

# The War Within the CIA

*Edward Jay Epstein*

IN 1975, under the directorship of William Colby, the CIA found itself in a state of unprecedented crisis. Its entire role had undergone a dramatic change: from being a secret investigative agency it had become a target of public investigation, with no fewer than four government bodies scrutinizing its past activities. A presidential commission, chaired by Vice President Nelson A. Rockefeller, was examining the CIA's domestic activities over a quarter of a century to ascertain whether it had violated its charter—or the Constitution; a Senate Committee, under the chairmanship of Frank Church, was investigating, among other things, alleged assassination attempts by the CIA against foreign leaders; a House Select Committee, headed by Otis G. Pike, was inquiring into other CIA operations; and the Department of Justice was sifting through a 693-page list of "questionable activities" of the CIA to determine whether any such activity merited indictment or legal action against past or present CIA officers.

The impact of these investigations on the normal activities of the CIA was "devastating," as William Colby explains in his autobiography\*: "Apart from the fact that I and any number of my senior associates were constantly being called away from Langley to testify before one committee or another, the agency overall was diverted from its responsibilities by the deluge of demands from the hordes of investigators, with literally hundreds of CIA officers reassigned from normal intelligence operations to handle the mechanical and clerical chores of locating requested documents, sanitizing them to remove names of agents and particularly sensitive operational material, and then negotiating whether or not the information could be publicly released." According to other former executives of the CIA, the multiple investigations did much more than merely paralyze the CIA temporarily. They resulted in completely demoralizing its staff, disrupting its relations with other Western intelligence services on whom it depended for information, discrediting it with the public, and, for all practical purposes, wrecking it as a viable intelligence service.

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The proximate cause of these investigations was a front-page story in the *New York Times* on December 22, 1974 by Seymour Hersh which revealed that the CIA had been engaged for some twenty years in the sort of domestic surveillance that had been specifically proscribed by the CIA's charter. The Hersh story was based on a closely-held CIA report done the previous year by the Inspector General, which was a compilation of all the CIA's questionable activities prior to 1973 and which was termed by Colby the "family jewels."

Within forty-eight hours of publication of the *Times* exposé, Colby effectively confirmed the veracity of the story by announcing the resignation of James Jesus Angleton, the CIA's chief of counterintelligence, who had been mentioned in Hersh's report, as well as Angleton's three top deputies on the counterintelligence staff; and Colby hand-delivered a lengthy report of his own to Secretary of State Henry Kissinger. Though written in a less sensational tone than Hersh's exposé, this report clearly substantiated the fact that the counterintelligence staff as well as other elements of the CIA had been involved in questionable and possibly illegal activities. Colby told Kissinger that he had cleansed his report of agents' names and secret operations so that the President could make it available to the press. Colby also appended to the report information Hersh had not divulged, including a list of alleged assassination attempts by the CIA. Confronted with this document, President Ford had little choice but to initiate an investigation of the CIA.

How had the "family jewels" ever leaked to the *New York Times* in the first place? This was a question put to Colby in 1975 by Richard M. Helms, himself a former Director of the CIA. According to Helms's recollection of their conversation, Colby nonchalantly replied, "I talked to Sy Hersh." At the time, Helms did not fully comprehend what Colby meant by this admission. It seemed almost inconceivable to him that the Director of the CIA, whom he had always found to be an intelligent, discreet, and completely responsible officer, and

\* *Honorable Men: My Life in the CIA*, by William Colby with Peter Forbath, Simon & Schuster, 495 pp., \$12.95.

who had sworn an oath to protect the nation's secrets, could have revealed such critical information to a newspaperman for purposes of publication. Yet the next time Helms saw Colby, he again asked him about the leak, and Colby reiterated that he had confirmed the story to Hersh and the *New York Times*.

That it was Colby himself who had engineered the leak had also become clear in the meantime to members of the CIA's counterintelligence staff who had been forced to resign on account of it. Newton S. Miler, then Chief of Operations for Counterintelligence, discovered that Colby's report to the President had been prepared within a day of the story's appearance in the *Times*. Analyzing the research that had gone into the document, he concluded that Colby could not possibly have written it within such a brief period.

In his autobiography, Colby gives a somewhat more circumspect account of the incident. He claims that Hersh telephoned him excitedly, saying he was investigating illegal CIA activities, and requesting an interview. Colby explains that since Hersh had cooperated with him a few months earlier in suppressing the story of the *Glomar Explorer*,\* "I felt I owed him the interview he requested and could trust his responsibility. . . ." In the interview, Colby asserts, he attempted to "explain—and put in proper perspective" both the CIA's investigation of the anti-war movement in the United States and the CIA's surveillance of American citizens by "wiretaps, mail intercepts," and other means. He acknowledges confirming to Hersh that the CIA had, in the case of the mail intercepts, sometimes violated its charter (and the law). He provided Hersh with incriminating details about the CIA's program of intercepting letters to and from the Soviet Union, and about other highly-classified and illegal surveillance activities.

Colby says that he did not realize the public release of this information would have the "traumatic consequences" it did. The only reason he told Hersh about it, he writes, was to lay to rest rumors which Hersh had heard of even more incriminating activities on the part of the CIA. This explanation, however, is not entirely convincing. Whatever the "deal" Colby may have had with Hersh to suppress the *Glomar Explorer* story, it could not have been such as to require him now to divulge details of a secret and closely held report—so secret, indeed, that (as Colby admits) he had not even briefed President Nixon or President Ford or Henry Kissinger about its existence.

Colby's role in the "family-jewels" affair turns out to have involved a great deal more than talking to a *Times* reporter, or failing to talk to the President. The "family-jewels" report was no ordinary CIA document. Although work on it had begun under the sponsorship of James Schlesinger, who briefly served as CIA Director after Helms, it was Colby who drafted the directive on May 9,

1978 ordering all CIA personnel to report any past transgressions or questionable activity they knew of; and as Schlesinger was nominated to be Secretary of Defense, and Colby to be CIA Director, on the very same day this directive was issued, it was Colby who from start to finish superintended the 693-page report. It was also Colby who briefed Senators Stuart Symington and John Stennis, and Congressmen Edward Hebert and Lucien Nedzi, about the report, and who consulted the Department of Justice on the issue of the legality of a number of the "jewels." To be sure, any one of these parties may have leaked aspects of the report to Hersh—or to other journalists—but the confirmation, and the details, which turned it into a front-page story came from Colby.

**W**HY would a Director of the CIA reveal these, and other, skeletons in the CIA's closet? When I posed this question to a former colleague of Colby's in the CIA, he said that there were three equally plausible theories to explain Colby's behavior. First, Colby was a congenital "confessor," who sincerely believed the CIA should not be a secret service and therefore freely disclosed information to all comers. Second, Colby had become overwhelmed with guilt during his long and grueling tour of duty in Vietnam, and to purge himself of this guilt, he turned against the CIA. Third, there was the astonishing theory that Colby might be a Soviet "mole," or penetration agent, who had been ordered to wreck the intelligence service.

The very fact that such theories, and especially the third, should be given currency indicates the ferocity of feeling in the intelligence community over Colby's going public. Yet none of these theories even remotely fits the known facts about Colby's career in the CIA. Far from being a born "confessor," as the first theory suggests, Colby served effectively as a CIA officer in Italy, Sweden, Vietnam, and the United States for twenty-five years, all the while maintaining whatever falsehoods and secrets were necessary to preserve his assigned "cover." Indeed, it was because of his discretion and demonstrated loyalty that he was chosen to be Director of the CIA. The second theory, tracing his motives to his experience in Vietnam, also seems inadequate; far from returning a broken and guilt-ridden man, Colby was proud of his accomplishments in the Strategic Hamlet and Phoenix counterinsurgency programs, and even regarded them as the high point in his career.

Finally, there is no basis whatever for the notion that Colby is a "mole." If Colby were a Soviet agent, one would have expected his career to be studded with intelligence successes (which the Soviets would have provided for purposes of his promotion). But the fact is that up until Vietnam he

\* The *Glomar Explorer* was supposedly an underwater mining ship, but actually it was built by the CIA to recover a Soviet submarine which had sunk in the Pacific.

had few if any successes as an intelligence officer. Nor had he developed any secret "sources"; instead, his career was built on his competency as an administrator and a problem-solver. Furthermore, it seems inconceivable that the Soviets, if they had managed to bring one of their agents to the point of being Director of the CIA, would then risk ruining his career by having him leak secrets to the press.

Since these three theories are inadequate to explain Colby's actions, it is necessary to consider a fourth possibility—that the leaks were part of a maneuver intended to relieve Colby of an extremely vexing bureaucratic problem.

## II

WHEN Colby was appointed Deputy Director of Plans by Schlesinger in 1973, and took charge of the CIA's clandestine activities, he found U.S. intelligence virtually paralyzed when it came to determining the Soviet Union's military and strategic intentions. While satellites and other technical devices did provide a constant flow of data on Soviet economic, military, and technological achievements, some form of human intelligence—specifically, spies—was still needed in order to acquire knowledge of how the Soviets intended to use these resources. For nearly a decade, however, the CIA had been unable to recruit any agent with access to the secrets of the Kremlin who was considered reliable by the CIA's counterintelligence evaluators.

The recruitment of agents inside the Soviet Union had always presented a problem for U.S. intelligence. Since the Soviet Union is a closed and rigidly compartmentalized society, with almost no movement among the various sectors, the CIA had decided that it made little sense to attempt to recruit its own agents among Soviet citizens and then maneuver them into positions where they would have access to state secrets. Even if it succeeded in making such recruitments, and even if the agents escaped the detection of the omnipresent security forces, there was no way of insuring that they would ever achieve a position of value. Therefore, instead of focusing on promising Soviet citizens, the CIA aimed at recruiting persons who already had access to Soviet state secrets; for all practical purposes, this meant high-ranking Soviet intelligence officers dispatched to the West. One program in the late 1950's, for example, involved simply telephoning Soviet intelligence officers attached to embassies in the West and asking if they had any interest in selling secrets. The idea apparently was that even if 99 out of 100 hung up, a few contacts would be made.

CIA officers of course realized that the prospects for recruiting were not good. Soviet officers are carefully screened before they are allowed to attain positions of status in the elite intelligence organizations, and before being posted to the

West. Moreover, their families are held hostage in the Soviet Union, and any money the CIA might offer for committing espionage would be of no use to them at home. Nevertheless, the CIA did have a number of early recruiting successes—most notably Colonel Peter Popov in the early 1950's and Colonel Oleg Penkovsky in 1961.

Yet the recruitment process involved considerable risks. Since the Russians know that the CIA is dependent on Soviet intelligence agents for information, they can have agents contact the CIA and feed it carefully prepared stories designed to provoke and mislead Western intelligence. Such "disinformation" operations, if clearly orchestrated, can work disastrously well to deceive an enemy nation.\*

The responsibility for weeding out "disinformation" and fraudulent agents still under Soviet control from authentic information and actual spies was vested by the CIA in a small counterintelligence staff headed by James Jesus Angleton. It was the job of the counterintelligence staff to suspect every agent recruited by other divisions of the CIA as being possibly a "plant" or double-agent, and to challenge data from such sources as possible "disinformation." Angleton's constant suspicions naturally tended to frustrate those case officers who believed they had recruited valuable agents and those reports officers whose job it was to produce a coherent picture of Soviet activities.

The suspicions of Angleton and his counterintelligence staff were greatly heightened in 1961, when a KGB officer, Anatoly M. Golitsin, defected to the CIA and told Angleton in his debriefings that the KGB was in the process of mounting a major deception operation which would involve "disinformation" agents posing either as dissident Soviet intelligence officers or as outright defectors. Golitsin further suggested that the Soviets had penetrated both the CIA and the FBI—just as they had penetrated British intelligence with Kim Philby and West German intelligence with Heinz Felfe—and that the Soviet "mole" in the CIA had been activated in 1958.

Whether or not a penetration of the CIA by the Soviets had occurred, Angleton became fully convinced that the Soviets were involved in a "disinformation" game when a number of other Soviet intelligence officers began volunteering highly suspect information to the CIA and FBI. These included Yuri Nosenko, whose story partly collapsed when Soviet cable traffic was intercepted; "Fedora," as he was code-named by the FBI, who supported Nosenko on elements of his story which Nosenko admitted were fabrications; and Yuri Loginov, who, after confirming Nosenko's story, redefected from South Africa to Russia.† Angleton

\* Anthony Cave Brown provides a lengthy and meticulous description of British deception and "disinformation" stratagems in his book, *Bodyguard of Lies* (1976).

† For a fuller discussion of the Nosenko-Fedora case, see my book, *Legend: The Secret World of Lee Harvey Oswald*.

and his staff thereupon stiffened their resistance to information from Soviet intelligence officers—and to the distribution of such information among other Western intelligence services. Quite abruptly, the recruitment of agents ground to a halt.

Tension also developed between the CIA and the FBI over this issue. The CIA's counterintelligence staff, which served as liaison with the FBI, had concluded that among Soviet "disinformation" agents were three officers working under UN cover in New York and passing information to the FBI. Since J. Edgar Hoover had built a large part of the FBI's spy-catching program on what these Soviet agents had provided, he chose not to believe the counterintelligence staff. By 1970, the resulting friction between the two agencies led Hoover virtually to break off FBI contact with the CIA.

THE intelligence community was thus "a house divided against itself," as Helms later put it. At the root of the problem was the question of how seriously to assess the Soviet capacity for deception. Angleton believed that the Soviets not only had such a capacity, but used it consistently to mislead the CIA. Moreover, his counterintelligence staff attributed the CIA's failure to recruit worthwhile Soviet agents to the presence of a "mole" or to some other form of penetration. Those opposing this view argued that Angleton and his staff had overestimated the Soviet use of deception, and the failure to recruit agents stemmed from his staff's unmerited suspicions of every potential recruit.

Colby had long sided with the latter point of view. He resolved, even before he became Director, that he "would try to shift our major effort to contacts between our officers and Communist officials and take the chance of making a few mistakes in return for recruiting a lot more agents than [Angleton's] ultra-careful approach allowed." In early 1973, he notes in his autobiography, he "recommended to Schlesinger that Angleton ought to be let go, reiterating my long-held feeling that his ultra-conspiratorial turn of mind had, at least in recent years, become more of a liability than an asset to the agency." Schlesinger refused to accept Colby's advice. Three months later, in the Watergate crisis, Colby took over from Schlesinger as Director, and again maneuvered to force Angleton out by cutting off his liaison with the FBI. But, Colby notes, Angleton "dug in his heels," and Colby then yielded, "because I feared that Angleton's professional integrity and personal intensity might have led him to take dire measures if I forced the issue." (Presumably, that is, Angleton might, if it came to a power struggle, attempt to go over Colby's head to the President.) Firing Angleton was obviously going to require more than a mere request or even a confrontation.

It was at this point that Colby realized that Seymour Hersh was interested in doing an exposé of the CIA for the *Times*. In his autobiography, Colby gives the following chronology.\* December 17, 1974: Colby decides "to face up to my responsibility to remove Jim Angleton" before the end of the year; Angleton again "resists" Colby's suggestion that he retire from counterintelligence. December 18: Colby speaks to Hersh on the telephone—a call Colby claims Hersh initiated. December 20: Colby meets with Hersh, tells him about Angleton's role in the mail-cover program, and "confirms" his exposé. December 21 (this particular entry does not appear in the Colby book): Colby tells Angleton about the upcoming Hersh exposé on counterintelligence, and insists on his resignation. December 22: the Hersh exposé appears in the *Sunday Times*. December 23: Colby announces Angleton's resignation. December 24: Colby submits his lengthy report to the President.

Colby succeeded in his objective of removing Angleton. He also forced the resignation of the three top deputies on the counterintelligence staff, and transferred a number of other officers on the staff, which never numbered more than twenty-five, to other parts of the CIA. The new appointees came mainly from the Far East Division or Vietnam. For all practical purposes, Colby had obliterated the counterintelligence operation which Angleton had developed over a twenty-year period. Files were shifted to other departments, and, in some cases, destroyed. In a matter of weeks, the institutional memory was erased.

With the termination of Angleton and the key men on his staff, the bureaucratic impasse to the recruitment of new agents was resolved. Under Colby's new policy, the CIA could take higher risks in accepting volunteers among Communist officials, and distribute the information from them as well as the data that had long been bottled up on the suspicion that it was from "disinformation" agents. But while this led rapidly to the production of new information, it did not solve the counterintelligence problem. Indeed, it led to new crises.

### III

EARLY in 1975, one of Angleton's counterintelligence deputies, who had stayed on for several months to assist with the transition, was informed that the agency had just made a major recruitment in Moscow. Colby's policy of accepting all volunteers had obviously been put into effect.

The agent whom the CIA recruited was Sanya L. Lipavsky, a forty-two-year-old neurosurgeon of Jewish descent, who was employed by the Drivers'

\* For Seymour Hersh's account of this chronology, see his recent piece in the *New York Times Magazine* (June 25, 1978).

License Bureau in Moscow as a medical examiner. Lipavsky claimed that he had previously been a surgeon in Murmansk, and in that capacity had treated Soviet personnel attached to the nuclear-submarine bases in the area. When this information was conveyed back from Moscow to CIA headquarters at Langley, the case officer in Moscow (presumably working under diplomatic cover) was authorized to recruit Lipavsky. The CIA then supplied Lipavsky with the espionage apparatus necessary for him to pass along information he might acquire, and he was assigned a "dead drop"—reportedly a hollowed-out cable from which his messages could later be retrieved by another courier for the CIA.

Colby's new man in Moscow was also heavily involved with a group of Jewish dissidents who were leading the human-rights movement in Russia. In fact, he shared a room with Anatoly Shcharansky, a young engineer who was the spokesman for the movement; and he had ingratiated himself with a number of other Jewish activists, including Vladimir Slepak (who had received a telegram of support from Jimmy Carter during the 1976 presidential campaign), Vitaly Rubin, and Aleksandr Lerner. During the period of his service to the CIA, Lipavsky continued to maintain, and to intensify, his contacts with Jewish dissidents, who of course had not the slightest idea that Lipavsky was anything but a member of their group.

Some two years later it turned out that the man the CIA supposed it had recruited was actually in the service of the KGB. Apparently he approached the CIA only after the KGB had arranged to release his father from prison, in exchange for which Lipavsky agreed to act as a provocateur. In March 1977, Lipavsky published an account of his CIA activities in the government newspaper *Izvestia*, identified the "dead drop" the CIA had assigned him, and went on to denounce Shcharansky and other Jewish activists as traitors, claiming that they had cooperated with him in collecting information about how technical equipment supplied

by firms in the West was being used for counterespionage against dissidents. The Soviets then moved to arrest Shcharansky and other dissidents on the charge of cooperating with the CIA.

It quickly became apparent in Washington that the KGB had planted Lipavsky on the CIA in order to compromise the human-rights movement in Russia. This was also embarrassing to President Carter who, even though he had been briefed on Lipavsky's CIA connection, had publicly stated that Shcharansky was in no way involved with the CIA. The degree to which Lipavsky (and the KGB) might have framed Shcharansky and entrapped other dissidents by manipulating them into assisting him was not known; but the Soviets clearly held the trump—a "CIA" agent willing to implicate other Soviet dissidents—and President Carter, to preclude further embarrassment, as well as to lessen the damage to the victims of the unfortunate CIA recruitment, entered into secret negotiations with the Soviets to make the best deal he could under the circumstances.

Whatever may be the outcome of the secret deal, the action of the CIA in recruiting Lipavsky in the first place seems inexplicable. Lipavsky had no access to secret information; he had no persuasive motive to risk his life for the CIA; and he was involved in a movement whose integrity and credibility were extraordinarily important to the United States. At best, he might have been able to identify other possible targets for recruitment by the CIA. The point of the exercise may have been only bureaucratic: to prove that without interference from Angleton and his counterintelligence staff, the CIA was capable of recruiting agents even inside Russia. Yet no matter what the rationale may have been, the Lipavsky affair demonstrates that the difficulties inherent in American counterintelligence efforts have not been solved. On the contrary, it seems clear that Colby's new bureaucratic methods not only have so far proved useless, but have given rise to problems of an even more delicate and possibly dangerous kind.