TEXT AVAILABLE TO AMBASSADOR HELMS UPON HIS RETURN TO NAIROBI.

2. BEGIN UNCLASSIFIED. RICHARD HELMS, WHILE DIRECTOR OF CENTRAL INTELLIGENCE, ORDERED A HIGH OFFICIAL OF THE AGENCY TO WITHHOLD WATERGATE INFORMATION AND DENY JUSTICE DEPARTMENT ACCESS TO A KEY WITNESS IN THE FIRST SIX WEEKS AFTER THE BREAK-IN ON JUNE 17, 1972, ACCORDING TO PREVIOUSLY UNPUBLISHED TESTIMONY.

THE OFFICIAL, HOWARD J. OSBORNE, WHO WAS DIRECTOR OF SECURITY FOR THE CIA BEFORE HE RETIRED IN LATE 1973, TOLD A HOUSE INTELLIGENCE SUBCOMMITTEE IN MAY 1973, THAT MR. HELMS DECIDED THAT A SERIES OF LETTERS SENT TO THE AGENCY BY JAMES W. MCCORD, JR., A MEMBER OF THE TEAM THAT BROKE INTO DEMOCRATIC PARTY HEADQUARTERS AT THE WATERGATE COMPLEX, SHOULD NOT BE FORWARDED TO THE JUSTICE DEPARTMENT.

HUNT'S ROLE. MR. HELMS MADE HIS DECISION AT A TIME WHEN THE AGENCY WAS UNDER SUBPOENA FROM THE JUSTICE DEPARTMENT TO FORWARD "ALL COMMUNICATIONS" RELATED TO WATERGATE.

THE MCCORD LETTERS, SENT BETWEEN JULY 29, 1972, AND EARLY JANUARY, 1973, WARNED THE AGENCY THAT OFFICIALS OF THE COMMITTEE FOR THE RE-ELECTION OF THE PRESIDENT WERE PLANNING TO CONTEND THAT THE BREAK-IN WAS A CIA OPERATION.

IN ONE OF THE LETTERS, MR. MCCORD SAID, "I HAVE THE EVIDENCE

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OF THE INVOLVEMENT OF (FORMER ATTORNEY GENERAL JOHN N.) MITCHELL  
AND OTHERS SUFFICIENT TO CONVINCE A JURY, THE CONGRESS AND THE  
PRESS."

MR. OSBORNE ALSO SAID THAT MR. HELMS HAD INSTRUCTED HIM NOT  
TO INQUIRE INTO THE AGENCY'S INVOLVEMENT WITH E. HOWARD HUNT, JR.,  
ANOTHER WATERGATE PARTICIPANT.

MR. HELMS FURTHER DIRECTED, MR. OSBORNE SAID, THAT THE FEDERAL  
BUREAU OF INVESTIGATION NOT BE PERMITTED TO INTERVIEW KARL WAGNER,  
A CIA EMPLOYEE, WHO HAD KNOWLEDGE THAT JOHN D. EHRLICHMAN, THEN  
THE CHIEF WHITE HOUSE ADVISER ON DOMESTIC AFFAIRS, HAD AUTHORIZED  
THE AGENCY TO ESTABLISH A WORKING RELATIONSHIP WITH MR. HUNT IN  
JULY, 1971.

"YOU FORGET ABOUT THAT," MR. OSBORNE QUOTED MR. HELMS AS  
HAVING TOLD HIM IN LATE JUNE, 1972. "I WILL HANDLE THAT. YOU  
TAKE CARE OF THE REST OF THAT."

MR. OSBORNE TESTIFIED BEFORE THE HOUSE SUBCOMMITTEE THAT HE  
HAD TOLD MR. HELMS HE FELT "VERY STRONGLY" THAT THE FIRST MCCORD  
LETTER SHOULD BE TURNED OVER TO THE FBI. HOWEVER, LAWRENCE HOUSTON,  
THE GENERAL COUNSEL TO THE CIA, TESTIFIED THAT HE HAD ADVISED  
MR. HELMS THAT THE AGENCY HAD NO LEGAL RESPONSIBILITY TO DO SO.

EHRLICHMAN LINK. THE THREE UNITED STATES ATTORNEYS WHO  
ORIGINALLY PROSECUTED THE CASE FOR THE JUSTICE DEPARTMENT DID NOT  
LEARN OF THE EHRLICHMAN LINK TO THE CIA FOR FIVE MONTHS. THEY  
ALSO WERE NOT TOLD OF THE MCCORD LETTERS TO THE CIA UNTIL MAY,  
1973.

THE HOUSE SUBCOMMITTEE BEGAN HEARINGS IN THE SPRING OF 1973  
SHORTLY AFTER CIA INVOLVEMENT WITH THE WHITE HOUSE "PLUMBERS"  
BECAME KNOWN.

MR. HELMS TOLD THE REPRESENTATIVES THAT "EVERYBODY WAS  
INSTRUCTED TO HELP WITH THE FBI INVESTIGATION IN THE AGENCY, AND  
EVERY LEAD WAS CHECKED.... ALL THE RECORDS WERE GONE THROUGH AND  
ALL THE THINGS WERE PURSUED."

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MR. HELMS WAS NOT DIRECTLY ASKED ABOUT MR. OSBORNE'S ALLEGATIONS, BUT WILLIAM E. COLBY, THEN MR. HELM'S DEPUTY AND NOW DIRECTOR OF CENTRAL INTELLIGENCE, REPEATEDLY TOLD THE SUBCOMMITTEE THAT THE AGENCY'S FAILURE TO PROVIDE ALL KNOWN INFORMATION TO THE FBI WAS BASED ON ITS CONCERN "THAT IT WOULD SOMEHOW BE INVOLVED IN THE WATERGATE CASE AND THERE WAS QUITE A LOT OF PUBLICITY AND PUBLIC INFORMATION IN THE PRESS.... I THINK THE CONCERN WAS ABOUT LEAKS TO THE PRESS."

WIDESPREAD PATTERN. MR. OSBORNE'S TESTIMONY ABOUT THE INITIAL HIGH-LEVEL CIA REACTION TO WATERGATE WAS PART OF WHAT A NEW YORK TIMES INQUIRY HAS SHOWN TO BE A MORE WIDESPREAD PATTERN OF CIA NONCOOPERATION THAN PREVIOUSLY KNOWN.

NO EVIDENCE WAS FOUND LINKING THE CIA TO ADVANCE KNOWLEDGE OF THE WATERGATE BREAK-IN, BUT THE TESTIMONY AND DOCUMENTS INDICATE THAT THE INTELLIGENCE AGENCY FOLLOWED THE COURSE IT DID IN PART BECAUSE OF A FEAR THAT SOME OF ITS DOMESTIC COVER FIRMS AS WELL AS ITS 1971 DOMESTIC ACTIVITIES ON BEHALF OF THE WHITE HOUSE WOULD BE UNCOVERED.

THE CIA IS CURRENTLY FACING INTENSIVE INVESTIGATIONS BY HOUSE AND SENATE COMMITTEES STEMMING FROM ITS ADMITTED INVOLVEMENT IN "QUESTIONABLE" DOMESTIC SPYING ACTIVITIES. IN ADDITION, AN EIGHT-MEMBER COMMISSION SET UP BY PRESIDENT FORD AND HEADED BY VICE PRESIDENT ROCKEFELLER IS IN ITS SECOND MONTH OF HEARINGS INTO THE DOMESTIC SPYING ALLEGATIONS.

IN A RECENT INTERVIEW, SEYMOUR GLANZER, ONE OF THE ORIGINAL WATERGATE PROSECUTORS WHO RETIRED LAST YEAR AFTER SERVING 14 YEARS WITH THE JUSTICE DEPARTMENT, CHARACTERIZED THE CIA'S POST-WATERGATE ACTIONS AS THE EFFORTS "OF AN INTELLIGENCE AGENCY SERVING SOME ALIEN BYZANTINE POWER RATHER THAN ONE DEVOTED TO THE BEST INTERESTS OF THE PEOPLE OF THIS COUNTRY."

"MOST OF THE FACTS MAY BE KNOWN TO THE GOVERNMENT NOW," MR. GLANZER SAID, "BUT THE PUBLIC ISN'T AWARE OF WHAT THE CIA HAS DONE. THE WHOLE VENTURE WAS ONE OF KEEPING INFORMATION FROM US.

AMAZED BY CONDUCT. "I FRANKLY WAS AMAZED BY THE CONDUCT

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AND THE MENTALITY I FOUND IN THE CIA. ANYONE WHO BELIEVES IN  
CANDOR MUST APPEAR TO BE QUITE NAIVE TO THEM. AND FRANKLY, I  
MUST HAVE APPEARED TO BE NAIVE TO THEM.

THE MOST CRITICAL CIA FAILURE, MR. GLANZER SAID, WAS THE  
AGENCY'S DECISION NOT TO PRODUCE THE SIX LETTERS SENT BY  
MR. MCCORD AFTER BEING SERVED WITH A JUSTICE DEPARTMENT SUBPOENA  
COMPELLING THE AGENCY TO PRODUCE "ALL COMMUNICATIONS" RELATING  
TO WATERGATE.

"THE MCCORD CONTACTS WOULD HAVE BEEN VITAL," MR. GLANZER SAID,  
BECAUSE EARL J. SILBERT, THE PRINCIPAL UNITED STATES ATTORNEY  
INVESTIGATING WATERGATE, "HAD SELECTED MCCORD AS THE WEAK LINK--  
THE ONLY PERSON WHO HAD INFORMATION AND MIGHT BE MADE WILLING  
TO TALK."

"THE LETTERS WERE AN INDICATION THAT THERE WAS SOME WAY OF  
REACHING THE MAN," THE FORMER PROSECUTOR SAID.

MR. MCCORD, WHO HAD EARLIER REBUFFED AN ATTEMPT TO BEGIN  
PLEA BARGAINING, REPEATEDLY WARNED THE CIA IN THE LETTERS THAT  
ATTEMPTS WOULD BE MADE TO PLACE THE BLAME FOR WATERGATE ON THE  
AGENCY.

UPON LEARNING IN MAY, 1973 OF THE MCCORD LETTERS, MR. GLANZER  
SAID, THE PROSECUTORS TOLD ONE HIGH-LEVEL CIA OFFICIAL--NOT  
MR. HELMS--THAT HE WAS A POTENTIAL TARGET OF A GRAND JURY INVESTI-  
GATION. THE OFFICIAL RESIGNED WITHIN DAYS, MR. GLANZER SAID.

IN MR. MCCORD'S FIRST LETTER TO THE CIA, WHICH WAS SENT TO  
THE OFFICE OF MR. HELMS SIX WEEKS AFTER WATERGATE, PAUL O'BRIEN,  
AN ATTORNEY FOR THE NIXON RE-ELECTION COMMITTEE, WAS QUOTED AS  
HAVING SAID THAT COMMITTEE OFFICIALS HAD INITIALLY INFORMED HIM  
THAT THE BREAK-IN WAS A CIA OPERATION.

"HE SAYS HE DID NOT KNOW OTHERWISE," MR. MCCORD'S LETTER  
SAID, "UNTIL ONE OF THE DEFENDANTS TOLD HIM THE FACTS AND HE SAYS  
HE BLEW UP OVER IT."

THE LETTER SAID THAT THERE WOULD BE AN ATTEMPT TO DEPICT

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THE WATERGATE BREAK-IN AS A CIA OPERATION AND SUGGESTED THAT THE WATERGATE PROSECUTORS WERE LEAKING ANTI-AGENCY MATERIAL TO THE PRESS.

MR. MCCORD CLOSED THE LETTER WITH THE FOLLOWING STATEMENT, WHICH, GIVEN HIS EXTENSIVE KNOWLEDGE OF COUNTERINTELLIGENCE OPERATIONS, MAY HAVE LED TO VARYING INTERPRETATIONS INSIDE THE AGENCY:

"THE FACT REMAINS THAT I HAVE LIVED IN WASHINGTON SINCE 1942 AND KNOW CERTAIN THINGS ABOUT THE DISTRICT OF COLUMBIA FROM FIRST-HAND KNOWLEDGE, HAVING LIVED THERE IN THE PAST, THAT I WANTED YOU TO BE AWARE OF."

THE LETTER INITIALLY WAS DISMISSED AS CRANK MAIL, MR. OSBORNE TOLD THE HOUSE SUBCOMMITTEE IN MAY, 1973, BUT WAS SUBSEQUENTLY IDENTIFIED THROUGH MR. MCCORD'S HANDWRITING. MR. OSBORNE THEN RECOUNTED THE FOLLOWING EVENTS:

"I SHOWED THE LETTER TO MR. HELMS. I TOLD HIM THAT I FELT VERY STRONGLY THAT THE LETTER SHOULD BE TURNED OVER TO THE FEDERAL BUREAU OF INVESTIGATION. MR. HELMS, AFTER SOME REFLECTION, DECIDED THAT HE WOULD LIKE TO HAVE LEGAL OPINION ON THE MATTER AND SUMMONED MR. LAWRENCE HOUSTON, GENERAL COUNSEL OF THE AGENCY, TO HIS OFFICE AND HAD HIM READ THE LETTER.

'LEGAL OBLIGATION.' "AFTER HE HAD FINISHED READING THE LETTER, THE ENSUING DISCUSSION, TO THE BEST OF MY RECOLLECTION, CENTERED ABOUT WHETHER THE AGENCY HAD ANY LEGAL OBLIGATION TO FORWARD THE LETTER TO THE JUSTICE DEPARTMENT OR THE FEDERAL BUREAU OF INVESTIGATION.

"BOTH MR. HELMS AND MR. HOUSTON DECIDED THAT THERE WAS NO SUCH OBLIGATION, AND I WAS TOLD TO TAKE NO FURTHER ACTION ON IT. MR. HELMS INSTRUCTED ME TO RESTRICT KNOWLEDGE OF THE EXISTENCE OF THE LETTER TO AN ABSOLUTE MINIMUM NUMBER OF PEOPLE."

WHEN MR. MCCORD'S SUBSEQUENT LETTERS WERE RECEIVED AT HOME BY A CIA EMPLOYEE IN LATE DECEMBER, 1972, AND EARLY JANUARY, 1973, THEY WERE BROUGHT TO MR. OSBORNE, WHO, AS HE TOLD THE SUBCOMMITTEE,

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WAS AUTHORIZED BY MR. HELMS TO FILE THEM.

THE LETTERS WERE TURNED OVER TO THE WATERGATE PROSECUTORS IN MAY, 1973, AFTER MR. SCHLESINGER ORDERED ALL CIA EMPLOYEES TO COME FORWARD WITH ANY EVIDENCE OR INFORMATION IN CONNECTION WITH THE WHITE HOUSE PLUMBERS OR OTHER DOMESTIC CIA INVOLVEMENT.

MR. OSBORNE ACKNOWLEDGED TO THE COMMITTEE THAT HE HAD BEEN TROUBLED BY MR. HELMS'S ORDER NOT TO FORWARD THE MCCORD LETTERS.

"WE HAD BEEN WORKING VERY CLOSELY WITH THE FBI," HE TESTIFIED. "I HAVE ALWAYS GIVEN THEM EVERYTHING. I HAVE NEVER HELD ANYTHING FROM THEM.

'HE WAS MY BOSS.' "AT THE TIME I DON'T THINK I REALLY AGREED WITH IT (THE DECISION TO WITHHOLD THE LETTERS). BUT, YOU KNOW, I WORKED FOR MR. HELMS, HE WAS MY BOSS. I WOULD DO THE SAME THING WITH MR. SCHLESINGER."

A REVIEW OF THE PUBLISHED TESTIMONY INDICATES THAT MR. HELMS WAS NEVER SPECIFICALLY ASKED ABOUT HIS REQUEST THAT THE MCCORD LETTERS NOT BE FORWARDED.

MR. HOUSTON, HOWEVER, WAS QUESTIONED BY THE HOUSE SUBCOMMITTEE ABOUT HIS COUNSEL TO MR. HELMS AFTER RECEIPT OF THE INITIAL MCCORD LETTER IN AUGUST, 1972. HE DEFENDED HIS ACTION BY NOTING THAT HE HAD BEEN INVOLVED IN MANY CASES WHERE PERSONS UNDER INDICTMENT THREATENED OR HINTED AT A CIA INVOLVEMENT.

IN THE CASE OF THE MCCORD LETTER, HE ADDED, HE CONSIDERED IT TO BE A SIMILAR WARNING OR THREAT THAT THERE "MIGHT BE AN ACTUAL ATTEMPT TO INVOLVE THE AGENCY IN THE DEFENSE OF THOSE ARRESTED IN THE WATERGATE INCIDENT."

SINCE THE CIA HAD NO PRIOR INVOLVEMENT IN THE WATERGATE BREAK-IN, MR. HOUSTON EXPLAINED, AND SINCE ANY THREAT OF BLUFF WAS BEST COUNTERED, IN HIS OPINION, BY IGNORING IT, "I THEREFORE ADVISED THE DIRECTOR OF CENTRAL INTELLIGENCE THAT WE HAD NO LEGAL RESPONSIBILITY TO PASS THE LETTER ON TO ANY OTHER AUTHORITIES AND THAT WE WOULD WORK WITH THE UNITED STATES ATTORNEYS WHEN THE DEFENSE

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ACTUALLY MADE A FORMAL ATTEMPT TO INVOLVE THE AGENCY AT THE  
TRIAL. THE DIRECTOR AGREED."

MR. HOUSTON SUBSEQUENTLY ACKNOWLEDGED UNDER QUESTIONING, HOW-  
EVER, THAT WHEN MR. SILBERT AND MR. GLANZER REQUESTED THE CIA TO  
SUPPLY INFORMATION IN OCTOBER IN ANTICIPATION OF A CIA DEFENSE  
AT THE WATERGATE TRIAL, THE AGENCY STILL WITHHELD THE LETTERS.

NEDZI INTERROGATES. THEN THERE WAS THE FOLLOWING EXCHANGE  
WITH REPRESENTATIVE NEDZI.

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NEDZI: ISN'T THIS REALLY SUPPRESSING EVIDENCE?

HOUSTON: NO, SIR, I DID NOT CONSIDER IT EVIDENCE AT ALL.

NEDZI: IT WAS NOT EVIDENCE OF AGENCY INVOLVEMENT, BUT IT WAS  
CERTAINLY INFORMATION THAT COULD VERY WELL HAVE BEEN USEFUL TO THE  
CONDUCT OF A COMPLETE INVESTIGATION, AND I THINK THAT THE AGENCY'S  
OBLIGATION GOES BEYOND JUST DEFENDING ITSELF.

MR. OSBORNE ALSO TESTIFIED THAT HE WAS ORDERED BY MR. HELMS  
NOT TO INQUIRE INTO MR. HUNT'S LINKS TO DOMESTIC CIA ACTIVITIES  
IN 1971.

MR. WAGNER LEARNED AT A STAFF MEETING THAT MR. OSBORNE HAD  
BEEN ASSIGNED TO THE INVESTIGATION, MR. OSBORNE SAID, AND "CALLED  
ME AND SAID HE HAD SOMETHING HE WANTED TO TELL ME BUT HE HAD TO  
CHECK WITH THE DIRECTOR FIRST. THE DIRECTOR CALLED ME ON THE  
TELEPHONE THAT SAME DAY AND SAID, "YOU FORGET ABOUT THAT. I WILL  
HANDLE THAT. YOU TAKE CARE OF THE REST OF IT.

"I WAS SPECIFICALLY EXCLUDED FROM KNOWLEDGE OF THE CIA  
INVOLVEMENT IN THE ELLSBERG BURGLARY, AND I AM DELIGHTED I WAS."

WHILE SUPPORTING THE ACTIONS TAKEN BY MR. HELMS IN THE MONTHS  
AFTER WATERGATE, MR. COLBY ALSO TOLD THE SENATE ARMED SERVICES  
COMMITTEE THAT THE BASIC DECISIONS INVOLVING CIA POLICY HAD BEEN  
MADE BY MR. HELMS.

"THE BASIC PHILOSOPHY OF KEEPING THE CIA OUT OF THE MISUNDER-

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STANDING OF BEING INVOLVED AND CONSEQUENTLY HANDLING THE MATERIAL THROUGH THE TOP LEVEL OF THE FBI AND THE JUSTICE DEPARTMENT (AND NOT THROUGH FBI FIELD AGENTS AND UNITED STATES ATTORNEYS) WAS A DECISION IN WHICH I SHARED," MR. COLBY TESTIFIED. "IT WAS OBVIOUSLY MR. HELM'S DECISION BECAUSE HE WAS IN CHARGE."

THE FACT THAT MR. SCHLESINGER, WHO IS NOW SECRETARY OF DEFENSE, HAD NOT BEEN BRIEFED BY MR. HELMS AND OTHER HIGH-LEVEL CIA OFFICIALS ABOUT THE EXTENT OF THE AGENCY'S INVOLVEMENT WITH MR. HUNT AND THE WHITE HOUSE PLUMBERS WAS MADE EXPLICIT IN A STATEMENT PUBLISHED LAST JULY BY THE HOUSE JUDICIARY COMMITTEE'S IMPEACHMENT INQUIRY.

SCHLESINGER TOLD. IN THE DOCUMENT, A CIA OFFICIAL WHO WAS SERVING IN A LIAISON POSITION AT THE WHITE HOUSE IN MAY, 1973, RECALLED HOW HE APPARENTLY WAS THE FIRST TO INFORM MR. SCHLESINGER ABOUT THE CIA'S INVOLVEMENT IN THE PREPARATION OF A PSYCHOLOGICAL PROFILE ON DR. ELLSBERG AND OTHER MATTERS.

"HE SEEMED SURPRISED AND UNAWARE OF ANY SUCH LINK," THE UNIDENTIFIED CIA OFFICIAL SAID. "I WAS SURE THAT SOMEONE HAD COMPILED THE FACTS ABOUT THE AGENCY'S INVOLVEMENT WITH HUNT AND THE WATERGATE AND THAT IT SHOULD BE AVAILABLE SOMEWHERE IN THE AGENCY IF HE HAD NOT ALREADY SEEN IT.

"HE SEEMED DISMAYED AND BEWILDERED THAT SOMETHING LIKE THIS COULD HAVE HAPPENED AND THAT HE DID NOT KNOW ABOUT IT."

ON MAY 9, 1973, A FEW DAYS AFTER THE DISCUSSION WITH THE CIA LIAISON OFFICIAL, MR. SCHLESINGER ISSUED HIS ORDER CALLING UPON ALL CIA EMPLOYEES TO PRODUCE ANY EVIDENCE OF DOMESTIC WRONGDOING.

IT WAS THIS REQUEST, RELIABLE SOURCES SAY, THAT NOT ONLY LED TO THE DISCOVERY OF THE MCCORD LETTERS AND MORE WATERGATE LINKS, BUT ALSO PRODUCED THE EVIDENCE OF OTHER DOMESTIC ACTIVITIES--SUCH AS THE INFILTRATION OF CIA UNDERCOVER AGENTS INTO DISSIDENT GROUPS AND THE ACCUMULATION OF FILES ON MORE THAN 10,000 AMERICAN CITIZENS WHO WERE OPPOSED TO THE VIETNAM WAR--THAT ARE BEING INVESTIGATED BY THE SENATE, THE HOUSE AND THE FORD ADMINISTRATION.  
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