

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. A. H. Belmont

DATE: January 30, 1964

FROM : Mr. W. C. Sullivan

- 1 - Mr. Belmont
- 1 - Mr. J. P. Mohr
- 1 - Mr. Rosen
- 1 - Mr. Callahan
- 1 - Mr. W. C. Sullivan
- 1 - Mr. Branigan
- 1 - Mr. Baumgardner
- 1 - Mr. D. J. Brennan

SUBJECT: LEE HARVEY OSWALD
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SYNOPSIS

Purpose of memorandum is to explore allegation Lee Harvey Oswald was FBI informant and related points covered by President's Commission last week during appearance before Commission of Henry Wade, District Attorney of Dallas County, Texas, and to set forth pursuant to Director's request (1) procedures we use in development and control of FBI informants, (2) the system used in handling informants in Special Intelligence Service (SIS) program, and (3) details concerning Wade's SIS service while in the FBI.

Contrary to testimony, Oswald was never FBI informant, was never paid money for information and was never assigned any symbol number. Procedures we use in informant program preclude the possibility of Oswald's connection with FBI as an informant without knowledge of Seat of Government.

We closely supervise all aspects of informant program. Field offices cannot develop security informants without Bureau authorization, which is based on exhaustive background investigation to determine reliability, trustworthiness and stability.

When we do authorize, we follow informant's development through progress letters which field offices submit at four-month intervals.

We approve use of symbols and code names, maintain an index of these and none may be used twice by the same field office.

We authorize payments on regular basis and maintain current records of every expenditure made showing to whom made and why.

SAC has only limited authority to make payments without Bureau authority in certain instances and we control this by limiting amount, and by end-of-month accounting procedure which lists all such payments, to whom made, and for what purpose.

Classified by

Exempt

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Handwritten signatures and initials:
Wade
Callahan
Sullivan
Brennan
Belmont

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

These procedures enable us to apply a cross check to our operations. Our records show (1) no payments were listed to Oswald, (2) no symbol number was assigned him, and (3) no field office requested authorization to consider Oswald for development as informant--a necessary requisite in our program.

We have already informed Commission purpose of three interviews Bureau Agents had with Oswald prior to assassination and one interview afterward. During none of these were any efforts made to develop Oswald as an informant and we have secured affidavits from every Agent in contact with Oswald at any time which substantiate this fact. We have also secured affidavits from their respective Special Agents in Charge (SAC's). These affidavits will be available in event Director desires to furnish them to the Commission.

In regard to SIS program, we had a control system whereby we have records of payments to informants similar to records maintained under our present domestic informant program.

Henry Wade served in undercover capacity under SIS program from August, 1942, to April, 1943, and did not have unlimited funds for informant development. He was required to account strictly for his expenditures and did so. Copies of the vouchers and receipts he submitted are available.

A brief of Wade's Bureau service record has been prepared separately for the information of the Director.

It would be desirable to furnish President's Commission with facts which clearly and unequivocally refute allegation that Oswald was a paid informant for the FBI operating with a symbol number. We should point out desirability of Commission issuing statement at once refuting allegation because (1) Communist Party has been carrying on propaganda campaign to spread this allegation; (2) allegation has developed enough interest to warrant even Commission's inquiry; and (3) if allegation goes unrefuted it will gain increasing public acceptance and prove damaging not only to FBI but Government as a whole.

Should Commission refuse to act, we should follow accepted policy of meeting such lies head on and issue statement ourselves. We can do so without referring to testimony before Commission since allegation has appeared in public source publications, notably communist press.

RECOMMENDATION:

That this memorandum be referred to Director for information and approval of proposal to have statement issued either by President's Commission or by us if Commission declines.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

DETAILS

Background

Reference is made to the discussion January 28, 1964, between the Director and Mr. J. Lee Rankin, General Counsel of the President's Commission, concerning appearance before the Commission last week of Henry Wade, former FBI Agent who currently is the District Attorney of Dallas County, Texas.

According to Rankin, the Commission was advised that speculation had been made that Lee Harvey Oswald had been an FBI informant with symbol number 179 and had been receiving payments from the FBI in the amount of \$200 monthly.

Wade reportedly told the Commission Oswald could have been active in this capacity without FBI headquarters personnel knowing about it because of the manner in which informants are developed and handled. In support of this contention, Wade is said to have pointed to his own experiences in the FBI, specifically in regard to his service in South America (in the Special Intelligence Service (SIS) program), when, allegedly, records of his activities were not maintained, and he did not have to account for money furnished him to develop and pay informants.

Purpose

The purpose of this memorandum is to explore these specific allegations and to set forth, pursuant to the Director's request, (1) the specific procedures we use in the development and control of our security informant program, (2) the system used in handling informants in SIS program years ago, and (3) details concerning Wade's SIS service while he was employed as a Special Agent of the FBI.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

I. Development and Control of Security Informants

First, it can be said unequivocally that Lee Harvey Oswald was never an FBI informant, was never paid any money for furnishing information, and was never given a symbol number of any kind much less the specific one allegedly assigned him. Furthermore, we are in a position not only to state this but also to produce records which would prove the impossibility of such being the case. These records cover every aspect of the procedures used in the development and control of informants.

Informant Program Closely Supervised

In order to fulfill our responsibilities in the internal security field, we use security informants to penetrate the Communist Party (CP), USA, and keep us advised of the Party's plans and activities. Recognizing the importance of this phase of our operations, we afford close supervision at the Seat of Government (SOG) to the security informant program and have established safeguards to insure against any misuse or abuse of its operation by our field offices.

Bureau Authority Necessary

Our field offices cannot develop anyone as a security informant without authorization from the SOG. To obtain this authorization, they must conduct an exhaustive background investigation of the prospective informant, the results of which are analyzed at the SOG before approval for development is given. Prior to giving such approval, the SOG automatically eliminates as a prospective informant any individual with questionable factors in his background, such as evidence of mental instability, a dishonorable discharge from the armed forces, narcotic addiction, perversion, unusual credit risks, complicated marital or domestic situations, and the like.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

Progress Letters Necessary

When we do authorize a field office to proceed with the development of an individual as an informant, we follow the development through progress letters. At the end of four months, and at four-month intervals thereafter, the field office must submit progress letters containing an informative summary of information furnished and assistance rendered by the individual under development. These include a current certification each time concerning the individual's stability and reliability.

Symbols and Code Names Assigned

As the individual develops, he is assigned a permanent symbol number and code name to afford him security. The informant never knows the symbol number assigned to him. It is a number permanently assigned to him, and the same number cannot be used again by the field office under any circumstances for any other individual. The individual also is given a fictitious or cover name by the field office which he, of course, is made aware of and he affixes it to his communications with the office. Every symbol number and code name is indexed here at the SOG.

SOG Authorizes Regular Payments

If the services of an informant warrant payment on a regular basis, the field offices must also obtain authorization from the SOG to make such payments. In every such case, this too is re-evaluated every four months at the SOG to determine if continued payments are warranted.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

Special Agents in Charge (SACs) Authority Limited

SACs of our field offices are authorized to make payments to individuals not utilized on a regular basis as informants, but here too the SOG controls this by limiting the amount an SAC can pay to any one individual in this category to \$200. SACs are under instructions to make such payments only in specific instances in which it is necessary and expedient to do so to obtain information concerning matters or persons under investigation when such information is not otherwise obtainable or when it is necessary to advance expense money to an individual to enable him to secure the information.

Controls in Effect

The SOG maintains additional control of such payments by the SAC in several ways. Such payments can only be made to individuals who have never been paid on a regular basis for services or expenses with Bureau authorization; such payments cannot exceed \$200, regardless of the number of payments; and such payments must be accounted for by the field offices at the end of each month through the submission of a detailed accounting to the SOG.

Funds Accounted For

When payments are made to anyone for information or assistance, either on the SAC's authority or on prior Bureau authority, receipts must be obtained in every instance in which it is possible to so obtain them. If a receipt cannot be obtained for a particular payment, complete circumstances concerning the payment must be set forth by the field office on a voucher at the time reimbursement is claimed at the end of the month. Receipts must clearly show: (1) the date on which the payment was made; (2) the period for which made; (3) the total amount paid, broken down into separate amounts for services and expenses; (4) the name of the FBI Agent making the payment; and (5) the signature of the person receiving the money.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

Records of Expenditures Maintained

Receipts and vouchers prepared by field offices in this regard are transmitted to the SOG generally on a monthly basis (more frequently in many instances). They are reviewed to insure that all such payments are being made in accordance with Bureau instructions and are recorded in ledgers pertaining to each field office operation.

It is to be noted that the Bureau's precise handling of such matters is demonstrated every time an informant, a former informant, or other persons to whom we have paid sums of money are prospective witnesses. In such cases, we must and do furnish the Department a set of photostats of the original receipts signed by the prospective witnesses.

Control Measures

In regard to control of informants, field offices are under instructions to maintain close contact with them. The informants must be contacted as often as necessary with at least one personal contact every two weeks. The net result of these close contacts, as previously noted, are evaluated at the SOG in the four-month progress letters submitted. When it is necessary for any reason to discontinue the services of an informant, the field office must promptly notify the SOG.

Oswald Precluded as Informant

It can readily be seen then how such policies and procedures completely preclude the possibility of Lee Harvey Oswald even being considered as an FBI informant much less having been developed as one by us. The statement that he was is, in fact, ridiculous. The CP, USA, through its press has been spreading this outrageous lie in order to divert attention from the fact that Oswald was a confessed Marxist who was active in support of the Fair Play for Cuba Committee (FPCC) (a pro-Castro organization) and who was in correspondence with the CP, USA.

Memorandum Mr. W. C. Sullivan
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RE: LEE HARVEY OSWALD

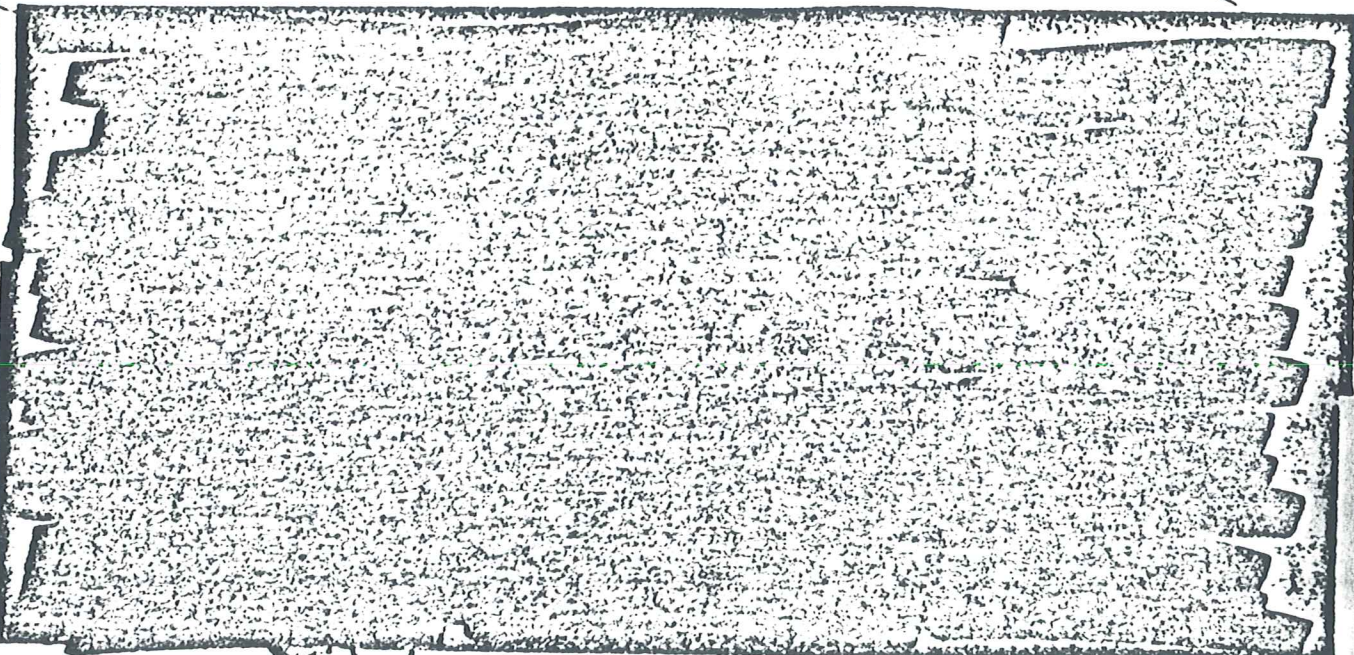
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Absence of Payments to Oswald

Had any of our offices even made payments to him under the SAC's authority, these would have been shown in the receipts and vouchers submitted by each office. These records have been checked and double checked and no such payment was ever made.

Symbol Numbers Identifiable



Procedural Steps Never Taken

Furthermore, Oswald could not have been assigned such a symbol number without a prior background investigation by any field office considering him for development. Had any field office considered developing him, it would have had to obtain approval by the SOG. There is no record of any such request by any field office and no record of any such approval.

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Memorandum Mr. W. C. Sullivan
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RE: LEE HARVEY OSWALD

Nature of Contacts with Oswald

As we have already pointed out to the Commission, the only contacts FBI Agents had with Oswald prior to the assassination of President Kennedy involved three interviews Bureau Agents had with him. The first was on June 26, 1962, at Fort Worth, Texas, shortly after his return home from the Soviet Union. The purpose was to assess the possibility of his having been given intelligence assignments by the Soviets. The second, on August 16, 1962, was in the same connection. The third was at his specific request on August 10, 1963, following his arrest in New Orleans the preceding day on a charge of disturbing the peace and creating a scene. At that time, he described some of his activities in connection with the FPCC.

Affidavits Secured

Oswald was again interviewed by FBI Agents at the Dallas Police Department following his arrest after the assassination of the President. This interview was aimed at eliciting any admissions he might make in connection with the assassination, as well as to obtain any information he might have been able to furnish of a security nature.

During none of the interviews with Oswald by Bureau Agents were any efforts made to develop him as an informant. We have obtained affidavits from every Agent who was in contact with Oswald. In addition, we also have secured affidavits from their respective SACs. These affidavits show that none of the FBI Agents ever made any effort to develop Oswald as an informant. These affidavits will be available in the event you desire to furnish them to the Commission.

II. Handling of Informants Under SIS Program

With regard to the handling of informants under the SIS program, file review shows that as a result of a control system then in effect we do have a record of

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

payments made, the identities of informants and Agents handling them, and receipts for payments. In the few instances where informants refused to sign receipts, Bureau was furnished all other data and record was still made of payment and informant who received same.

III. Henry Wade's SIS Service

Mr. Henry M. Wade entered on duty as a Special Agent on December 4, 1939, and resigned September 1, 1943, to enter the Armed Forces. He was in Ecuador for eight and one-half months (undercover), beginning August 16, 1942. We received from SIS agents a periodic summary on informants in Ecuador. Such a list was furnished by Wade on September 23, 1942, a few weeks after his arrival in Quito. This was supplemented by other letters from Wade on November 5, 1942; February 26, 1943; and April 5, 1943, and a complete list of all informants handled by him, listing the disposition of each, prepared April 30, 1943, before his departure from Ecuador. In these, Wade indicated the amount being paid to each informant and his intentions to continue such payments as justified by services received. Wade had eleven informants, paid ten of them, and his vouchers for this period clearly show amounts paid to each and list receipts obtained.

Funds Handled by Wade in SIS

Concerning funds handled by Wade, he was required to account for his expenditures and reclaim them by voucher, as mentioned above. In July, 1942, he did receive an advance of \$1,075. This money was not primarily for operational expenditures but for subsistence and travel in connection with his assignment. His passage from New Orleans to Guayaquil, Ecuador, for example, cost over \$500. Wade was required to make full restitution of this advance and completed repayment on June 28, 1943.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

Therefore, it can be seen that Wade did not have unlimited funds for the purpose of developing sources, was required to strictly account for expenditures made and did furnish such an account, supported by receipts. Copies of Wade's vouchers and receipts submitted have been prepared and are available for delivery to the Commission if such action is desired.

A brief of Wade's complete Bureau service record has been prepared separately for the Director's information.

OBSERVATIONS

It is definite that we have all the facts to clearly and unequivocally refute the wild and ridiculous allegations that Lee Harvey Oswald was a paid informant for the FBI and operated with a symbol number. It would be desirable to furnish these facts to the President's Commission and point out that in the interest of setting the record straight, the Commission should issue a statement refuting these allegations.

It could be pointed out to the Commission that this is important for several reasons. Less than two weeks after the assassination, the communist press began a campaign to develop the idea that Oswald was an FBI informant and that, as an agent of the Government, he assassinated President Kennedy. The story has developed enough interest to result in calling individuals before the Commission to inquire into it. If the allegations continue unchallenged and unrefuted, there is bound to be increasing acceptance of them on the part of the public -- an acceptance that will prove damaging not only to the FBI but to the Government as a whole.

Should the Commission refuse to issue a statement refuting the allegations, we should inform the Commission we intend to issue such a statement. We should point out that the allegations are not confined to testimony before the Commission but have appeared publicly, notably through the campaign of the CP to hammer away on these points. As a result, we are free to deal with the allegations as we see fit.

Memorandum Mr. W. C. Sullivan
to Mr. A. H. Belmont
RE: LEE HARVEY OSWALD

~~CONFIDENTIAL~~

We should point out to the Commission that it has always been our policy to face such allegations head on and we intend to follow the same policy in this matter if the Commission will not take prompt and effective action. If we do not do this, remaining silent, attacks against us in the press on this point may increase. Our silence will be taken as an admission of guilt. Six months from now when the Commission issues its report, the falsehood will be so widely distributed that it will be much more difficult to refute it.

W.C.S.

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