THE HUGHES-NIXON-LANSKY CONNECTION: THE SECRET ALLIANCES OF THE CIA FROM WWII TO WATERGATE
BY HOWARD KOHN

BRANDO
The Method of His Madness
A Portrait By Chris Hodenfield
THE HUGHES-NIXON-LANSKY CONNECTION: The Secret Alliances of the CIA” is one of the most ambitious and intricate pieces we have ever attempted. Howard Kohn began work on it nearly a year ago, when all he had to look at was the emerging connection between the Miami-based Cuban exiles and the CIA. Early on he discovered new details about the CIA’s contracts with the Mafia to assassinate Castro, but the then-exclusive information was revealed a few months later by the Senate select committee headed by Frank Church.

We have put together a narrative of these “strange bedfellows,” based entirely on factual information; compelling patterns have emerged which point to a reading of postwar history that foreshadows recent revelations about the “intelligence community.”

As details about the CIA were released piecemeal during the year—by the Senate committee and various investigative reporters, most notably the New York Times staff and CBS correspondent Daniel Schorr—so the shape and scope of our story changed almost weekly.

Webs of circumstance and coincidence were investigated for connective details that have turned up a large and concrete pattern of alliances. These suppressed connections help to account for many of the aberrations that have pockmarked the domestic and international record of the United States since World War II.

At several points in the narrative, it was tempting to include interpretations and conclusions. But no matter how inescapable certain theories appeared, we tried to limit the report to the facts.

We did assess motives in cases where two or three sources, who would all have reason for different points of view, could at least agree on what were major matters of policy. Where the evidence was too conflicting and could not be resolved, we left the matter hanging.

The trickiest area, of course, is the assassinations of the Kennedy brothers. So far, no direct participant has been willing or able to talk. But we have filled in the CIA and Syndicate connections that surround this whole area and let the reader evaluate the grim possibilities.

So here it is: 30 years of domestic subversion, bribery and murder—for the first time, the whole poisoned enchilada, the whole ball of wax, the whole Bay of Pigs. J.W.
Strange Bedfellows

THE HUGHES-NIXON-LANSKY CONNECTION: THE SECRET ALLIANCES OF THE CIA FROM WORLD WAR II TO WATERGATE
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RICHARD NIXON inspects a Cuban sugar plantation in 1955. The vice-president had once entertained the idea of establishing law or business connections in Havana.

Howard Hughes was the billionaire recluse who became a CIA and Syndicate front. His largess helped Nixon's ascent and descent in American politics.

Meyer Lansky built the Mafia into a leading multinational corporation by immersing it in banking, real estate, tourism and gambling. With Fulgencio Batista's help, he was able to open posh new casinos in Cuba.
Bob Haldeman sat in the Oval Office and outlined the problem. A secret guard had stumbled onto a burglary at Democratic National Headquarters six days earlier. FBI agents had been asking embarrassing questions ever since.

Richard Nixon’s solution, as recorded by the White House taping system, was simple: the CIA should tell the FBI to call off its detectives. The CIA would explain that the Nixon administration was in no hurry to find the intruders, because “if we get caught, it’s all over. The Cuba thing would be a disaster, and it would make the CIA look bad—and it’s likely to blow the whole Bay of Pigs thing which was why we were so unfortuately, both for the CIA and the country.”

Haldeman passed Nixon’s memo to CIA director Richard Helms. And later he told the Senate Watergate committee of Helms’s reaction to the Bay of Pigs reference: “Oh that us? Helms jumped up very rapidly and very defensively to say, ‘This is not a concern at all. We don’t want to get into that at all.’”

The Bay of Pigs operation had taken place ten years earlier in a plan to overthrow the government of Fidel Castro. Among its participants had been John F. Kennedy, Robert Kennedy, Richard Nixon, Mafia leaders and members, Howard Hughes, the CIA, Richard Helms, Charles “Bebe” Rebozo, Robert Mahone, E. Howard Hunt, Frank Sturgis, and the Mulcahy Agency. Then they all resurfaced in the Watergate scandal.

All, except the Kennedy brothers. They were dead.

Both the Bay of Pigs affair and the Watergate scandal were rooted in the cynicism of a World War II alliance.

The war was 1942. The U.S. had just entered the war, the Department of War was worried that Nazi saboteurs were infiltrating the docks and shipyards along the East Coast. Alarmed, the Treasury Department gave General Motors a contract to make tanks. This was a huge victory for the automakers, but it was also a huge victory for the Nazis. The tanks they made were never used, but the engineers who designed them were. They joined the Nazi war machine and helped design the Third Reich’s military equipment.

In 1945, the war ended, but the need for tanks did not. The U.S. government continued to buy tanks from the Detroit automakers, even though they were no longer made by the Germans.

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World War II had turned the U.S. into the world’s most powerful nation. Dewey, the Dulles brothers and others had formed their secret circle because they saw themselves as loyal and pragmatic Americans with a duty to help shape the country’s new international role. Their project was to reassert the OSS.

No country could stay on top, they believed, without a powerful and independent intelligence agency. Allen Dulles championed this idea among his contacts at the Pentagon and in the Truman administration. Truman was so impressed that he appointed Dulles to head a three-member commission to study the U.S. intelligence system.

Dulles and others in the secret circle lobbied Congress.

In July 1947 Congress passed the National Security Act. Truman signed it, as Dulles and Dewey had recommended, thereby creating the Central Intelligence Agency (CIA) as a successor to the OSS. The CIA was given a secret budget and a charter written so loosely as to grant the agency nearly unlimited power.

Outlined in the country’s finest ideological cloak, the CIA was charged with protecting America by whatever means necessary. The Cold War had started. Communism was now the new enemy. The communist spread across the globe was to be stopped.

The secret cards, some of whose members become key CIA officials, that meant the CIA was to be the patron of U.S. multinational companies which had set up shop in underdeveloped countries, to make money and oppose communism.

The OSS’s old friend, the Mafia, was among the leading multinational corporations that emerged in the late Forties. Lansky’s movie in freeing Luciano had impressed the Sicilian don. Even his chief rival, “Fat Albert” Anastasia, paid homage to Lansky when the Mafia boss walked out of prison — “You’re the only bastard with the brains to do it.” Lansky also had written the don of dons. Luciano was deported to Sicily immediately upon his return. But, with Luciano’s unreserved blessing, Lansky took control of the criminal empire and finished the job the two had started a decade before.

Lansky merged the Mafia’s rivals into a conglomerate known as the International Crime Syndicate, a network that Lansky estimated was “bigger than U.S. Steel” and which he licensed in banking, real estate, tourism, and gambling.

At the same time, the enlisted Luciano expanded the Syndicate’s overseas connections. With the help of friends, the CIA, Lan...
he lobbied so aggressively for aid to Batista. He became a friend of Nixon because smear pamphlets with information provided by the CIA. George Smathers, Senator and Miami playboy, was an early supporter of Nixon. Because Chotiner wrote smear pamphlets with information provided by the CIA, Nixon's campaign manager, Murray Chotiner, liked Nixon's amoral pragmatism and his fierce anti-communism. So in 1948 Dewey arranged a special favor for Nixon during the celebrated Alger Hiss case.

A magazine editor had claimed Hiss was a communist. The House Un-American Activities Committee (HUAC) investigated and was about to exonerate Hiss when Nixon suddenly asked to take over the investigation. According to CIA sources, was that he had inside information from Dewey.

Dewey had initially also considered Nixon innocent. John Foster Dulles, serving as Dewey's chief foreign policy advisor in the 1948 campaign, had defended Hiss and had recommended him for a job at the Carnegie Endowment where Dulles was board chairman. But then, according to CIA sources, the secret circle's friends in the agency conducted an investigation and informer Dewey and the Dulles brothers that Hiss, while a top State Department official under Truman, had belonged to the Communist party. According to CIA sources, the secret circle's friends in the agency conducted an investigation and informed Dewey and the Dulles brothers that Hiss, while a top State Department official under Truman, had belonged to the Communist party.

Dewey saw a chance to embarrass Truman, to bolster the credibility of HUAC (which Truman wanted to abolish) and to boost Nixon's career—without publicly involving himself. In late July 1948 Dewey leaked the CIA's findings to Nixon. On August 5th Hiss appeared before HUAC and denied he'd ever met the magazine editor who had accused him of communism. Nixon stood firm against Hiss while the other HUAC members accepted Hiss's version. But Nixon was uncertain about how to proceed. So on August 11th he held a rendezvous with the Dulles brothers at the Roosevelt Hotel in New York. According to CIA sources, the brothers gave Nixon their approval for a full-scale attack on Hiss, and Allen Dulles provided some information to the committee. Eisenhower's version was that Hiss was the one who had the magazine editor. Eisenhower's version was that Hiss was the one who had the magazine editor.

Richard Nixon, a member of the House of Representatives, was one recipient. Nixon had been elected in 1946. The Orange County Republican party had placed a newspaper ad to solicit a token candidate to run against the undefeated Democratic incumbent. Nixon, just out of the Navy, applied for the job. His credentials were slim: the FBI had rejected him, his law clients had found him embarrasingly naive and his war record was mediocre. But Nixon ran with manic zest, slandered his opponent as a communist and returned a winner.

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Nixon, Rebozo and James Crosby

The presidential hopeful was an honored guest at the opening of the Resorts casino on Paradise Island.
EYER LANSKY FIRST VISITED CUBA IN the fall of 1933 on a search for molluscs to use in making rum. But the island was brimming with other opportunities. Lansky befriended Fulgencio Batista, a civilian ex-army sergeant who had just extinguished himself dictator. With Batista’s tacit, Lansky opened several new casinos, the genesis of the Mafia’s international gambling network.

Richard Nixon’s first known trip to Cuba came in 1940. Roulette sheets were spinning 24 hours a day; tourists jammed the casino. He was on vacation from his job as prosecutor in Whittier, California. According to Earl Maze, Nixon’s biographer, the young lawyer eagerly explored Cuba and entertained “the possibilities of establishing law or business connections in Havana.” Whatever Nixon had in mind was interrupted by World War II. The tourists stopped coming, and Lansky shut down the Cuban gambling spas.

With the Cuban economy sagging, Batista encountered political turmoil. To stay in power he had to make concessions that extended communist influence. U.S. corporations feared their Cuban investments might be nationalized. So in 1944, Naval Intelligence asked Lansky to pressure Batista into stepping down to keep out the communists.

Lansky, a staunch anticommunist, prevailed upon the dictator: elections were held, a pro-American candidate won, and Batista left Cuba for eight years of exile in southern Florida.

Southern Florida was Meyer Lansky’s headquarters in the Forties. He had transferred his Cuban casino business to hotel suites and restaurant back rooms along the Miami Beach “Gold Coast.” The 1953 Keating-Department committee discovered that a major gambling center was headquartered at the Wolford Hotel, a Miami Beach hotel run by Tatum “Chubby” Werfel. One of Werfel’s yachting companions during this time was Richard Nixon.

When the war began Nixon had gone to work in Washington as a government lawyer, then joined the Navy and shipped out to Guadalcanal in the Pacific, where he built a jungle shack, stocked it with beer and ran poker games for the other sailors. He left the Navy with a $15,000 bankroll to invest in his new political career.

On Capitol Hill the freshman Nixon was befriended by fellow congressman George Smathers, a Miami playboy who introduced him to Richard Danner, Smathers’ 1946 campaigns manager. Danner, a former FBI agent, had been fired as Nixon’s city manager in 1946 after the city council accused him of “playing both sides against the middle” in a gangland dispute over control of the city police department. Later, Danner went to work for Howard Hughes, at Hughes’ flagship Las Vegas hotel, and became a pivotal character in Watergate, but in the late Forties he was best known as a guide to Lansky’s “Gold Coast.”

Nixon began socializing with southern Florida’s fast-buck entrepreneurs. Among them was Charles “Bebe” Rebozo. Danner said the former Nixon had spent the money he made in World War II. Rebozo had cornered the wartime market for recapped tires, then lending the money to poor families at high interest rates. Both Rebozo and Smathers—who became partners in several questionable real estate ventures—shared Nixon’s earlier fascination with Cuba.

In March 1952 Batista returned from exile and resurrected his

RICHARD DANNER
A former FBI agent, Danner introduced Nixon to Rebozo. He was known in the Forties as a guide to Lansky’s “Gold Coast,” and later worked for Hughes.

Mickey Cohen headed the Syndicate’s Southern California gambling operations in the Forties and assisted in helping finance the early stages of Nixon’s career.

HOLLYWOOD KRACKERHOOKER HOTEL ON HER STREET IN HOLLYWOOD ROSE A DINNER PARTY. During the worse of the war, Cohen hosted the then-candidate, his former neighbor, for a dinner.

RICHARD NIXON AND THOMAS DEWEY in 1953. The governor was Nixon’s first political patron.

“BEBE” REBOZO Nixon’s best friend made his first big money bycornering the wartime market for recapped tires, then lending the money to poor families at high interest rates.
Cuban dictatorship in a bloodbath coup set up by Lansky's $200,000 bribe to the elected president in return for his abdication. Nixon and Smathers had helped Lansky as ardent fans of Batista. Smathers, who had been elected to the U.S. Senate in 1950, lobbied so aggressively for aid to Batista that he became known as the "senator from Cuba." One month after Batista's return, Nixon took Nixon on a tour of the Havana casinos. (Also along was Doria Smith, soon to become infamous as administrator of the airlift fund that almost knocked Nixon out of the 1952 vice-presidential race.)

Nixon, Smathers and Rebozo used Cuba as an investment property as well as a playground. According to a law enforcement official familiar with American holdings in the Caribbean, the three held joint interests in Cuba during the Fifties. \(^{1}\)

Batista had turned into a hard-line anticommunist and his Cuban regime provided a safe haven for American entrepreneurs. None were more successful than Lansky and Luciano. The Cuban government not only matched such investments dollar for dollar, but it also waived corporate taxes on all hotel-casinos.

Bearing in mind Batista's frequent and well-received visits during the Fifties. In 1955 Nixon panned an award on Batista and the two posed grandly in the dictator's palace.

THE MID-FIFTIES, HOWARD HUGHES, SOLE owner of the country's largest privately held corporation, also was deeply enmeshed in the dynamics of money and politics. Hughes's involvement dated from World War II. His aircraft company had not taken off despite his brilliant innovations in aviation, until the war broke out. Then, due in part to a recommendation from Franklin Roosevelt's son, President Elliott Roosevelt, Hughes won a $70 million government contract for his personally designed F-11 photo-reconnaissance plane. According to Senate testimony from former Hughes aide John Meyer, Colonel Roosevelt made his recommendations after Hughes's money had helped finance the colonel's romance with an actress.

Senator Owen Brewster, a grandstanding Maine Republican angry with Hughes over an unrelated business dispute, accused him of influencing-hunting. But Hughes survived a wide-open congressional investigation headed by Brewster by attributing the investigation to his political enemies. Hughes then turned his Brewster's career by pumping $60,000 into the election campaign of a political opponent.

Hughes considered himself a patriot and felt he'd been unfairly singled out for practices standard to most defense firms. He turned bitter and said his own good and for the good of the country—he needed powerful allies. The CIA was an obvious choice, as he later explained in a burst of candor. According to sworn testimony in 1974 from former aide Robert Maxwell, Hughes believed that "if he ever became involved (again) in any problem with the government, either with a regulatory body or an

LUCKY LUCIANO, the Mafia's exiled don of dons, expanded the Syndicate's overseas connections with CIA help.

inventive arm, it would be beneficial for him to be in the position of being a front (for the CIA)."

Hughes was a tough-minded opportunist and an immensely private man, with no stockholders to question his decisions—an ideal client for the CIA. As early as 1949 Hughes was designing and manufacturing special equipment for the spy agency. During the Fifties, Hughes began hiring ex-CIA employees as top administrators and he eventually became the country's leading CIA contractor, a position that effectively shielded him from federal prosecution. Hughes, like the CIA and Lansky, also understood quid pro quo and political ethic. "Everyone has a price," he told Noah Dietrich, who later recalled that the billionaire contributed up to $400,000 each year to "counselees and county supervisors, tax assessors, sheriffs, state senators and assemblymen, district attorneys, governors, congressmen and senators, judges—yes, and vice-presidents and presidents, too."

Among them was Richard Nixon.

Hughes and Nixon shared the same anticommunist pose. During the McCarthy era Hughes closed down his movie studio for three months to check his payroll for patriotism, and he tried to destroy Elizabeth Taylor's career because she was dating a supposed communist.

In early 1956, according to a former Hughes aide, the tycoon financed Nixon with a secret $100,000 to help the vice-president fight a dump-Nixon move by fellow Republican Harold Stassen. Then, in December 1956, Hughes loaned $255,000 to Nixon's brother Donald for a banquet restaurant. The "loan" was never repaid.

In the following months Hughes received several special dispensations from the White House. A Justice Department suit was settled by a consent decree. And the Hughes Medical Foundation, which technically owned the aircraft company, was granted a tax-exempt status that had been denied twice before, a tax dodge that saved Hughes an estimated $30 million a year.\(^{2}\)

During the next decade Hughes's interests continued to merge with Nixon's, the CIA—and eventually with the Syndicate.

1. Smathers also rose quickly up the political ranks. Like Nixon, he was a World War II veteran first elected to the House in 1946 and then elected to the Senate in 1956. Like Nixon, Smathers was a beneficiary of the CIA's invasion into electoral politics. In Smathers's 1956 primary race against Democrat Claude Pepper, the CIA led his campaign chest. Pepper's alleged commie ties. The information was used to undermine his opponent. "Red" Pepper. 2. Nixon, Rebozo and Smathers may have been working together as early as World War II. During the early Forties, Smathers was in court defending a close associate of smuggling American-made arms through Cuba and thereby circumventing the tricky embargo laws. When Smathers encountered a delay in the case, he sent a letter to the Office of Price Administration in Washington, where Nixon was a lawyer in the tin-foil section charged with preventing such profiting, a job Nixon later chose to serve up to his office. Congressional Inquiry. Smathers's father held a similar job on a local rationing board in southern Florida where Rebozo was the area's top capitalist of recycled tin. Investors have tried—and so far failed—to prove that the trio faced times during this period.

5. In 1969 Congress cleared the tax loophole enjoyed by such foundations. But the Hughes organization asked for an exception and so far has been able to delay compliance with the new law, thus depriving the U.S. Treasury of another $800 million.\(^{5}\)
thrashed in jail for 25 days and, by 1960, had deprived all Syndicate members, outlawed the amusement parks, raised the dope tabs—and expropriated all other American business businesses.

As CIA headquarters in Langley, Virginia, meanwhile, the agency began building a plan to retaliate Cuba.

Under Allen Dulles' leadership, the CIA had become the strategic arm of his brother's foreign policy at the State Department—promoting U.S. investments abroad and stopping the spread of communism. In 1954, for example, the CIA helped overthrow a constitutional government in Guatemala that had expropriated 225,000 acres from United Fruit, a U.S. company with ties to the Rockefeller family.

Castro's government in Cuba piqued the CIA for several reasons. The CIA's Soviet counterpart, the KGB, could use Cuba to launch revolutions in Central and South America against U.S. interests there. Dulles' Wall Street friends already had suffered huge reverses in Cuba; Castillo had confiscated the Fortepoint Nickel mine, affiliated with the Rockefellers, and a score of lesser industries.

There also was the allure of the Syndicate's casinos. The casinos had been an open-ended money funnel for both the Syndicate and the CIA. Lansky had masterminded a system that allowed the Syndicate to skim winnings, evade taxes and launder illicit funds at the gaming tables. The CIA, according to agency sources, had been using the same system and the same casinos to hide its payments to the underworld figures it sometimes employed.

So the CIA planned to topple Castro with a surprise invasion. About 1,200 Cuban exiles would land as the Bay of Pigs, see through the jungle and establish a renegade government, thus providing a tune for a full U.S. military assault against the Castro regime. The invasion plan was developed almost entirely by CIA aide Eliot Prouty, an Air Force liaison to the FBI from the 1950s to 1963, resided the same conclusion. "Eisenhower had never even contemplated an invasion," Prouty said in a recent interview. "We had pretty specific instruction from Eisenhower on the limits of our authority.

What we were supposed to do was land five or six boatloads of people on a beach and have them blow up a sugar refinery, stuff like that."

But four days before the 1960 presidential election, according to Johnson, the CIA circulated a memo saying the invasion was going ahead. Two days later, Prouty recalled, "We were told to get B-26 bombers ready and to get transport aircraft ready." According to Prouty, approval for the moves came from Vice President Nixon.

Nixon was then head of the 5412 Group, a National Security Council subcommittee that vetted covert activities. E. Howard Hunt, the CIA agent who recruited Cuban exiles for the invasion, later reported that Nixon was the Bay of Pigs "secret action officer" in the White House.

Hunt had been the CIA's chief political action officer during its successful coup in Guatemala. At every opportunity he promoted the same tactics for Cuba. Through the long cold of 1960 Hunt amassed a secret army of exiles. They were run through makeshift boot camps and instructed on covert activities. E. Howard Hunt, the CIA agent who recruited Cuban exiles for the invasion, later reported that Nixon was the Bay of Pigs "secret action officer" in the White House.

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The CIA officials asked Maleo to enlist Syndicate men for the Castro murder, according to the 1975 Church Senate committee, and authorized him to pay $150,000 for the hit. Maleo told the Church committee he hesitated initially because he feared the project might interfere with his work for Howard Hughes; he also had retained Maleo’s services. But Maleo said he agreed to the assignment after informing Hughes of the murder plan—and, according to one source, gazing the billionaire’s approval.

For the project Maleo called on John Roselli, Sam Giancana and Santo Trafficante. Roselli and Giancana, like Trafficante, were members of the Syndicate’s ruling elite. Roselli’s home territory was Las Vegas and Giancana’s was Chicago—but they had helped administer the Syndicate’s Cuban operations.

The CIA wanted Castro’s murderers to beuble. The CIA’s first proposed weapon, according to the Church committee, was a box of Castro’s favorite cigars contaminated with a botulinum toxin “so potent that a person would die after putting one in his mouth.” But after Maleo’s discussions with the Syndicate leaders, the CIA opted for a plan to spike Castro’s food with poison pills that would have no trace in an autopsy. Trafficante sold a Cuban stooge who claimed to know a waiter at a restaurant where Castro frequently dined. In early 1961, according to Senate testimony, Maleo delivered the poison pills and $100,000 in CIA money to Syndicate men in a rendezvous at Miami’s Fontainebleau Hotel.

When newspaper reporters reported soon afterward that Castro was sick, Maleo allegedly phoned a Syndicate contact and quipped, “Did you see the paper? Castro’s ill. Wow, we got him.” But Castro’s illness was not related to the CIA-Syndicate assassination attempt; the pills apparently never reached his table. The CIA blamed the failure on Castro’s “employee at the designated restaurant.”

The failed assassination was not the only setback in the grandiose plan to remove Cuba. Richard Nixon had been defended in the 1960 presidential election by the CIA’s image-consulting experts. According to Colson Proctor, the CIA had delayed the Bay of Pigs invasion “because it expected a Nixon administration to approve a plan to assassinate Castro.” But once in office, Nixon disavowed these plans, and the CIA had no other way to head off Castro’s imminent invasion of the Bay of Pigs. In April 1961, according to Senate testimony, Maleo delivered a box of pills and $100,000 in CIA money to Syndicate men in a rendezvous at Miami’s Fontainebleau Hotel.

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The CIA ordered the Bay of Pigs plan as a foolproof alternative. “When Kennedy became president,” Proctor explained, “he was suddenly told the Bay of Pigs was going to involve an invasion. He had no choice but to go through with the invasion.” But Castro’s warnings had had an effect on Kennedy; if he called off the plan, there would be a “disastrous problem with the Cubans; we can’t have them wandering around the country telling everyone what they’ve been doing,” Dulles told Kennedy.

On April 17, 1961—three months after Kennedy took office—the CIA army stormed the beach at the Bay of Pigs. The American people were led to believe the invasion was a righteous attempt by exiled Cuban patriots to oust Castro and install a benevolent pro-American administration. But, under the leadership of CIA man, four of Lansky’s casino operators waited in a boat a few yards offshore. And poised in the Bahamas were enough Air Force bombers to fly on air cover for the failed invasion.

“Nothing ever happened” in the communication of Castro in 1949 has had such a profound effect on the United States and its allies as the defeat of the U.S.-trained Cuban invasion at the Bay of Pigs. Howard Hunt later wrote. Hunt blamed Kennedy’s “betrayal” of the CIA and JFK’s subsequent investigation was intended “to whitewash the CIA and to protect Kennedy from learning the truth.”

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Howard Hughes also had taken time out from his Wall Street law practice, according to CIA sources, to help set up front groups in funnel funds to the CIA army. Cuba was on the brink to have been the CIA’s finest hour.

When Kennedy criticized the CIA for the Bay of Pigs failure, he was sailing close to humiliation. But his threats to abolish the agency were not taken seriously. The CIA was still a sacred institution with many carefully cultivated friends. Kennedy backed down. But he did force out Allen Dulles in the fall of 1961. To replace the longtime director, Kennedy appointed a compromise selection, Wall Street lawyer John McCone. Dulles, however, left behind his master student, Richard Helms, as CIA deputy director of plans. Since McCone was a newcomer, he allowed Helms to keep his job, which gave Helms jurisdiction over the CIA’s “dirty tricks” division and other deep-cover covert activities. Helms immediately renamed the CIA’s private war against Castro.

Kennedy, miffed at Castro for the international embarrassment, did authorize some further CIA activities against the Castro government. But he apparently wanted them limited to the small-scale hit-and-run raids. Eisenhower had allowed. Undeterred, the CIA supposedly expanded its limits and returned to its conspiracy to assassinate Castro. CIA officials began discussing plans that called for planting a bomb-laden seashell on the counter floor where Castro liked to go scuba diving or giving Castro a diving suit smeared with a deadly fungicide. The CIA also reactivated plans for hiring Syndicate assassins, and officials apparently tried to win Kennedy’s approval but, as far as the Church committee could determine, the agency’s “dirty tricks” division carried out these murder plots without JFK’s sanction.

The simmering tension between Kennedy and the CIA flared up on October 11 during the Cuban missile crisis. Top CIA officials viewed the crisis as a prelude to a second Cuban invasion and alleged the surviving Bay of Pigs army to stand ready for a landing. But Kennedy’s negotiations with the Soviet Union produced an opposite result. The Soviet Union agreed to withdraw its missiles from Cuba, and Kennedy promised to end the U.S.-supported Kuwait’s war against Castro. But Kennedy promptly ordered the CIA to stop organizing anti-Castro raids and to observe scrupulously the new truce. By the fall of 1961 Kennedy was reaching for a formal détente with communist Cuba.

Kennedy’s assassination was the only setback in the grandiose plan to remove Cuba. Howard Hughes also had influenced Richard Nixon, who publicly upbraided the Syndicate, Giaricana was hired by Howard Hughes in Vegas. The CIA had been an enemy of Castro’s since the 1956 California gubernatorial race drove Nixon into unexpected political isolation—dashing the hopes of the CIA, the Syndicate, Howard Hughes and all other who had invested in him.

He felt the CIA had misled him and exploited his lack of executive experience. JFK told an aide he wanted to “splinter the CIA into a thousand pieces and scatter it to the winds.”

For nearly a decade Allen Dulles had been running the CIA. The Bay of Pigs situation was the most ambitious project ever. Dulles himself had supervised the agency’s anti-Castro alliance with the Syndicate. All memos about the Castro assassination plot, according to CIA deputy director Richard Rowell, had gone only to Dulles. Thomas Dewey also had taken time out from his Wall Street law practice, according to CIA sources, to help set up front groups in funnel funds to the CIA army. Cuba was on the brink to have been the CIA’s finest hour.

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The assassination plan was a hit list compiled by Daffy Now and Jimmy Hoffa. The former vice-president had opposed the CIA’s activity in Cuba. Hoffa was jailed by Attorney General Robert Kennedy, who discovered Hoffa’s ties to the Syndicate.

The head of the Chicago Syndicate, Giancana was investigated by Robert Kennedy, who was furious to learn of the mobster’s ties to the CIA.

Kennedy quadrupled the size of the Justice Depart-

Robert F. Kennedy

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Robert F. Kennedy
Lee Harvey Oswald
Allegedly officially identified as a self-styled pro-Castro zealot, he may have been an unwitting pawn in a conspiracy to frame Castro for Kennedy's murder.

Carlos Marcello
New Orleans don Marcello was a prime target of JFK's deportation efforts. Marcello begged the Syndicate for revenge against the Kennedys.

David Ferrie
Ferrie, a dedicated anti-Castro, worked for the CIA and the Syndicate in Cuba-related jobs. He once said that JFK "ought to be shot" for his role in the Bay of Pigs.

Jim Garrison
New Orleans district attorney Garrison said he found a conspiracy in the Kennedy assassination, but claimed he lost his case when Ferrie died.
of a young woman who, on the day before Kennedy's death, arrived in Dallas in the company of a man who met twice that night with Dallas nightclub owner Jack Ruby. The night before, Oswald's capture, Fierro took a hurried and unplanned 1,000-mile car ride through a similar transition to a Houston ice rink. There he monopolized a pay phone for several urgent calls. Hours later Ruby went to Dallas, police headquarters and gunned down Oswald.

In early 1962 Ruby was running errands for Frank "The Enforcer" Nitti, heir to Al Capone's Chicago gangland empire. We became a small-time hustler, selling "tip sheets" at racetrack and peddling sidewalk wagers. In 1957 he obtained a top position in the Scrap Iron and Junk Hammer Union—which one FBI report described as "largely a shady operation." Two years later the union's founder was murdered. Ruby was held briefly for questioning but was not charged in the case.

Robert Kennedy later singled out that murder as a crucial step in the Syndicate's takeover of the Chicago union. Paul Derfner became union president and, according to RFK, quickly formed an alliance with James Hoffa. "Paul Derfner and Jimmy Hoffa are as one," Kennedy wrote in The Enemy Within. "Everywhere Hoffa went, Dorfman is close by." By 1963 Chicago Daily News reporter and syndicated columnist, wrote: Ruby had links to Dave Yaras, a member of the Syndicate circle as Dorfman and Hoffa.

Ruby went to Dallas in 1947 to open a nightclub. In 1956 the FBI obtained a report "that Ruby is the Syndicate's payoff man for the Dallas police department.

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The Hughes-Nixon-Lansky Connection: The Secret Alliances of the CIA from World War II to Watergate

[Cont. from page 79] should let it. But one of Sir Stafford's final transactions had been to give Mary Carter Paint a Certificate of Exemption in exchange for $300,000 in legal fees.

Mary Carter Paint, according to CIA sources, was a CIA front group. It had been set up by Thomas Dewey and Allen Dulles. In 1948 Dewey and some friends bought controlling interest in the Crosby-Miller Corporation with $2 million in CIA money from Dallas, who was still CIA director. A year later the Crosby-Miller Corporation merged with the paint company. During the Bay of Pigs operation in 1962, according to CIA sources, Mary Carter laundered CIA payments to the Cuban exile army.

In 1963 the company became part of a Florida scandal after it loaned $100,000 in stock promotions with alleged Syndicate connections. But soon afterward the company began buying land in the Bahamas, sold its Mary Carter paint division and subsequently adopted a more conventional Caribbean name: Resorts International.

Resorts entered the gambling business in 1965, according to CIA sources, to give the agency a conduit for hiding money it sends to counterintelligence groups in Central and South America. Resorts wanted as partners with two Syndicate front men, a circumstance that persuaded the Justice Department's top organized crime official to write a worried memo: "The atmosphere seems ripe for a Lansky skin."

But then Lansky's men formally withdrew, leaving the field to Resorts.

Resorts tried to appear separate and distinct from Lansky, rigorously apologizing itself as an alternative to Syndicate gambling. But Resorts had not severed all Syndicate ties. As usual manager it had hired Eddie Colfani, brother of a top Lansky lieutenant who, according to a Senate investigation, intervened at Resorts to get jobs for two friends. And according to seven testimony from Syndicate informant Vincent Teresa, junketeers continued to need Lansky's permission to book their tours into the Bahamas. A disgruntled Resorts stockholder, supermarket heir Huntington Hartford, later went to civil court because he believed the Resorts profit columns were being inflated, a gold-plated clue to hidden partners. Reporters investigated and concluded that, based on the circumstantial evidence, Lansky was still a moving force in Bahamian gambling.

At the same time, 3000 miles away in Las Vegas, the Syndicate was changing the face of its domestic gambling empire. In 1945 when Lansky's junior partner, Bugay Siegel, arrived in Vegas, the town's future seemed as cheerless as the rattlesnakes that stood sentry in its vacant lots. Vegas clung tentatively to a downtown area. Then Siegel brought in $5 million in Syndicate money and began building the Strip.

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agent who 20 years before had introduced Nixon to Rebozo. Danner had worked on the 1968 Republican Governors Association and flew to Palm Springs where Nixon was attending the Republican Governors Association Conference. Maheu told the Watergate committee that he drove to the house where Nixon was staying and waited in the car while a consort went inside. Apparently it was Hughes's intention that the money be delivered to Nixon personally, a high-handed and risky procedure at which Nixon balked.

Maheu returned to Vegas with the $500,000. Shortly thereafter, however, Rebozo sought out Richard Danner, the ex-FBI agent who 20 years before had introduced Nixon to Rebozo. Danner had worked on the 1968 Nixon campaign, then had been hired by the Hughes organization as a “Nixon liaison.” Rebozo broached the subject of money, Danner told the Watergate committee, by needling him about Hughes's supposed favoritism toward Hubert Humphrey, grumbling that Hughes had donated more to Humphrey’s 1968 campaign than to Nixon's. According to Senate testimony, Danner took this message to Maheu, who agreed to send money to Nixon through Rebozo.

Hughes had at least four favors in mind:

Hughes had just lost a major defense contract because of adverse publicity that developed when a House subcommittee found that his money again had been winning and dining top Pentagon generals. Now Nixon was in a position to cut off the major market for Hughes's lagging helicopter division by ending the Vietnam war. So Hughes sent a memo in early 1969 telling Maheu he “should get to our [new] friends in Washington to see what could be done about keeping the war in Vietnam going.” (By 1974 Hughes was the country's eighth largest Pentagon contractor, with backlog orders of $825 million, becoming so much a part of the defense establishment that Nixon offered to have Henry Kissinger brief Hughes on the antiballistic missile system.)

Hughes's second concern was the Atomic Energy Commission's (AEC) testing under the Nevada desert. He feared the aftereffects and he felt the tests were strategically worthless—as he explained in another memo to Maheu: “Of course, we must be careful not to place ourselves in the position of disclosing military secrets. But I can tell you, based upon actual Defense Department technical information, legally in my hands, that this last AEC statement is pure 99 proof unadulterated shit.” (Confronted with Hughes's antagonism, the AEC did move its testing ground from Nevada to Amchitka Island off Alaska, at a cost to taxpayers of $100 million.)

Third, Hughes needed approval from the White House before he could take over Air West airlines. (Hughes received Nixon's personal go-ahead in 1969, just about the time the first $500,000 installment—$100 bills cinched in bank wrappers and stuffed in a manila envelope—was delivered to Rebozo.)

Fourth, Hughes wanted antitrust laws waived so he could purchase the Dunes Hotel. Hughes already had bought up five big hotel-casinos and, by late 1969, was angling for the 1000-room Dunes. But the Justice Department's antitrust division opposed granting Hughes an even bigger monopoly on Vegas. So in early 1970 Maheu sent Danner to talk with the “boss,” in this case Attorney General John Mitchell, who had worked with Danner on Nixon’s 1968 campaign. Mitchell and Danner closeted together in three secret meetings over a period of seven weeks. Then Mitchell gave the green light. Maheu subsequently authorized the second, $50,000, explaining to a Hughes lawyer “that certain political obligations...
had to be met” because of Danne’s meetings with Mitchell. Danne again carried the money in a manila envelope to Rebozo. (Mitchell’s supposed excuse for approving the Dunes sale was that Hughes was fighting the Syndicate in Vegas. But Danne told the Watergate committee that, in actuality, Mitchell felt Hughes had not really affected the Syndicate’s standing in the casinos.)

Three years later, when Watergate investigators began beating on the White House door, Rebozo became alarmed that the $100,000 from Hughes would be discovered. At 8 a.m. on April 30th, with Nixon about to announce the exit of his White House front line before network TV cameras in the Oval Office, Rebozo hurriedly conferred down the hall in the Fish Room with Nixon’s personal lawyer, Herbert Kalmbach. According to Kalmbach, Rebozo was worried because part of the $100,000 had been spent by Nixon’s secretary and his two brothers.

Howard Hughes’s $100,000 payment to Nixon’s secret cache almost certainly would have stayed undetected if Hughes had not fired Robert Maheu in November 1970.

For more than ten years Maheu had handled assignments for the CIA and the Hughes organization. In the espionage, business and criminal netherworlds, his connections were invaluable. With Maheu as his top lieutenant, Hughes had been awarded several CIA contracts, including one to build an intelligence-gathering satellite. Yet Maheu had made some miscalculations. The Dunes deal, for instance, had fallen through when last-minute arithmetic showed it was a bad risk. Maheu also had fired John Meier, who allegedly was defrauding Hughes on mining deals. However, Hughes apparently liked Meier because Meier was a buddy to Donald Nixon, the president’s brother.

Soon after the Dunes deal backfired, Chester Davis, a long-time Hughes counsel and a bitter rival of Maheu, made his move to oust him. Davis approached Intertel, a “security” firm with a floor show with Bebe Rebozo and Richard Danne. Dwayne Golden had been a security director at the 1968 Republican Convention. Afterward, at Nixon’s request, Resorts had hired Golden as its deputy director of security. (From there Golden went to Intertel, then to a top security job with Hughes and finally back to Washington under Nixon as chief of the organized crime section in the Law Enforcement Assistance Administration.)

In the summer of 1970, Peloquin and the Resorts president came to Las Vegas, shared drinks and a floor show with Bebe Rebozo and Richard Danne and visited with Chester Davis. According to a Hughes insider, Peloquin and Davis reached a tentative agreement. Intertel would replace Maheu as the fix-it expert in the Hughes organization. And Hughes would replace Resorts in the Bahamas.

(By 1970 Lansky had become as reclusive as Hughes, hiding out in Israel, trying to avoid the lingering repercussions of Bobby Kennedy’s Las Vegas investigation. The Syndicate did not want another major investigation in the Bahamas. But already some investigative reporters were trying to uncover Lansky between the balance sheets. Hughes could provide a much better front; his anti-Syndicate stance in Vegas was still uncompromised.)

For Hughes it was a chance to put the Western Hemisphere’s two premium gambling centers in his name. Hughes already had contemplated moving to the Bahamas. Hughes representatives had met with [continue on B4]
Hughes's new aerie atop the Bri-tish held undetected missile sites on the ocean floor as a way to establish U.S. hegemony over the Southern seas. Hughes talked Maheu in a taped conversation, "I would expect you really to wrap up and round up them up and had them deported for 'working without a permit.'" Hughes then telephoned Nevada governor Laxalt to say that he had not been kidnapped and that he had fired Maheu.

Maheu's historical significance might have ended there. But Richard Nixon came to view Maheu as a threat because the ex-police chief's loyalties had been cut adrift and because he knew too much—as one White House memo put it, "Maheu's tentacles touch many extremely sensitive areas of government, each of which is fraught with potential for Jack Anderson-type exposure."

The White House Plumbers were not yet operative. So the IRS was asked to examine Maheu's bank account, to search for a heavy-handed tool of coercion—an indictment. When Maheu suddenly found himself under IRS scrutiny, he decided to confide in Hank Greenspun, the highly independent publisher of the Las Vegas Sun. At midnight on Thanksgiving eve 1970, Intertel agents carried Hughes down a back stairs at the Desert Inn and through the only door that wasn't monitored by Maheu's closed-circuit TV system. A decoy caravan of black sedans was dispatched to the civil airport while Intertel ferried Hughes to an Air Force base and loaded him aboard a Lockheed JetStar bound for the Bahamas. According to one account, Hughes was met there by James Golden, the Intertel executive and Nixon friend.

Maheu, who usually communicated with his employer only through handwritten notes, did not learn of the mysterious departure until two weeks later. At first Maheu could not believe he'd been replaced. More likely, he thought, Intertel had kidnapped Hughes for some undefined purpose of its own. So Maheu sent a team of men to the Bahamas. They located Hughes's new aerie atop the Britannia Beach Hotel and camped a floor below. Then they obtained a search warrant to break into the penthouse; they had a boat standing by to return Hughes to the U.S. But their plan was foiled when Intertel's Gold-en, along with a police squad, rounded them up and had them deported for "working without a permit." Hughes then telephoned Nevada governor Laxalt to say that he had not been kidnapped and that he had fired Maheu.

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On August 6th, 1971, ten months before the Watergate burglary, Anderson's column described the bare details of the $100,000 transaction. On September 26th, 1971, Hank Greenspun trekked to Portland, Oregon, where Nixon was intervening in a longshoremen's strike. Nixon knew Greenspun as an idealistic newspaperman, a Hughes critic and a Nixon friend for many years, in approximately that order. The two posed for the usual gaggle of photographers. Then Greenspun cornered Nixon confidant Herb Klein and, according to Greenspun's notes of the meeting, warned Klein that the $100,000 in cash potentially could "sink Nixon."

About two weeks later, on October 12th, Greenspun received a visit from Herb Kalmbach, the Nixon lawyer. According to Greenspun, Kalmbach spent two hours scribbling on yellow legal pads, taking down Greenspun's answers to questions about his knowledge of the $100,000.

In late December the White House Plumbers unit discussed a plan, which apparently was never attempted, to assassinate Jack Anderson by coating his car's...
steering wheel with a poison that would be absorbed through his skin. According to Anderson, the Plumbers hoped to obtain the poison from the CIA.

Then in early 1972, McGraw-Hill Publishing Company announced it was about to release the inside story of Howard Hughes's real-life shenanigans. In front-page articles on January 16th and January 17th, the New York Times quoted excerpts from the McGraw-Hill book that charged Nixon with being a political fixer for Hughes. The book, authored by freelancer Clifford Irving, purported to be based on his interviews with Hughes. The Hughes organization knew that to be false. But the book did contain a disturbing plethora of details. According to several sources, both Hughes and the White House feared that "we have evidence" that money had been illicitly funneled through Rebozo. The White House earlier had heard rumors that Maheu had squirreled away hundreds of Hughes's handwritten communications. Were they the evidence? If so, where were those papers?

That answer was supplied a week later, on February 3rd, 1972: A New York Times headline reported that "hundreds of copies of Hughes memos are readily available in Las Vegas." Times reporter Wallace Turner had discovered their hiding place: a boxy梅林 safe stuck in a corner of Greenspun's office, ironically under an autographed picture of Nixon posing with Greenspun in Portland. "Wally Turner is an old friend of mine," Greenspun explained matter-of-factly. "He came to my office looking for a story and I couldn't send him away empty-handed. So I told him about the Hughes papers." Greenspun had not told Turner exactly what the papers said, just that he had them secreted in his safe.

The next day there was a secret meeting at the Justice Department offices in Washington. G. Gordon Liddy, an ex-district attorney, had spent the past several weeks trying to sell a political espionage plan to Mitchell. It had been turned down as expensive, risky and ineffective. But on February 4th, 1972, with Turner's story only a day-old, Liddy was given a go-ahead. Campaign director John Mitchell, according to deputy director Jeb Magruder, ordered Liddy to scout prospects for breaking into Greenspun's safe. According to an unpublished section of the Watergate committee report, "Mitchell not only brought up the Greenspun entry operation but also urged Liddy to consider it as more pressing and important than the other targets discussed." 34

(Mitchell allegedly told Liddy that Greenspun's safe contained documents linking Democratic candidate Edmund Muskie to the Mafia. But Watergate burglar James McCord assumed this was a pretext. McCord testified that he believed Mitchell and Nixon were afraid Greenspun had "material which would presumably incriminate the president and his friends." )

According to the unpublished Watergate report, Liddy referred the Greenspun job to Howard Hunt, the ex-CIA operations officer at the Bay of Pigs who recently had taken a new job as the "dirty tricks" expert for the White House Plumbers. Hunt met with Ralph Winte, a Hughes security director. [Cont. on 86]
Hughes's chief Washington representative, according to Hunt, agreed to find a floor diagram of Greenspun's office. Two weeks later, on February 19th, Hunt and Liddy flew to Los Angeles and met Winte at the Beverly Wilshire Hotel. Winte allegedly had prepared the free-hand floor plan and offered to supply lookouts during the burglary. Winte was not satisfied. He wanted Winte to provide an airplane for a quick getaway to Central America where the contents of the safe could be quietly split between Hughes and the White House.

Liddy. Hunt and Winte later claimed that preparations broke down at this point and that the break-in was aborted. But in a taped conversation on April 14th, 1973, Ehrlichman told Nixon that the Greenspun mission was successful: "They flew out, broke [into] his safe, got something out." 10

In any case, the Plumbers next focused on Democratic party chairman Larry O'Brien, an Edward Kennedy confidant and a party loyalist who studiously avoided controversy and headlines. O'Brien also had been Hughes's chief Washington representative in 1969 and 1970. He had been hired by his friend, Robert Maheu, and he had worked for Hughes when the $100,000 took its discomforting journey. O'Brien had been dismissed along with Maheu when Hughes left Las Vegas. If Maheu had evidence about the $100,000, so might O'Brien. And he might only be waiting for an opportune moment to smash it, like an overripe melon, between Nixon's ears in the forthcoming election.

The White House had been worried about O'Brien for more than a year. Haldeman, Ehrlichman, Rebozo and White House special counsel John Dean had all searched for political dirt on O'Brien. They had come up empty-handed. So, according to Senate testimony, John Mitchell authorized a second burglary—O'Brien's office at Democratic national headquarters in the Watergate Office Building.

The Watergate burglars were all veterans of the Bay of Pigs operation. Bernard Barker, a former member of Batista's secret police, had been the invasion paymaster and reportedly an officer under Howard Hunt in the 1965 stillborn invasion. 36

James McCord, a CIA security chief, had played a minor role in the Bay of Pigs and then also worked on Hunt's second-invasion plan. Eugenio Martinez, still on a CIA retainer a decade after the Bay of Pigs, had belong to the exile army and later had participated in an estimated 300 harassment raids against Castro. The best-known burglar was Frank Sturgis, the self-styled Bay of Pigs double agent.

Now all were employed in the White House Plumbers unit and again their chief was Howard Hunt. Except for McCord, the team had been handpicked by Hunt through his lingering contacts in Miami's "Little Havana.

Hunt claimed to have retired from the CIA in the summer of 1970 after 25 years as an agent. He had spent the first half of 1971 at the Mullen Agency, a Washington-based public relations firm purchased in 1970 by Robert Bennett. Chuck Colson, the White House's resident troubleshooter, had known both Bennett and Hunt for years. When Colson realized he needed assistance in plugging up Nixon's leaky affaires, he talked to Bennett about borrowing Hunt. Bennett concurred and, in July 1971,
especially John Ehrlichman, was trying to ease the agency out of and Nixon began to resent the that the Nixon palace guard, es-
gators, Nixon had tried to enlist the CIA as a special arm of the White House. Helms balked, according to Watergate investi-
gation, he investigated how the CIA had served with Dulles in the OSS during World War II and had become the most powerful of Dulles's proteges at the CIA.

According to 1974 congressional testimony, Bennett's company had been a CIA front since its inception in 1959, arranging cover for CIA agents in Asia and Europe and assisting CIA activities in this country. During the Bay of Pigs preparations, it had helped set up the Cuban Freedom Committee, a CIA support group that tried to sabotage Castro's first sugar crop.

Bennett had placed himself at the nexus of the Hughes-Nixon-CIA imbroglio, a unique position that gave him entry to all three principals. After Robert Maheu's firing, for instance, Bennett performed the following chores: (1) for the White House, he supplied information about Maheu's friendship with O'Brien; (2) for the CIA, he investigated how much influence Maheu held with Nixon; (3) for the Hughes organization, he tried to trace the extent of Maheu's relationship to the CIA.

After the Watergate burglary, however, Bennett charted a course that protected the CIA and Hughes at the expense of Nixon.

By 1972 the same Richard Nixon who had worked so closely with the CIA on the Bay of Pigs invasion no longer enjoyed the agency's unquestionable trust. According to CIA sources, CIA director Richard Helms had come to believe that Nixon aides were stealing agency prerogatives for a power-hungry White House. Helms belonged to the old-boy espionage school that Allen Dulles had headmastered. He had served with Dulles in the OSS during World War II and had become the most powerful of Dulles's proteges at the CIA.

Early in his administration, according to Watergate investigators, Nixon had tried to enlist the CIA as a special arm of the White House. Helms balked, and Nixon began to resent the agency's independent nature. At the same time, Helms suspected that the Nixon palace guard, especially John Ehrlichman, was trying to ease the agency out of

White House decision making.

According to CIA sources, Helms feared that the proposed Huston plan—which would have set up a domestic intelligence bureau—was Nixon's attempt to undercut the CIA with his personal spy network.

Shortly after the CIA learned of the Huston Plan in mid-1970, Howard Hunt abruptly "retired" from the agency and went to work for Robert Bennett's Mul- len Agency. Instead of implementing the Huston Plan, Nixon set up the Plumbers and Hunt ended up recruiting a group of operatives who owed their allegiance to the CIA. Hunt's role at the White House later became a matter of controversy. White House aide Chuck Colson came to view Hunt as a CIA double agent sent by Helms to monitor Nixon and compile potential blackmail material. "The president was systematically excluding the CIA from a lot of his foreign policy deliberations," Colson told a private investigator in May 1974, a few months before Nixon's resignation. "So they had two choices: one to infiltrate and spy on him... or they could see themselves losing their team. I'm convinced that Hunt was the CIA vehicle, Hunt didn't go to work for the Mullen Agency because he happened to find a good job there. He was posted there by Dick Helms. All the time that Hunt was on the Mullen payroll he was reporting biweekly to the CIA. Then Hunt starts coming over to me, bringing me cigars and inviting me over to his house. He recruits the team of Cubans and works himself into the job at the White House."

Helms claimed he barely knew Hunt. But reporter Tad Szulc revealed that Helms and Hunt actually were good friends. And a House committee later did find evidence that Helms had personally placed Hunt at the Mullen Agency.

James McCord, another battle-tested agent, left the CIA at the same time as Hunt and went to work for Nixon's campaign committee. That seemed suspicious when McCord later told the Senate Watergate committee how he felt about the CIA's rivalry with the White House. "It appeared to me that the White House had for some time been trying to get political control over the CIA assessments and estimates in order to make them conform to 'White House policy,'" McCord said, adding that he felt Nixon had prevented the CIA from conducting its "business with complete integrity and honesty in the national interest."

But then the arrest of the Watergate burglars placed the CIA in a devilishly awkward spot. The men behind bars had demonstrable CIA backgrounds. Even more embarrassing was the CIA's careless

(Cont. on 98)
astthen reported back to Bennett either he was confident "Ervin ac-
Silbert later admitted that he misgivings about sharing with read CRP (Committee for the custor, helped protect the CIA.
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Of the Watergate com-
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t to Watergate. But when prying reporters discovered that Hunt's committed paragraph bypassed tained CIA gadgetry, media sus-
about the CIA's role in the burglary leaped into headlines.
Reporters began pestering Hunt and the other Plumbers with unsettling questions. The burglars managed to maintain a professional silence. But the re-
not satisfied until Robert Bennett began holding audiences with a few of the me-
dia's most influential newsweek.
According to a CIA memo un-
unearthed by the Watergate com-
mite, Bennett flew from Wash-
ning to Los Angeles to spend four hours convincing a News-
week reporter that the CIA had not been involved in the burglary.
Then he persuaded a Time inves-
igative reporter that the magazine "was beating a dead horse" to pursue a CIA link to Water-

gate.
The two newsmen—which had not the least idea where Bennett's ties to the CIA—seemed to accept his word. They began appraising the burglary as the dementias of anti-
Castro partisans or, at worst, the result of some unspecified political hijinks.
According to the CIA memo obtained by the Watergate com-
ate, Bennett also established a "back-door entry" to the law firm representing the Democratic party in a civil suit against the Plumbers, an opportunity he used to steer the Democratic in-
vestigation away from the CIA. And Bennett asked a mutual friend to buttonhole Senator Sam Ervin, chairman of the Watergate com-
ite. The friend, a North Carolina lawyer, cornered Ervin during a chartered plane trip, when reported back to Bennett that he was confident "Ervin ac-
cepted (my) comments and will not attempt to further involve the [CIA]."
Even Earl Silbert, the Justice Department's Watergate prose-
cutor, helped protect the CIA. Bennett told a House committee in 1974 that he didn't have "any misgivings about sharing with Earl in beginning the full details of the CIA situation." Silbert later admitted that he changed a critical court docu-
ent in the Watergate case so that the initials CIA incorrectly read CRP (Committee for the Reelection of the President). Only two young Washington Post reporters, Bob Woodward and Carl Bernstein, continued to dig the Watergate story. Their perseverence began to unrave

CHARLES COLSON
A Nixon trouble-shooter who felt the CIA used Howard Hunt to spy on Nixon, Colson said Nixon resigned because he was afraid of the CIA and Hughes.

rand this way: "[Bennett] has been feeding stories to Bob Woodward with the understanding there would be no attribution to Bennett. Woodward is suitably grateful for the fine stories and bylines he gets and approves Bennett." Bennett later corroborated this role when he was forced to testify about the memo before a House subcommittee. "Bob Woodward interviewed me on numerous occasions," Bennett testified. "I have told Woodward everything I know about the Watergate case, except the Mullen company's tie to the CIA. I never mentioned that to him. It has never appeared in any Washington Post story." Bennett also scrupulously shed-
ted the Hughes organization from Post scrutiny. Woodward and Bernstein never learned of the plan to burlarize Green-
spun's safe, nor were they told the circumstances of the $100,000 transaction from Hughes. These two crucial episodes did not be-
come part of their understanding of Watergate. Woodward developed a "special relationship" with Bennett, according to a Watergate committee investiga-
tor who was also a source for Woodward. "A lot of the Post stories in the summer and fall of 1972 came in part from Ben-
t," the investigator said. According to an ex-CIA operative familiar with Bennett and CIA infiltration of the White House, Bennett was acting on orders from CIA higher-ups in talking to Woodward. Bennett, who still enjoyed access to the White House, passed along everything he learned of the White House coverup to Wood-
ward, the ex-CIA operative said. Eventually, according to the operative, Bennett assumed the code name "Deep Throat" and be-
came the enduring catalyst for the Post's Watergate investiga-
tion. Chuck Colson, who claimed to have seen some CIA files on Watergate, said he believed that the CIA "can show how very story that Woodward won the Pulitzer Prize for was fed to him by the CIA."

Bennett briefly expanded his schedule to include other media. At one point his tipstering helped convince Newsweek to print a story entitled "Whispers about Colson." According to the CIA memo, "Bennett took relish in implicating Colson... while protecting the agency at the same time."

When Colson discovered Bennet's subterfuge, he was in-
forest. Along with Senator Howard Baker of the Watergate committee, Colson raised an alarm about CIA manipulation in the case. In the CBS news-
room, a television team put to-
gether a story listing many of the accusaions against Bennett. Then it was read to him over the phone. "It was terrible," Ben-
net later testified. "The insinua-
tions and implications put me smack in the middle of the whole Watergate conspiracy and the hush money and the Hughes matter." But, Bennett said, he protested and the CBS reporters toned down the story.

By that time, moreover, other CIA loyalists had joined Bennett in destroying Nixon's ill-fated coverup. The New York Times had obtained Frank Sturgis's ac-
count of White House culpab-
ility. Then James McCord an-
ounced similar revelations pub-
licly in John Sirica's federal courtroom. McCord said he had spoken up because he believed the White House was trying to use the CIA as a scapegoat. "The White House is bent on having the CIA take the blame for Watergate," he wrote in a letter to a friend three months prior to his court declaration. "The way to head this off is to flood the newspapers with leaks and anonymous letters... This is of immediate importance." Nixon was besieged. Howard Hunt was demanding up to $1 million in White House money for his silence. Alexander Butter-
field, who had once headed a Bay of Pigs rehabilitation pro-
gram reportedly financed by the CIA, disclosed to the Watergate committee that Nixon had taped all his Oval Office conversations—a turning point in the scandal. Public opinion
[Cont. from 88] insisted that Nixon appoint a special prosecutor to investigate Watergate. A few months later Archibald Cox’s office was zeroing in on Rebozo’s handling of the $100,000 from Hughes. Nixon relayed a message to Cox through Attorney General Elliott Richardson. In a subsequent Senate appearance Richardson testified that Nixon “didn’t see what Mr. Cox’s charter had to do with the activities of Mr. Rebozo.” When Cox refused to desist, Nixon elected to fire him in the “Saturday Night Massacre.”

Nixon already had shunted off CIA director Helms to Iran and had appointed his own man, James Schlesinger, to head the agency. Schlesinger tried to purge the CIA old guard, firing or forcing out nearly ten percent of the agency’s 16,000 employees. But “animosity toward Schlesinger grew so strong that his personal bodyguard was increased to prevent violent confrontations with disgruntled agency employees,” veteran Washington journalist Juan Cameron reported. Schlesinger doubled his security at home, installed a special guardroom outside his office and took along an extra bodyguard in addition to his pistol-packing chauffeur.

But after a few months Nixon had to relieve Schlesinger and promote William Colby, a former chief of the CIA’s Phoenix program responsible for the murder of an estimated 20,000 Vietnamese.

Nixon also encountered escalating trouble from special prosecutor Leon Jaworski. A decade before, Jaworski had been a special counsel to the Warren Commission and a director of a private foundation that laundered funds for the CIA.

Under Jaworski’s jurisdiction, the special prosecutor’s office found no criminality in the $100,000 payment or in the Greenspun plot. Nor did it uncover any other illegalities involving the Hughes organization or the CIA.

But Jaworski’s office did indict Haldeman, Ehrlichman, Mitchell and others for their roles in the White House coverup. And the special prosecutor won a landmark Supreme Court decision that delivered the crucial White House tape recordings and produced incontrovertible evidence that Nixon had ordered that coverup. Faced with certain impeachment, Nixon resigned.

**EPILOGUE**

John Foster Dulles died in 1959 after six years of directing U.S. foreign policy as Dwight Eisenhower’s secretary of state. Allen Dulles died ten years later, having spent his last years extolling the CIA in two books, *The Craft of Intelligence* and *The Secret Surrender*. Thomas Dewey died in 1971, his age and health having kept him from accepting the Supreme Court’s chief justiceship offered by Richard Nixon in 1969.

Bebe Rebozo escaped indictment in Watergate despite strong circumstantial evidence of tax evasion and bribe taking. One reason, according to CIA sources, is that CIA officials sanctioned his plea of “national security” when the special prosecutor’s office began investigating Rebozo’s links to Resorts. George Smathers, retired from the Senate, is prospering in Florida. Their old crony, Richard Danner, still works for the Hughes organization.

Howard Hughes died at age 70 on April 5th, 1976, from chronic kidney disease. Hughes had been living in the penthouse at the Xanadu Princess Hotel in the Bahamas. His negotiations to buy up the Bahamian gambling franchise from the CIA front group, Resorts International, had fallen through.38 But the Resorts subsidiary, Intertel, continued to administer day-to-day security at the Hughes casinos in Las Vegas. And Hughes had maintained his close ties to the CIA. In early 1975, according to *The New York Times*, the CIA intervened to help squelch a Securities and Exchange Commission investigation of Hughes. A 1975 deposition filed by an alleged CIA agent in a Las Vegas court case involving an ex-Hughes aide revealed that the CIA supplied agents to monitor Hughes’s enemies during the early Seventies.

At the time of his death Hughes was earning $1.7 million each day from U.S. government contracts. Eighty percent had been awarded without competitive bidding. Thirty-two were from the CIA, the most held by any single contractor.

Because Robert Bennett’s CIA ties were exposed by the Watergate scandal, he has closed down the Mullen Agency. He now works for the Hughes organization as a vice-president and CIA liaison.

Meyer Lansky today lives undisturbed in Miami Beach. Now 72, he spends his time walking his dog and visiting with old friends. Surrogates handle most Syndicate affairs. After more than 50 years in the Syndicate, Lansky has served less than two years in prison.

In December 1974 the *New York Times* printed a little-noticed story about Lansky. It said that the federal government, in effect, had abandoned the
effort begun by the Kennedys to put Lansky behind bars.

After three decades, the CIA's relationship with the Syndicate has not changed. When several Syndicate members went on trial in New York in 1971 for taking union kickbacks, the head of the local CIA bureau turned up in court as a character witness for the gangsters. Deportation proceedings against John Roselli were dropped in 1969 at the behest of the CIA.

According to federal narcotics officials, CIA agents have provided identification papers and high-speed boats for a drug smuggling ring run out of the Dominican Republic by several former members of Batista's secret police. In exchange, the officials say, the narcotics dealers have murdered at least five leftist organizers in the Caribbean. In March 1975 the New York Times quoted a former CIA man who said he knows the CIA has relied on the Syndicate "for exchanges of information and also to assault targets selected by the CIA."

The CIA was embarrassed slightly in 1975 when the Senate CIA committee discovered the agency's alliance with the Syndicate in the Castro murder conspiracy. The scandal helped force out William Colby as CIA director.

But the CIA as a powerful and independent institution has survived. Richard Helms, still U.S. ambassador to Iran, has not been prosecuted for the CIA's assassination plots or any other deals with the Syndicate.

Roselli and Robert Maheu testified before the Church committee about their role in the Castro plot. But they only confirmed a scenario [Cont. on 92]

[Cont. from 90] already known to Senate investigators. They did not elaborate on the expanse of the CIA-Syndicate imbroglio.

Sam Giancana, however, did not get a chance to talk to the Senate committee. On June 19th, 1975, shortly before his scheduled appearance, an assassin interrupted a late-night snack at his Chicago mansion with seven .22 caliber bullets. A few months earlier, Richard Cain, the Giancana henchman who helped the CIA recruit its Bay of Pigs army, had been executed in a Chicago restaurant.

Another Syndicate figure, Jimmy Hoffa, was kidnapped and presumably killed on July 30th, 1975, in Detroit.

By all accounts, the three were silenced because someone feared they might reveal secrets out of their past. Which someone and what secrets remain a mystery. But some Senate investigators had hoped to question Giancana about any knowledge he had of John Kennedy's assassination.

The Senate committee did appoint a subcommittee to pursue new leads about a CIA coverup in the Kennedy case. But that investigation has proved to be neither vigorous nor productive.

The Watergate investigation also has dissipated without full and complete disclosure. Richard Nixon, now exiled to San Clemente, has never explained why he thought Watergate "would make the CIA look bad [and] blow the whole Bay of Pigs thing."

Watergate investigators have not figured out what he meant either. One theory is that Nixon was using the "Bay of Pigs" reference as a code word for the entire Cuba affair, a slice of his-
tory that some believe includes a CIA role in the Kennedy assassination.

The Bay of Pigs and the Kennedy assassination are motifs that run through the Watergate affair. Howard Hunt, the chief Watergate burglar, helped establish a CIA front group for the Bay of Pigs that had a New Orleans address later used by Lee Harvey Oswald. The Mullen Agency also set up front groups for the Bay of Pigs, and Robert Bennett, as head of the Mullen Agency, played a key undercover role in the undoing of Richard Nixon.

In his recent novel, *The Company*, John Ehrlichman hints that Watergate and the Kennedy assassination were part of a power struggle between the CIA and the Nixon White House. Ehrlichman’s book describes a Nixon-like president who has evidence that the CIA was involved in a controversial assassination. In the novel a Helms-like CIA director compels the president to destroy the evidence by threatening to expose a Watergate-like scandal.

Chuck Colson’s 1974 remarks to the private investigator also claim that Nixon was caught up in a power struggle with the CIA. “Nixon’s theory is that [CIA agents] were coming in to spy, and they wanted to get enough on the White House so they could get what they wanted. Who knows what they wanted. They never got that far—because the whole house of cards collapsed and that was it.”

Colson gave several reasons why Nixon did not publicly announce his suspicions. “He’s afraid that if he went public with it everybody would say, ‘Look at Nixon now, see what a diversion he’s trying to create, what a red herring.’ Nobody would believe him . . . [But] you know what I think. You know what I really think—and I’m loyal to this guy, he’s my friend—I think that [Hughes] paid Bebe that dough and I think Bebe used that for himself and for the president . . . and that if Nixon really blows [the whistle on the CIA], Hughes can blow the whistle on him . . . The president is scared as hell, especially when he’s weak and under attack. He was out of his mind over it.

“The president and I talked about it one Sunday for about an hour and a half . . . I have seen the CIA files. I know what’s in them. I can’t prove there was a conspiracy but I would say that was the practical consequences of what they did.

“The excesses of the Nixon administration were pretty bad. But what these guys are doing—one doesn’t justify the other—what these guys are doing is worse . . . The frightening thing is that there is nobody controlling the CIA. I mean nobody, I’ll tell you one thing that scares me the most. They’re all over the place. Almost everywhere you turn, they’ve got their tentacles.”

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