

A King in New York: The Ultimate One-Night Stand

ONE DOLLAR

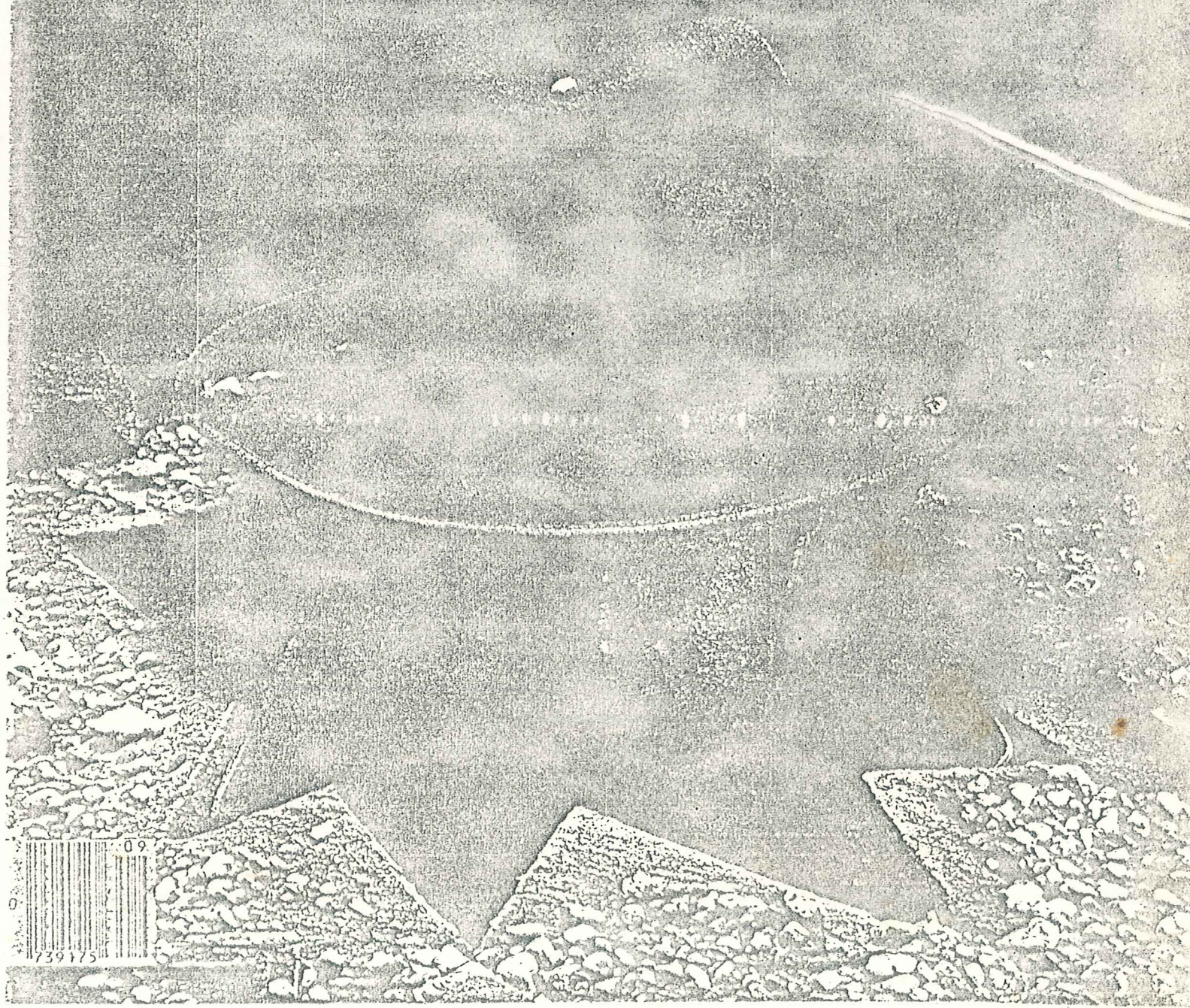
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# NEW YORK

Russian Spies Inside the CIA and the FBI

## The War of the Moles

By Edward Jay Epstein





# ...J. Edgar Hoover was feeding secret information to the Soviets through a supposed double agent, 'Fedora,' for over a decade..."

for intensive questioning. Attention focused on an earlier Nosenko mission: to hide the tracks of a Soviet mole who was presumably burrowing his way into the heart of the CIA. At least that was the view of James Jesus Angleton, the chief of CIA counterintelligence. After all, the Soviets had planted a mole in British intelligence—Kim Philby—and a mole in West German intelligence—Heinz Felfe. Why not expect to find one in the CIA or FBI? Pretty soon, the hunt for a mole within the CIA and the attempts to solve the Nosenko-Fedora issues raised by the Oswald case led to a morass of confusion and to warfare between the FBI and the CIA.

The unnerving implications of Epstein's book go far beyond the events of 1963. The book ends with the firing of most of the CIA's counterintelligence staff in 1976, and we are left with the irksome suspicion that Fedora is still a trusted contact for the FBI's New York office and that there is still a mole burrowing his way up through the ranks of the CIA or the FBI. *New York Magazine* arranged an exclusive interview with Epstein in which he talked to senior editor Susana Duncan about his Oswald book and about the Russian moles. He also agreed to write four of the new spy stories, giving many details that he omitted from the book.

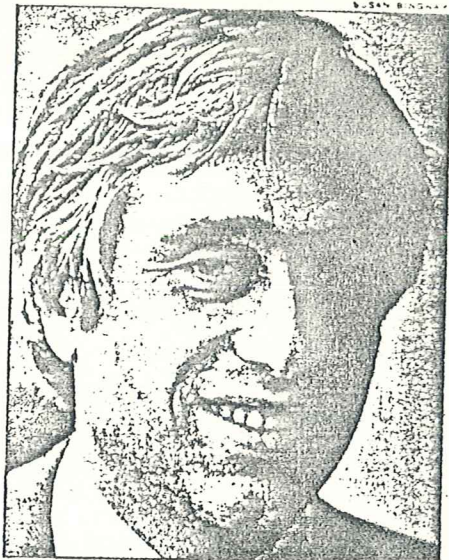
**Question:** The Warren Commission, FBI, and many other sleuths over the past fifteen years have investigated the Oswald case. How can you hope to come up with any new facts or different answers?

**Answer:** I began by rejecting the idea that there was something new to be found out about bullets, wounds, or the grassy knoll. Instead I asked: Why did Lee Harvey Oswald defect to the Soviet Union in 1959? It seemed incredible to me that a twenty-year-old marine would suddenly decide to leave his family and friends and go live in a strange country. I became interested in the question of motive.

**Q.** How did you begin your investigation?

**A.** I knew the starting point had to be finding all the witnesses to areas of Oswald's life which had been missed or neglected by previous investigations.

**Q.** Is that why you interviewed the marines who had served with him in Japan?



**Edward Jay Epstein:** Born in New York City in 1935, Epstein has just completed a two-year investigation into Lee Harvey Oswald's relationships with the intelligence services of three nations—Russia, America, and Cuba. Epstein has a Harvard Ph.D. and has taught political science at Harvard, MIT, and UCLA. He is the author of several books, including *New From Nowhere* and *Agency of Fear*.

**A.** Right. I was interested in knowing what happened to Oswald in the Marine Corps. The Warren Commission had questioned only one marine who served with Oswald at the Atsugi air base in Japan. With the help of four researchers, I found 104 marines who had known Oswald or had worked with him in Japan. It then became possible to reconstruct Oswald's activities in the Marine Corps before he defected to the Soviet Union.

**Q.** What did you learn from the marines?

**A.** Oswald was a radar operator who, along with the other men in his unit, frequently saw the U-2 taking off and landing and heard its high-altitude requests for weather information on the radio.

**Q.** How was this important?

**A.** I didn't know how valuable this information was at the time. But I questioned the designer of the U-2 at Lockheed, Clarence Johnson, and Richard Bissell, former special assistant to the director of the CIA, who was in charge of the U-2 program in 1958, and found out that acquiring detailed information about the altitude and flight patterns of this novel spy plane was the number-one priority of Soviet intelligence. I

also questioned Francis Gary Powers, the U-2 pilot who was shot down over Russia in 1960.

**Q.** What did Powers tell you?

**A.** Powers was shot down in May—about six months after Oswald had defected to the Soviet Union. He was interrogated by the Soviets for about six months, and he recalled being asked numerous questions about Atsugi air base, other pilots at the base, and the altitude and flight characteristics of the plane. Powers told me that he suspected that an American with some technical knowledge of the U-2 had provided a great deal of the information behind the questions he was asked in Moscow. Now, under the CIA's mail-opening program, the agency intercepted a letter written by Oswald in Moscow to his brother in which Oswald said that he had seen Powers. No one had ever explained where he would have had the opportunity to see Powers.

**Q.** Are you saying that Oswald saw Powers in Russia at the time of Powers's interrogation?

**A.** Yes, and Powers also thought that Oswald was involved in his being shot down over Russia. He explained to me in great detail how the secret of the U-2 was the plane's electronic capability to confuse Soviet radar. As long as the radar couldn't get a precise reading on the U-2's altitude, Soviet missiles couldn't be adjusted to explode on target. The Soviets had the missile power—they had already sent Sputnik into space—but they didn't have the guidance system. Oswald, working at Atsugi air base, was in a position to ascertain the altitude at which the U-2 flew. If the Soviets had this information they could have calculated the degree of the U-2's electronic countermeasures and adjusted their missiles accordingly.

**Q.** Powers died in the summer of 1977, when a helicopter he was flying ran out of gas over Los Angeles. Didn't two other witnesses you interviewed die violent deaths?

**A.** Yes, William C. Sullivan, former head of counterintelligence for the FBI, who was killed in a hunting accident in 1977, and George De Mohrenschildt, a close friend of Oswald's, who shot himself after the second day of a prearranged four-day interview. It is tempting to see a connection between these deaths, but I don't. After all,



# "... Powers thought that Oswald was involved in his being downed over Russia..."

gence agent and therefore Hoover had to provide him with some information. Fedora would bring in the KGB's shopping list, and the FBI would take it to the other agencies of the government to be cleared before the information went to the Soviets.

An enormous amount of classified information was handed to Fedora over a decade. Sullivan also feared that the Soviets had their own mole within the New York office of the FBI, one who had a part in clearing the information. The Soviets would then find out not only what the United States had cleared for them but also possibly what wasn't cleared.

**Q.** You discussed Fedora with numerous other former CIA and FBI officers, including some of the top executives in the CIA in the period when Fedora was supplying information. What did you learn from them?

**A.** They all believed that Fedora was nothing more than a Soviet disinformation agent.

**Q.** It's odd that CIA and FBI officers were willing to give you almost all the facts about his case. How did you get them to talk?

**A.** The CIA officers I approached were former officers, retired or fired from the CIA. I would usually begin by writing them a letter stating either that someone else had discussed the case they were involved in, and that I needed clarification from them, or that I had received some documents under Freedom of Information which mentioned them or their case. Usually I found this piqued their curiosity. If they would agree to see me, I would usually do most of the talking, telling them what other people told me or what I had found out in documents.

**Q.** But why *did* they talk?

**A.** One device that almost always worked was showing them Freedom of Information documents mentioning their name or operational details of a case. Predictably their first reaction was fury that the CIA would ever release this information. Their second reaction was to be offended that someone in the present CIA had it in for them. They were soon eager to correct the record or fill out the context of a case. Their reasoning was that if the government could release information under Freedom of Information, why should they keep their lips sealed.

**Q.** Is this how you got the CIA officer who handled Nosenko to speak about his case?

**A.** Yes. He is now living in retirement in Europe, and when I first phoned him and wrote him he refused to see me. Finally, after I had written a draft of my book, I tried again. This time I wrote stating the facts I was about to divulge, facts which included his name and his involvement in the case. He then agreed to see me.

We met at the Waterloo battlefield in Belgium, and I showed him about a hundred pages of documents that involved him. I had acquired these documents under Freedom of Information. He then told me that I was "deeply wrong" because I was missing a crucial element of the Nosenko case, but he was not sure that he was willing to provide it. A few weeks went by and he agreed to meet me again, this time at Saint-Tropez in France. We then spent three weeks together, going mainly to the Club 55, a beach club, where he gave me what he considered to be the crucial context on the case, which was what Nosenko had done in 1962.

**Q.** And what was that?

**A.** Nosenko had been sent by the Soviets to the CIA to paint false tracks away from the trail of a Soviet mole in the CIA.

**Q.** Did you ever get to see Nosenko? And if so, how?

**A.** Yes. The CIA put me onto him;

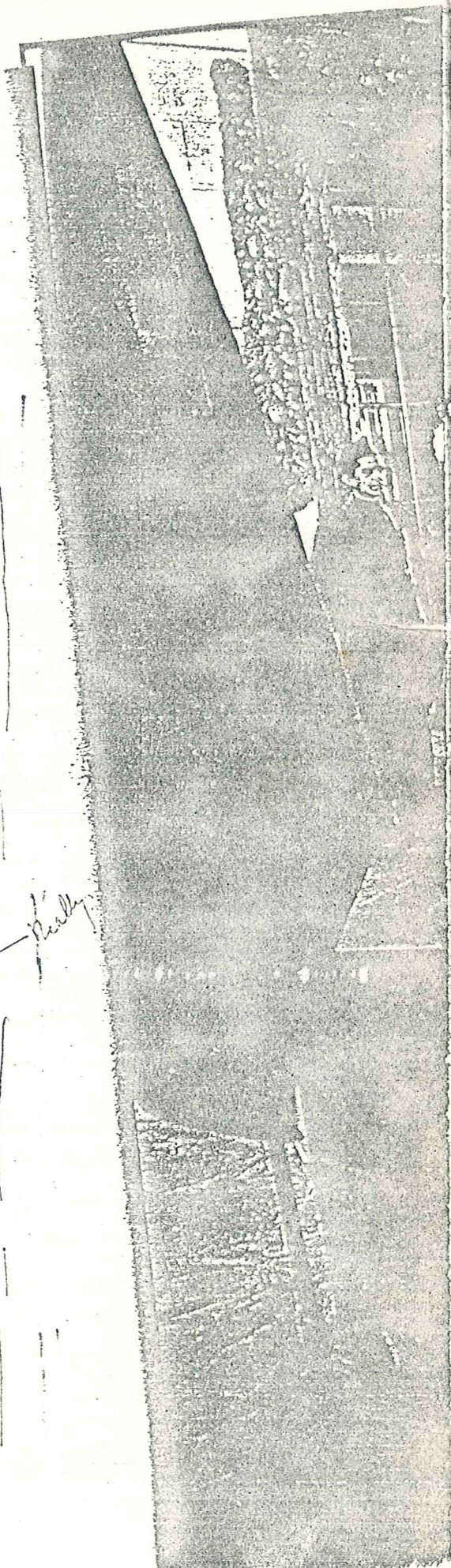
**Q.** How do you explain that?

**A.** I presume that it found out I was writing a book on Lee Harvey Oswald and it wanted me to put Nosenko's message in it. Nosenko's message was that Oswald was a complete loner in the Soviet Union and never had any connection or debriefing by the KGB. I spent about four hours interviewing Nosenko.

**Q.** Your book strongly suggests that Nosenko is a fake. Do you believe the CIA was trying to mislead you by sending you to him?

**A.** Yes. It sent me Nosenko as a legitimate witness to Oswald's activities in the Soviet Union without telling me that Nosenko had been suspected of being a Soviet disinformation agent.

**Q.** When did you first become suspicious (Continued on page 36)





## 'Fedora': The Spy Who Duped J. Edgar Hoover

In March 1962, a Soviet official attached to the U.N. told the FBI office in New York that he was actually a senior officer of the KGB, assigned to gather information from Soviet espionage networks on the East Coast about developments in American science and technology. He said that he was disaffected with the KGB and offered to provide the FBI with information about Soviet plans and agents. He was assigned the code name "Fedora."

Up to this point, the CIA more or less monopolized reporting to the president on the inner workings of the Soviet government. J. Edgar Hoover saw that with Fedora he would now be able to compete with the CIA, and although the FBI at first labeled Fedora's first few reports "According to a source of unknown reliability," Hoover personally ordered that the "un" be deleted. Moreover, under Hoover's personal orders, the reports were not to be passed to the CIA but sent directly to the president.

From 1962 until 1977, Fedora, although still a KGB officer at the U.N., provided the FBI with information on a wide range of subjects. Almost from the very beginning, however, the CIA was suspicious of Fedora. In 1964, in another case involving Lee Harvey Oswald, the CIA intercepted Soviet cable traffic which revealed that Fedora had given false information about another Soviet agent (see box, page 35). This led the CIA's counterintelligence staff to suggest that Fedora was most probably a Soviet agent feeding "disinformation" to the FBI. Indeed, over the years, Fedora misled the FBI on a number of crucial matters.

### Fedora's disinformation:

The Profumo scandal. Fedora said it was all a French setup. In fact, it turned out to have been a Soviet-intelligence operation.

The ABM. Just when the American government was engaged in a debate over whether to build an antiballistic-missile system, Fedora told the FBI that the United States was ten years ahead of the Soviets in missile technology. In fact, we were behind.

The "Pentagon papers." At the height of the furor over the Pentagon papers, which the New York Times was printing in 1971, it was Fedora who poisoned the atmosphere further by telling the FBI that the papers had been leaked to Soviet intelligence. This report, when presented by Hoover, provoked Nixon into setting up the "plumbers."

The American Communist party. Fedora helped Hoover carry on his lifelong crusade against the American Communist party by presenting him with the information that it was engaged in espionage activities for the Soviet Union. Hoover was able to use this data in support of his massive campaign against the party. (The information was never confirmed.)

Eventually, even senior FBI officials began to doubt the validity of Fedora. William C. Sullivan, the deputy director of the FBI under Hoover, became convinced that Fedora was acting under Soviet control and tried to persuade Hoover of this, but to no avail. Furthermore, tensions between Hoover and the CIA, exacerbated by the Fedora case, came to a head in 1971, when Hoover all but cut communications between the FBI and the CIA. The FBI was becoming increasingly dependent on Fedora. Indeed, it was estimated by one CIA official that 90 percent of all the FBI anti-Communist cases in New York came from Fedora (and two other Soviets who joined Fedora in supplying the FBI with information). If Fedora was a fake, the FBI would have to re-evaluate all the cases and information it had acted on since 1962. Hoover was not prepared to do this, and thus Fedora lingered on as an FBI "double agent," possibly to this day.

—EJE



J. Edgar Hoover: Believed "Fedora" was a true double agent and gave him secret U.S. information.



William C. Sullivan: Head of FBI counter-intelligence division suspected that "Fedora" was a Soviet spy.



Gus Hall: U.S. Communist-party leader. "Fedora" told Hoover that the American Communists were spying for Russia.



John Profumo: "Fedora" tried to place blame for the Profumo scandal on the French, not on the Soviets.

(Continued from page 32) of Nosenko?

A. A few weeks after I interviewed Nosenko, I had lunch in Washington at the Madison Hotel with the Soviet press officer, a man named Igor Agou. I had set up the meeting in the hope of persuading the Soviets to allow me to go to Russia to interview the Soviet citizens who had known Oswald during the three years he spent there. Agou, however, made it clear to me very quickly that the Soviets would not be receptive to such an idea. Mr. Agou then said in a very quiet voice, "Perhaps I shouldn't be saying this . . . but you might be interested in knowing that there is someone in America who could help you . . . a former KGB officer named Yuri Nosenko, who had handled the Oswald case and who knows as much about Oswald as anyone in the Soviet Union."

Q. You mean that this Soviet Embassy officer was actually recommending that you see Nosenko?

A. Yes. I was a bit dumbfounded. Here was an official from the Soviet Embassy recommending that I see someone who was a traitor. And I couldn't believe that Mr. Agou was just trying to be helpful to me.

Q. Your book makes frequent references to James Angleton, the former head of counterintelligence for the CIA. Why did he agree to see you?

A. Because I had already interviewed Nosenko. Angleton knew that since Nosenko was working for the CIA, he wouldn't have seen me unless the CIA had sent him. Angleton, who had been fired from the CIA by Colby, wanted to know why, after keeping Nosenko in isolation for thirteen years, the CIA would suddenly send him to see a journalist doing a story about Oswald.

Q. Well, what did Angleton tell you?

A. For the first three meetings we had in Washington, he refused to discuss anything about Nosenko, Oswald, the CIA, or anything else bearing on what I was writing. He was far more interested in finding out what I knew than in telling me anything, and so I decided to look up the members of his staff.

Q. How do you know that these former CIA officers weren't misinforming you?

A. Of course, I have to assume that they had axes to grind. A number of CIA officers whose careers rested on the Nosenko case wanted to see it resolved in one way or another. I also realized that I could never be sure



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### A Warning From the 'Old' CIA

*This is an excerpt from a letter to Edward J. Epstein, written by a former operations chief of the CIA's counterintelligence.*

The 1976 exoneration or official decision that Nosenko is/was bona fide is a travesty. It is an indictment of the CIA and, if the FBI subscribes to it, of that bureau too. The ramifications for the U.S. intelligence community, and specifically the CIA, are tragic.

Acceptance of Nosenko as a reliable consultant about Soviet intelligence and general affairs will cause innumerable problems for incumbent and future intelligence collectors and any remaining counterintelligence (CI) officers. Acceptance of his information inevitably will cause the acceptance of other suspect sources whose information has dovetailed with Nosenko's proven lies.

Acceptance of Nosenko throws the entire perspective about Soviet intelligence out of focus. His information tells us things the present détente devotees want us to hear and cumulatively degrades our knowledge (and the sources of this knowledge) of Soviet intelligence capabilities, policies, and effectiveness.

In a very unfortunate sense the United States and the CIA are fortunate because William Colby virtually destroyed CI in the CIA. In 1975 the CIA turned away from CI and—significantly—from the program which was the basis for analyzing the mass of material collected from Nosenko and comparing it with other information. Even if the CIA had the inclination to restore resources to CI, it would be difficult to resurrect the program to disseminate Nosenko's misinformation effectively. Nevertheless, there is still a great danger that Nosenko's misinformation will now be disseminated without review or analysis to reconcile its internal inconsistencies. To use Nosenko's information is to build on sand. Let us hope that the CIA's anti-CI policy doesn't permit anyone to use Nosenko's information until wiser heads prevail and true CI is restored to the CIA and government.

But the navy, Defense Department, Office of Naval Intelligence, Marine Corps, and everyone else denied that any such investigation had been conducted, though it would have been automatic. I was told, off the record, that even had the Marine Corps investigated Oswald in 1959, the records might have been destroyed.

**Q.** You suggest in your book that the FBI had an interest in covering up the KGB's connections with Oswald. Isn't that a little perverse?

**A.** The FBI failed to keep tabs on Oswald after his return from the Soviet Union, even though it had reason to suspect he was an agent.

Now, if after killing Kennedy or after the Kennedy assassination it turned out that Oswald was simply a lone crackpot, the FBI would not be revealed as irresponsible, but if it turned out that he had indeed been a Soviet agent, even on some petty mission, the FBI would be guilty of a dereliction of duty. The only way J. Edgar Hoover could be sure of avoiding this accusation was to show that Oswald had not been a Soviet agent nor had he had connections with the Soviets upon his return from the Soviet Union.

**Q.** Which of the spies that you mention in your book have never been discussed in print?

**A.** All the stories are almost totally new. Fedora has never been mentioned to my knowledge. Neither has Stone. The breaking of Nosenko's story has never been mentioned, and it leads one to wonder how much is still left to uncover.

**Q.** Do you think the mole that Stone pointed to is still tunneling his way up through American intelligence?

**A.** He hasn't been caught yet, and it is entirely conceivable that one was planted. We know that the Soviets placed so many moles in West German intelligence that they effectively took it over, but more important, the CIA is particularly vulnerable to penetration since so many of its agents recruited after World War II are individuals of East European origin. As Angleton pointed out to me, the odds are always in favor of recruiting one mole.

**Q.** Is the hunt that Angleton started for the mole still on?

**A.** The former CIA officers who were involved in the hunt tell me that the "new" CIA has now made a policy decision to believe moles do not exist. All speculation on this subject has been officially designated "sick think."

**Q.** Was James Angleton fired because he was onto the mole Stone had talked about?

**A.** Not directly. According to his former aides, Angleton and his counterintelligence staff, whose job it was to be sure that sources were not planting disinformation, were too strongly challenging Colby's sources in Russia. Accordingly, Colby got rid of Angleton and his key staffers, one of whom, Newton Miler, told me that Colby wanted to close down or drastically revise the role of counterintelligence in the CIA.

**Q.** Might there be a mole in the FBI?

**A.** Yes. Indeed, Sullivan was convinced that the Soviets had penetrated at least the FBI's New York office. And the former deputy chief of the CIA's Soviet Russia Division told me that there was absolutely no way the Soviets could run the Fedora operation without the aid of a mole in the New York office.

**Q.** Does James Angleton really know who the mole in the CIA is?

**A.** Angleton refuses to say, but one of his ex-staff members told me with a wry smile, "You might find out who Colby was seeing in Rome in the early 1950s." When I pressed him about Rome, he changed the subject to Vietnam and told a long story about Colby's having dined with a Frenchman who turned out to be a Soviet agent. Colby should have reported the contact but didn't, and when Angleton raised the issue, Colby became enraged. I asked Angleton about this confrontation, and he mentioned some CIA inspector general's report. He then switched to one of his favorite subjects—the cymbidium orchid.

Epstein has two more episodes to tell: the story of Lee Harvey Oswald and that of George De Mohrenschildt; what Oswald was doing after his return from the Soviet Union, and what De Mohrenschildt told Epstein during an extraordinary interview in Palm Beach, just two hours before committing suicide. These will appear in next week's issue of *New York*.