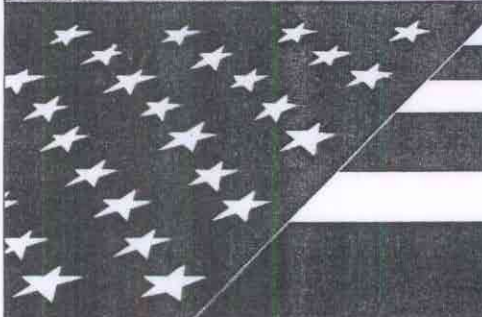


SEPTEMBER 28, 1980/SECTION 6

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## **THE SPY WAR**

**WHERE ARE THE MOLES?**

*By Edward Jay Epstein*

# THE SPY WAR

Critics within the intelligence community are concerned that the C.I.A. has failed to spy effectively on its principal adversary, the Soviet bloc, but has instead been penetrated — along with its NATO counterparts — by the K.G.B., with a resulting exposure of its spies and a growing 'intelligence gap.'

By Edward Jay Epstein

In July 1977, President Carter's secret Special Coordinating Committee — the White House unit that oversees the clandestine activities of the C.I.A. — received a piece of dismaying news: A Central Intelligence Agency spy in the Kremlin, "Trianon," had been apprehended by the K.G.B., the Soviet intelligence service. In 1978, the Soviet press reported that this American spy had been tried for treason and sentenced to death.

"Trianon" was the code name for Anatoly N. Filatov, a 37-year-old aide in the Soviet Foreign Ministry. The C.I.A. had caught him in a sex trap in Algiers in 1976, when he was attached to the Soviet Embassy in Algeria. After being confronted with compromising photographs, Filatov was persuaded — or blackmailed, as he is reported to have claimed at his trial — to work as a spy for the C.I.A. when he was reassigned to the Foreign Ministry in Moscow. He was supplied with all the necessary paraphernalia for espionage: a miniature camera for photographing secret documents, a "burst" transmitter for signaling his contact in the American Embassy in Moscow, and a "dead drop" on a Moscow bridge, where he could inconspicuously leave his microfilm for American intelligence agents to pick up.

How he was so quickly caught by the K.G.B. has been a mystery of immense

Edward Jay Epstein is currently writing a book on international deception.



In a dispute over whether the K.G.B. had penetrated the C.I.A., counterintelligence chief James Angleton (left) was fired by Director William Colby in 1974.

concern to American intelligence. Was he detected through routine Soviet surveillance? Was he exposed by an accidental leak from American intelligence? Or was he betrayed by a Soviet spy in the C.I.A.? To date, this question remains unanswered. Currently, in response to a request from Senator Daniel Patrick Moynihan, Democrat of New York, and Senator Malcolm Wallop, Republican of Wyoming, the Senate Select Committee on Intelligence is conducting a preliminary investigation into the circumstances that led to Filatov's exposure. Even after a three-year hiatus, this Senate investigation threatens to open up a Pandora's box of secrets about the spy war — secrets that the C.I.A. has managed to preserve until now.

In recent years, the C.I.A. has been hamstrung by restrictions on its secret operations. It must now report to a host of Congressional committees, answer Freedom of Information Act requests and contend with frequent leaks to the press. The exposure of C.I.A. sources and methods by Congressional investigations and the press has made other Western intelligence services reluctant to share their secrets with the C.I.A.,

and the agency's "liaison relationships" with these services have deteriorated. In addition, the C.I.A.'s inability to prevent leaks has made it far more difficult for the agency to recruit spies and defectors abroad.

When the Senate Select Committee on Intelligence was briefed on the Filatov case shortly after his arrest in 1977, according to one staff member of the committee, it found that the case had thrown the American intelligence community into confusion. Consternation arose because Filatov was apparently the only United States agent in a position of access to secrets in the Soviet Union — he was, in the language of the intelligence world, a "mole." Moreover, incredible as it may seem, he may have been the only mole that the C.I.A. had established inside the Kremlin in more than a decade. According to one high Government official, who was in a position to be familiar with all the major C.I.A. operations between 1969 and 1977, the C.I.A. failed to establish a single productive mole in the Soviet Union between the arrest of Col. Oleg Penkovsky in Moscow in 1962 and the recruitment of Filatov in 1976. This intelligence gap was also cited by former

C.I.A. executives and a staff member of the Senate Select Committee on Intelligence.

The only exceptions mentioned by these sources were two Soviet United Nations diplomats — code-named "Top Hat" and "Fedora" — recruited by the F.B.I. in New York and a Soviet diplomat — code-named "Igor" — recruited by the C.I.A. in Washington, during the 1960's. In all three cases, however, C.I.A. counterintelligence determined that the "moles" were double agents, working for the K.G.B., and all three returned to Moscow.

It is, of course, impossible to state with certainty that the C.I.A. had no productive spies in the Soviet Union during the period between 1962 and 1976. Deception and lies are common and necessary tactics in the spy war. However, the consistent failure of the C.I.A. to resolve its most vexing intelligence problems since the early 1960's supports the contention that the C.I.A. has not established a dependable source in the Soviet Union.

The primary task of any clandestine intelligence service — whether the C.I.A. or the K.G.B. — is to establish moles within the enemy's inner sanctum who are in a position to warn of changes in its plans and intentions. "No intelligence service can function unless it has secret sources," Richard Helms, a former Director of Central Intelligence, pointed out to me. There are, to be sure, other profitable ways of gathering intelligence, such as satellite surveillance and the interception of communications by powerful antennae, but these do not require the operation of a



Michael Goleniewski, the most productive agent in the history of the C.I.A., claimed to be the heir to Czar Nicholas of Russia. The agency broke off with him in 1964.



Col. Oleg Penkovsky, who served as one of the C.I.A.'s most important spies in the Soviet Union, was caught in 1962 and sentenced to death in Moscow a year later.



In 1963, Jack E. Dunlap, a Soviet spy in the National Security Agency, was found dead of carbon-monoxide poisoning — an apparent suicide — just after being interrogated.

clandestine service. The spotting, compromising, recruiting and handling of moles on a regular basis requires a highly professional secret service. And, even in the age of satellites and electronic wizardry, moles who can report on the strategic thinking of an adversary remain a crucially important part of the continuing intelligence war.

While public debate over the C.I.A., fueled by Presidential inquiries and Congressional investigations, has narrowly focused on the charge that the agency has abused its power by spying on domestic groups outside its legal purview, the secret concern in intelligence circles, which has not surfaced in any of the many public hearings, is that the C.I.A. is not spying effectively on its principal adversary: the Soviet bloc. As one counterintelligence expert from the RAND Corporation put the question: "Why has the C.I.A. repeatedly failed to penetrate the Soviet system by recruiting agents?"

Within the C.I.A. itself, this question has been the center of a bitter and destructive debate that has persisted unresolved for some 20 years. On one side of the issue, it is argued that the K.G.B. has

successfully established its own moles in American intelligence, and that these agents report to Moscow the secret plans and sources of the C.I.A., thereby making it impossible for the C.I.A. to recruit — or keep secret — its own moles. Tennant Bagley Jr., who was the deputy chief of the C.I.A.'s Soviet Bloc Division in the mid-1960's and was responsible for countering the activities of Soviet intelligence, explained in a series of interviews that "it takes a mole to catch a mole." According to his view, the two most successful moles that the C.I.A. ever recruited, Col. Peter Popov (1953-58) and Colonel Penkovsky (1961-62), were both caught by Soviet intelligence because they had been betrayed by a K.G.B. mole, or moles, working in American intelligence. Bagley claimed, moreover, to have seen during his tenure in the C.I.A. direct evidence of a mole "feeding back," as he put it, operational plans of the C.I.A. to the K.G.B. "In one case, Soviet intelligence clearly knew about an elaborate C.I.A. plan to recruit a Soviet-bloc diplomat in Switzerland," he pointed out. He knew of no productive mole that the C.I.A. had recruited in the (Continued on Page 102)



With C.I.A. prodding, British intelligence caught K.G.B. spy George Blake, who later escaped from prison to Moscow.

## Cat and Mole: A Dangerous Game

A crucial role in the intelligence war is played by moles, but their longevity is limited. The men shown here all were caught, were killed, or fled.



Hans Clemens was part of a ring of Soviet moles discovered in West German intelligence in the early 1960's.



Lieut. Col. William Whalen, the highest-ranking K.G.B. mole ever found, worked for the Army Chief of Staff.



As deputy chief of counterintelligence, Heinz Felfe helped place Soviet agents in the West German service.



Bernon F. Mitchell, a Soviet spy in the National Security Agency with access to secret codes, defected to Moscow in 1960.



Like Mitchell, William H. Martin passed National Security Agency technical data to the K.G.B. and fled to Moscow in 1960.



A NATO official and former aide to nine French ministers, Georges Paques spied for the Soviets for 20 years, until 1963.



Col. Israel Beer rose to become an adviser to Prime Minister David Ben-Gurion before his exposure as a Soviet mole.

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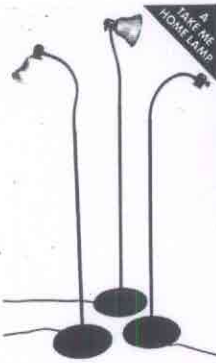
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**SURGI-CREAM**

## SPY WAR

Continued from Page 36

Soviet Union since the capture of Penkovsky in 1962. (Bagley retired from the C.I.A. in 1972.) He accounted for this failure in blunt terms: "It is impossible for the C.I.A. to maintain any secret sources if it is penetrated." And clearly, as far as he was concerned, the C.I.A. was "penetrated" by Soviet moles.

This argument was carried much farther by James Jesus Angleton, who served as the C.I.A.'s counterintelligence chief until 1975. Angleton, theorizing on the basis of information supplied by Soviet defectors, believed that he had pinpointed the K.G.B. "penetrations," as he called them, in the Soviet Bloc Division of the C.I.A. In 1963, he began purging or transferring four possible suspects. When these administrative measures did not result in ferreting out the mole or plugging the apparent leak, Angleton took more drastic action. In 1968, he explained to me, he completely "cut off" the entire Soviet Bloc Division from information about highly sensitive cases. This step led, according to Angleton's critics, to the near paralysis of the Soviet Bloc Division, which was then responsible for all C.I.A. intelligence activities in the Soviet Union and Eastern Europe.

On the other side of the debate, a large number of C.I.A. officers, such as William Colby, who became Director of Central Intelligence in 1973, believed that the mole issue was divisive, demoralizing and ultimately a dangerous distraction. They argued that Popov, Penkovsky and other C.I.A. moles were caught by the K.G.B. either through routine surveillance procedures or because of a blunder or mishap in American intelligence — and not through any information supplied by a mole. These intelligence officers viewed the deductive search for moles as "sick think," as Jack Maury, a former head of the C.I.A.'s Soviet Bloc Division, described it to me. Indeed, William Colby blamed the failure of the C.I.A. to recruit agents in the Soviet Union on the mistaken fear that there was a mole in the C.I.A. who would quickly betray them. When he became Director, he fired Angleton and transferred other counterintelligence officers who had worked under him. He also did away with the tight compartmentalization of information

that Angleton had insisted on. Colby explains in his autobiography that he took these actions because he believed that Angleton's "ultraconspiratorial turn of mind had, at least in recent years, become more of a liability than an asset to the agency."

The dismissal of Angleton did not end the debate. When the K.G.B. uncovered Filatov, the C.I.A. again had to come to grips with the possibility that Soviet intelligence had a source in the agency. Even though C.I.A. officials told the Senate Select Committee on Intelligence that Filatov's detection had come about because of an inadvertent statement to the press by one of national security adviser Zbigniew Brzezinski's deputies on the National Security Council, a number of counterintelligence officers believed that Filatov had been betrayed by a mole in the C.I.A.

In fact, the C.I.A. had cogent evidence in its files testifying in no uncertain terms to the capacity of Soviet intelligence to recruit and sustain moles in highly sensitive positions in American and other Western intelligence services. In the early 1960's, the C.I.A. uncovered, through the services of its own anonymous spy, a well-organized complex of Soviet moles that included not only American but also French, German, Israeli, British, Swedish and NATO officers.

Most of these agents, according to their public admissions, were induced to work for the K.G.B. by financial rewards or sexual blackmail rather than an ideological sympathy with Communism. Some were enlisted under "false flag" arrangements in which, for example, former Nazis were recruited by a K.G.B. front that pretended to be a secret Nazi conspiracy. They all continued spying for long periods of time, and, in some instances, such as in West Germany, provided the K.G.B. not only with secrets but also with control of the intelligence apparatus itself. In the West German case, according to Tennant Bagley's analysis for the C.I.A., the moles were able to manipulate the careers of their fellow officers so as to promote and strategically place other K.G.B. moles. In this sense, the mole complex was self-perpetuating; and between 1960 and 1978 more than two dozen K.G.B. agents would be

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several years later, Blake escaped from prison and also went to Moscow.)

"Heckenschütze" next turned his attention to the West German Intelligence Service (B.N.D.). Headed by Gen. Reinhard Gehlen, Hitler's former intelligence chief against the Russians, this organization worked closely with the C.I.A. "Heckenschütze" reported in 1959 that he had been told by a high-ranking K.G.B. officer that the B.N.D. had been thoroughly infiltrated by Soviet intelligence, and that many of its top officers had been blackmailed by the K.G.B. into cooperating with it. Specifically, he stated that of the six B.N.D. officers who had visited C.I.A. headquarters in Washington in 1958, and met personally with Allen Dulles, two were K.G.B. moles.

This lead was specific enough to identify immediately one member of the group, Heinz Felte. Felte, a former Nazi officer, was then the deputy chief of West German counterintelligence. Like Blake, Felte had risen to his high position through a series of "successes." West German security police immediately placed Felte under close surveillance, and eventually caught him transmitting secrets. The surveillance led to the arrest of a number of other moles in West German intelligence, including Hans Clemens—the man in charge, ironically enough, of the surveillance team in Bonn. (Felte, after being convicted of espionage, was eventually traded to East Germany for a group of alleged West German spies.) A classified 1973 review of the memoirs of General Gehlen (which I received through a Freedom of Information Act request) termed the Felte case a "crushing defeat" for the B.N.D., and concluded that "the West German Government has been and doubtless still is thoroughly penetrated."

"Heckenschütze" finally decided to defect to the United States in 1960, after more than 30 months' service as an anonymous mole. The K.G.B. had found out about certain documents that he had sent to the C.I.A. and asked his help in tracking down the leak. "Heckenschütze" now knew that there was a leak in American intelligence. On Christmas Day, he arrived with his wife at the American military mission in Berlin, and was met by a contingent of C.I.A. officers. He identified himself as Michael Goleniewski, the vice chairman of Polish military intelligence. He further in-

formed the Americans that he had hidden away a cache of documents in a tree trunk in Warsaw for the C.I.A. to retrieve after he had escaped.

When the C.I.A. recovered these documents, it found thousands of pages of Polish and Soviet military bulletins containing United States military secrets that could only have come from high-level sources in NATO and the United States Defense Department. Goleniewski was given an office in Washington, where he worked with his debriefing officers attempting to "elaborate," as he put it, the various clues. He believed, for example, that he could pinpoint the leak in the C.I.A. that had betrayed him. He revealed that Polish intelligence had known about a 1959 C.I.A. plan to recruit a Polish diplomat in Switzerland. The C.I.A. did not pursue the lead, according to Goleniewski. He later said to me that the debriefing officers had spent "only a few hours" on this subject, and never brought it up again.

Before the debriefing could be completed, Goleniewski presented the C.I.A. with still another surprise. He informed his case officers that "Goleniewski" had merely been a cover name he had used in Polish intelligence. His real name, he explained, was Grand Duke Aleksei Nikolaevich Romanoff. He further explained to the bewildered men from the C.I.A. that his father, Czar Nicholas, had secretly escaped from Russia to Poland after the Bolsheviks had seized power; Goleniewski told his astonished audience that he was now heir to the czar's fortune.

When news of these disclosures reached Richard Helms, then Deputy Director for Plans, he realized that the C.I.A. had a potentially embarrassing problem on its hands. Goleniewski had been the most productive agent by far in the entire history of the C.I.A., revealing more than a dozen Soviet moles; the C.I.A., however, could not be put in the position of supporting his claim to the czar's fortune. In 1964, the C.I.A. severed its relations with its former spy.

Almost exactly one year after Goleniewski had defected in Berlin, a K.G.B. security officer named Anatoli Goltstein defected from the Soviet Embassy in Helsinki, Finland, and was taken by the C.I.A. to Washington, where he was turned over to Angleton for questioning.

Even though he held a relatively low rank in the K.G.B.

at the time of his defection, Goltstein claimed to have attended Moscow staff meetings in which the infiltration of Western intelligence services was openly discussed. Like Goleniewski, he suggested that the K.G.B. had its moles in the C.I.A., the British Secret Service, NATO, and French intelligence. Indeed, much of the data that he furnished on this mole complex seemed to parallel that provided earlier by Goleniewski. Goltstein asserted additionally, however, that the K.G.B. had managed to place its agents in France in cabinet-level positions "close, very close, to de Gaulle." According to one member of Angleton's counterintelligence staff, the Goltstein lead focused suspicion on the French Deputy Prime Minister, but they were insufficient for French intelligence to take any action. Goltstein demanded an immediate payment of \$1 million for his information, and received a substantial portion of it from the C.I.A.

According to Philippe de Vosjoli, who had been the liaison between the C.I.A. and French intelligence in Washington, and was gradually brought in on the case, Goltstein insisted that at least six French intelligence officers were Soviet moles. After Goltstein provided clues that could possibly fit two colonels in French intelligence, both were allowed to resign from the service.

Goltstein further described a plan that French intelligence had devised to spy on American nuclear-missile sites. The information that French spies collected in the United States in this operation would, according to Goltstein, be channeled to the K.G.B. through its moles in French intelligence. De Vosjoli had never been informed of such a plan. Then, in 1963, he received orders from his superiors in Paris to organize the spy networks in the United States that Goltstein had outlined. As far as de Vosjoli was concerned, this order demonstrated that French intelligence was being controlled by K.G.B. moles and used to collect information for the Soviet Union, not France. He protested the scheme, pointing out that France had no conceivable interest in spying on American missile sites. When his orders were not changed, he resigned from French intelligence, and, after being informed that he would be assassinated if he returned to France, he went into hiding in the United States.

A large number of docu-

uncovered in the NATO alliance.

The unraveling of this complex did not occur through any ordinary security procedure but through an accident of history that could not reasonably be expected to reoccur in the intelligence war. This incredible story began with a letter sent on April 1, 1958, to the American Ambassador in Switzerland, Henry J. Taylor. Taylor promptly turned the letter over to the C.I.A. station chief in his embassy.

Tennant Bagley, one of the C.I.A. officers who took control of the case, recalled in a series of interviews with me that the letter was written in fluent German, and that the author, who claimed to be a high-ranking officer of a Communist intelligence service, refused to divulge his name or even nationality. The mysterious author suggested, according to Bagley's recollection of the case, that there were moles in Western intelligence who would betray him if he identified himself. He therefore proposed helping Western intelligence put "its own house in order," presumably by ferreting out the moles, before he would consider defecting to the West. He signed the letter "Heckenschütze."

In his initial reports, sent to mailing addresses supplied by the C.I.A., "Heckenschütze" rapidly identified seven Soviet spies. These included a British admiralty aide at the Portland Naval Base, named Harry Roughton, who had been supplying the K.G.B. with secret information about United States nuclear submarines; Col. Israel Beer, an Israeli military historian who, in fact, was an Austrian who had emigrated to Israel 20 years earlier, pretended to be an Orthodox Jew and gradually won the confidence of Prime Minister David Ben-Gurion and other Israeli leaders; and Col. Stig Wennerström, the Swedish air attaché in Washington, who was actually a general in the K.G.B.

"Heckenschütze" also provided a document that caused serious embarrassment at the British Secret Service—a purported list of 26 Polish officials compiled by British agents in Warsaw as potential targets for recruitment. This list, "Heckenschütze" explained, had come from the K.G.B. When Bagley and other C.I.A. officers evaluated the list, the question arose: How could the K.G.B. have obtained such a sensitive document unless it had a mole inside the British Secret Service?

When the C.I.A. queried the British about the list, they reported that it was a clumsy fabrication. "Heckenschütze's" C.I.A. case officer, Howard Roman, recalls that British intelligence asserted that the names could have been taken out of the Warsaw telephone directory. The denials were so heated that even James Angleton was prepared to believe that the anonymous agent who was attempting to sow discord between the American and British services.

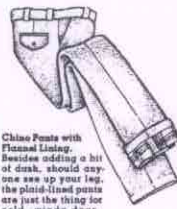
Then, to everyone's astonishment, a researcher in the C.I.A.'s Eastern European Division discovered that British intelligence had sent essentially the same list to the C.I.A. a year or so earlier. It now became clear to the C.I.A. officers handling the case that the list had not been lifted from the Warsaw phone book, but from the secret files of British intelligence.

Allen Dulles, then the Director of Central Intelligence, presented this evidence to his British counterpart, and, after several months of investigating those who had access to the list, British intelligence traced the probable leak to the safe of George Blake, Blake, a Dutch-born career intelligence officer, had rapidly risen in the ranks of the British Secret Service through a remarkable string of successful recruitments of Communist officers in Germany. Could such successes have been purposely provided by the K.G.B. to enhance Blake's standing?

During his interrogation, Blake admitted that he had spied for the Soviet Union since 1952 and that he had passed virtually every important document the British Secret Service had in its files to the K.G.B.

The depth of this K.G.B. penetration into British intelligence stunned the C.I.A. When the British diplomats Guy Burgess and Donald Maclean had defected to the Soviet Union in 1951, Harold (Kim) Philby, an officer in the British Secret Service, also had come under suspicion and, in the early 1950's, he had been effectively retired. The Philby case was now reopened. Then, after Blake's confession, Anthony Blunt, a former officer in the British security service (MI-5), who had retired at the end of the war, was confronted by British interrogators and, in return for a grant of immunity, admitted that he had served as a Soviet mole. (In 1963, Philby defected to Moscow, thereby clearing up any doubts about his loyalties, and,

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ments that Goleniewski had left for the C.I.A. in the tree trunk in Warsaw contained information stolen from the NATO command. There was, for example, a top-secret June 1960, report on "intelligence objectives elaborated by the commanding staff of NATO." Goleniewski claimed that some of these documents had come from a French source, married to a Communist, who had once been associated with the French war college.

In August 1963, French intelligence photographed a NATO official passing an attaché case full of NATO documents to a Soviet Embassy official. He was Georges Paques, a former director of studies at the war college who had been an aide to nine French ministers. During his interrogation, he confessed that he had been spying for the Soviet Union for some 20 years.

Then, in 1968, Hermann Lüdtke, a rear admiral in the West German Navy and the deputy chief of logistics for the NATO command, was identified by West German security police as a K.G.B. spy. Two weeks after his interrogation began, Admiral Lüdtke was found dead; he had been shot with a rifle. German officials declared his death an apparent suicide. The same day that Lüdtke was killed, Gen. Horst Wendland, the deputy director of West German intelligence, was found shot to death in his headquarters, another alleged suicide. Goleniewski claimed that he had pointed to Wendland as a key Soviet mole in West German intelligence under the code name "Organizator" as early as 1961. General Wendland had been the prime target of a West German security investigation, and had undergone interrogation prior to his death. He now was presumed to have been a Soviet mole for some 22 years, according to a C.I.A. officer who had been privy to the investigation. Within two weeks, four other German officials, who were reported to be suspects in the Lüdtke-Wendland cases, died violently, all alleged suicides.

Behind a ring of three barbed-wire electrified fences at Fort Meade, Md., is the headquarters of America's most secretive intelligence service — the National Security Agency (N.S.A.). Even though it has more employees and a larger budget than any other American intelligence agency, including the C.I.A., its existence was classified a secret through most of the 1950's. This extraordinary

secretiveness is considered necessary because the N.S.A. is responsible for protecting the security of the channels through which the leaders of the United States Government, military forces and intelligence services communicate with one another. In most cases, the N.S.A. designs the ciphers, encoding machines and protected lines through which the nation's most closely guarded secrets are transmitted. Any breach of this system can have disastrous consequences. Aside from protecting the nation's secret communications, the N.S.A. intercepts and deciphers the secrets of foreign governments. Such "signal intelligence" includes intercepts of telephone and radio signals, telemetry from missiles and electrical impulses from radar and sonar. Vast quantities of information about the testing, capabilities and deployment of Soviet weaponry are derived from the N.S.A.'s sustained "electrical intelligence." Information about Soviet intentions comes from its code-breaking operations or "communications intelligence."

On July 22, 1963, Victor Norris Hamilton, a Syrian-born research analyst at N.S.A. headquarters, turned up in Moscow and announced that he was defecting. Presumably, he was an agent of the K.G.B. In Moscow, he joined two other former N.S.A. employees, Beron F. Mitchell and William H. Martin, who had defected to the Soviet Union three years earlier. While working as K.G.B. moles at N.S.A. headquarters, they had provided the Soviet Union with information about the technical capabilities and locations of the supersecret sensors that the N.S.A. had employed against it, and also with data about the N.S.A.'s codes and code-breaking techniques.

One day after Hamilton defected from the N.S.A., Jack E. Dunlap, an employee of the N.S.A. since 1958, was found dead of carbon monoxide poisoning — an apparent suicide. One month later, when Dunlap's wife found sealed packets of Government documents in the attic of their house, it was reported that he was a Soviet agent.

Col. Thomas Fox, the chief of counterintelligence of the Defense Intelligence Agency at the time of the investigation, explained to me that Dunlap, a native of Bogalusa, La., had been recruited by the K.G.B. while employed at the N.S.A. communications-interception base at Sinop, Turkey. He met Maj. Gen. Garrison B. Coverdale, the chief of staff of



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the N.S.A., who selected him to be his personal driver at N.S.A. headquarters at Fort Meade. General Coverdale further arranged for Dunlap to receive top-secret clearance and a position in the N.S.A.'s traffic-analysis division. Since the general's car had "no inspection" status, Dunlap could drive off the base with documents hidden in the car and then return without anyone knowing that the material had been removed from the base.

Moreover, Dunlap appears to have had high-level connections in the N.S.A. The Carroll Report, a secret Defense Department document (part of which I received through a Freedom of Information Act request) named after Gen. Joseph F. Carroll, who was asked to investigate the case, noted that Dunlap had helped a colonel at the N.S.A. base pilfer some "expendable items of Government property" from his office. From this incident, the report deduced, "Dunlap had already had experience in circumventing N.S.A. procedures under relatively high-level tutelage." The implication was that he had expanded his access to secret files by offering to help officers appropriate furniture and other articles from their offices.

When General Coverdale left Fort Meade in August 1969, Dunlap was reassigned as a driver to the new N.S.A. chief of staff, General Watlington. The means by which he received this reassignment is not clarified in the Carroll Report, but, by continuing his chauffeuring, Dunlap retained access to the "no inspection" vehicle necessary for smuggling documents on and off the base.

The Carroll Report makes it clear that Dunlap was interrogated by N.S.A. investigators just before he died. According to Colonel Fox, the Defense Department investigating team did not establish any connection between Dunlap and the three N.S.A. employees who fled to Moscow. Since four K.G.B. moles had been uncovered in the N.S.A., the agency found it necessary to change its secret codes, encoding machinery, security procedures and entire *modus operandi*.

While Dunlap was chauffeuring around the N.S.A. chief of staff at Fort Meade, the K.G.B. developed another mole at the pinnacle of American military intelligence — Lieut. Col. William Henry Whalen. Colonel Whalen, who had also served in the National Security Agency at Fort Meade, was recruited by the K.G.B. in 1969 when he worked in the office of the Joint Chiefs

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of Staff as intelligence adviser to the Army Chief of Staff. Since Colonel Whalen, as intelligence adviser, could demonstrate a "need to know," he had access to virtually all military planning and national intelligence estimates. In return for money, he regularly supplied secrets to his Soviet case officer over a three-year period — even after he had retired from the Army because of a physical disability. According to his indictment, the highly classified data sold to the K.G.B. included "information pertaining to atomic weaponry, missiles, military plans for the defense of Europe, estimates of comparative military capabilities, military intelligence reports and analyses, information concerning the retaliation plans by the United States Strategic Air Command and information pertaining to troop movements." He gave away, in short, a wide range of national secrets available to the Joint Chiefs of Staff. (Pleading guilty in 1966 to charges of conspiring with a Soviet agent to divulge national defense documents, Colonel Whalen was sentenced to 15 years in prison, and paroled after six years.)

Through the services of Dunlap and Whalen, the K.G.B. succeeded, as one counterintelligence officer puts it, in "opening the window" on virtually all American intelligence-gathering activities in the Soviet bloc. Just as the C.I.A. was able to ferret out K.G.B. moles by tracing the documents that Goleniewski provided from Moscow to their source, the K.G.B. could presumably trace the military intelligence reports and analyses that Whalen provided to whatever traitors existed in the Soviet intelligence apparatus. During this period, 1958 to 1963, the K.G.B. did in fact succeed in catching the C.I.A.'s two prize moles in Moscow, Peter Popov and Oleg Penkovsky. Both were executed.

Even in the light of these past Soviet successes in penetrating the N.S.A. and Defense Department, there is considerable resistance in the intelligence community to confronting the possibility that the K.G.B. has used the same techniques and resources to establish new and undetected moles in American intelligence. In the past year, I attended a series of conferences on "Intelligence Requirements for the 1980's," sponsored by a group of Harvard,

Berkeley and Georgetown academics called the Consortium for the Study of Intelligence. The participants included, among others, current and former officers of the C.I.A., F.B.I., Defense Intelligence Agency, British Secret Service, French Intelligence and Israeli Military Intelligence, as well as a defector from the Czech Intelligence Service.

During one of these sessions, Dr. William Harris, a consultant to the Senate Select Committee on Intelligence with access to top-secret documents, said that the C.I.A. had to operate on the assumption that it was a "partially penetrated" intelligence service. He added, "I assume we will never be rid of penetrations." Dr. Harris's matter-of-fact statement caused considerable unease among some of the intelligence officers present. Was Dr. Harris actually suggesting that there were currently moles high up in American intelligence, asked one former C.I.A. executive. Dr. Harris tactfully responded that the "penetrations" he had referred to could include nonhuman sources such as microphones.

Later, in private, Dr. Harris explained to me that he had no doubt that the K.G.B. had succeeded in placing moles inside the C.I.A. He said that even if the C.I.A. had the best conceivable "quality control" procedures to screen its officers — which might be "99.8" percent successful in detecting potentially disloyal individuals — there would still be a small number — "2 percent" — that would slip through. Since the C.I.A. has processed tens of thousands of officers in the past 10 years, there might be several hundred potential recruits. Dr. Harris then suggested that the C.I.A. did not in fact have a good record at quality control. In 1978, for example, a 23-year-old watch officer in the C.I.A. named William Kampiles sold to the K.G.B. a top-secret manual explaining the technical operations of the KH-11 satellite system that is used over the Soviet Union. When the C.I.A. investigated, it discovered that there were at least 13 other missing KH-11 manuals. The fact that Kampiles passed through all the security procedures and could steal a manual — which was never missed — indicated faulty "quality control."

Moreover, it is clear from the cases of moles in the N.S.A. and the Defense Department that the administration of polygraph (lie-detector) examinations, which is called "fluttering" in the

C.I.A., is not an effective means of detecting disloyalty. In all the N.S.A. cases, for example, the Soviet moles had undergone periodic lie-detector tests without their clandestine activities for Soviet intelligence being discovered.

Finally, just as the British Secret Service resisted the idea that it had been infiltrated by K.G.B. moles even after it had received the incriminating documents from Goleniewski, American intelligence services are understandably reluctant to pursue evidence of a mole. For example, William C. Sullivan, Assistant Director of the F.B.I. for Domestic Intelligence until 1971, claims that J. Edgar Hoover, the F.B.I. Director, refused to allow him to move against what he was convinced was a Soviet mole in the F.B.I.'s New York office. In his autobiography, Sullivan describes how he discovered the leak and, unable to identify the mole, proposed transferring, one by one, all personnel out of the suspected section. Hoover replied, "Some smart newspaperman is bound to find out that we are transferring people out of the New York office," and flatly rejected the request. The source of the leak had not been removed from the office, or further identified, when Sullivan retired. There is little bureaucratic incentive for searching for moles: If the search is a failure, it will be viewed as a demoralizing witch hunt; if it is successful, it will completely undercut trust in the past work of the intelligence service.

The C.I.A. must eventually come to terms with the possibility that it has a mole problem. If it is to regain confidence in its effectiveness as a clandestine intelligence service. As long as its officers remain vulnerable to being seduced, bribed or compromised — which is, after all, part of the human condition — the K.G.B. can recruit them either directly or under some "false flag." The C.I.A. must assume that the K.G.B., which has proved itself a first-class intelligence service, will develop moles with access to secrets. Once such an assumption is made, an active counterespionage strategy, involving compartmentalization of secrets and "marked-card" tests for locating leaks, can be evolved. If, however, the agency continues to evade the issue, as its critics claim it does, there is little likelihood that American intelligence will be able to do what it is paid to do. ■