

424
1 MAY 1967

CIA
MEMORANDUM FOR: Deputy Director for Support
SUBJECT : Claimed Agency Affiliation by
Conspiracy Case Figures

This Outline
Should be a
copy

1. This memorandum is for your information only.

2. On the afternoon of 24 April 1967, the Federal Bureau of Investigation advised this Office of claimed Agency affiliation by a fugitive witness in the New Orleans investigation into a conspiracy to assassinate the late President. According to the FBI information, received from a news media source, Gordon Dwane Novel, the fugitive witness, had indicated he is currently employed by the CIA and the alleged burglary of a munitions bunker at Houma, Louisiana, in 1961, involved CIA and was not a burglary. According to Novel, the Schlumberger Well Service had an arrangement with CIA wherein it leased a bunker in which ammunition, bomb casings and other material would be stored for CIA. According to Novel, it was intended to ship the material out of the U. S. in Schlumberger boxes labeled "machinery". Again according to Novel, following the Bay of Pigs invasion, the Schlumberger interests became upset and wanted out of their contract with CIA. Three months after the invasion, states Novel, arrangements were made for the material stored in the bunker to be removed by Novel and his group. At the time the material was removed, he states, an individual involved also took some of Schlumberger's low grade powder and fuses and other material. Novel has reportedly supplied someone with the names of the others involved with the burglary. He specifically told the media source that he and one Arcacha Smith are still employed by CIA and that should he be returned to New Orleans to face charges of burglary of the bunker, he would offer this as his defense.

3. The following day, 25 April, a story in the New Orleans States Item charged there is mounting evidence of Central Intelligence Agency links in District Attorney Garrison's presidential assassination conspiracy probe, noting that at least one figure in

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the case intends to use his CIA connections as part of his defense and that "still others linked to the Garrison investigation have been named as acting for the super-secret espionage organization--as informers, as couriers and munitions carriers". It named Novel as having the strongest ties to CIA, and quotes him as calling the alleged bunker burglary as "the most patriotic burglary in history". He reportedly has told associates, states the news item, that the alleged theft was a war materials pickup made at the direction of his CIA contact. According to Novel, the late David William Ferris, and others were involved in the bunker incident. ~~He stated that the explosives were picked up and consolidated soon after the bunker incident and eventually taken by boat to Cuba for use in a diversionary operation in connection with the Bay of Pigs invasion.~~ *See page 42/6* (This statement conflicts with Novel's reported statement to the FBI's media source, paragraph one above, which dates the bunker theft as three months after the Bay of Pigs. District Attorney Garrison also has charged the bunker incident took place three months after the Cuban invasion.) The newspaper also quotes Novel as contending that he operated the Evergreen Advertising Agency in New Orleans as a front for CIA communications in an elaborate use of commercials to alert agents to the date of the Bay of Pigs invasion.

4. Novel, according to the press report, has said "I think Garrison will expose some CIA operations in Louisiana", but did not elaborate. His attorney, however, would appear to place little faith in Novel's claims. In a Columbus, Ohio, interview, Jerry Weiner, attorney for Novel, when told of the press reports of Novel's statements, said: "It's utterly ridiculous. Novel is not now and has never been a CIA agent."

5. There is no record of any utilization of Gordon Dwane Novel, Sergio V. Arcacha Smith, or the Evergreen Advertising Agency. (In addition to Office of Security records, ~~WH/Cuba, RID, and CI Staff~~ were checked for possible indication of operational involvement.)

6. Inquiries with WH/Cuba, the Office of Logistics, and several Agency officers involved with munitions storage in the New Orleans area at the time of the Bay of Pigs fail to develop any indication of past operational activity of the nature described by Novel. Officers who handled project munitions storage in the area have indicated that all the munitions were stored at a reactivated Naval depot

and completely under Agency control. Munitions in transit were guarded, and there is no knowledge of utilization of commercial storage facilities of the Schlumberger interests or any other commercial firm. {

7. As noted above, Novel has claimed to the press that the munitions from the bunker were to be used for a diversionary operation at the time of the Bay of Pigs. Agency officers familiar with the operation at the {

have indicated that such a diversionary operation was based at { , but that the operation was cancelled before a landing was made. Any number of participating Cubans would be aware such a diversionary operation was planned.

8. The CI Staff, in a detailed staff study of the Garrison investigation, has noted past CIA contact with only two figures named in the inquiry, Clay L. Shaw and Carlos Bringuier, in both cases the contact was limited to Domestic Contact Service activities. The study specifically notes there have been no documented Agency utilization of Novel, Ferris or Arcacha Smith, those named by Novel in his statements to the press about the bunker incident.

9. During the course of our inquiries into Novel's charges, one tenuous link was developed which conceivably could be exploited and distorted in attempts to link this Agency with Novel and others. An interlinking with a personality reportedly from Ramparts Magazine might also indicate a connection between Novel's charges and the concerted efforts of some to smear the Agency. This situation is described in an attachment to this memorandum.

Howard J. Osborn
Director of Security

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