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transcribed and which is held in our files. This is the chief of the counterintelligence staff of the CIA speaking.

We got the first message from Deputy Chief SB—that is the one that I have just previously quoted to you—on Nosenko from Geneva, and Deputy Chief SB was ordered back to Washington, and we had a big meeting here on Saturday morning, and Deputy Chief SB thought he had the biggest fish of his life. I mean he really did. And everything I heard from him, however, was in direct contrast from what we had heard from Mr. X.

I now come to the subject of another defector who, throughout this paper, I am going to call Mr. X, although the staff is well aware of his true identity.

Mr. X was a defector who had come, who had defected from the Soviet Union in late 1961. In the course of his dealings with the Central Intelligence Agency, he was diagnosed by a psychiatrist and separately by a clinical psychologist as a paranoid. And I am sure that everybody knows what a paranoid is. This man had delusions of grandeur. He was given to building up big, fantastic plots, and he eventually built up a plot, which I will have to go into in a little detail here, which centered around the idea that the KGB had vast resources which it was using to deceive not only the U.S. Government but other Western governments. This plot was masterminded by something called the KGB disinformation directorate, and this KGB disinformation directorate was able to deceive the West, as a whole, meaning the United States and the allied European countries, because of the fact that it had penetrations at high levels, both within the intelligence services of these countries, including our own, but also in high places in the governments of the various countries, in the nonintelligence parts of the governments.

Mr. X's story did not come out immediately in one piece. It was elaborated over the years, and for all I know, it may be still in the process of exaggeration, exaggeration and elaboration.

One aspect of Mr. X's character was that he was rather jealous of other Soviet defectors.

Now he did personally know Nosenko, and when Nosenko came out, he did give evidence confirming that Nosenko had had certain jobs, which was in agreement with what Nosenko told us he had done. At later phases of the handling of Mr. X, he changed his story a number of times. I am not an expert on the Mr. X case, and therefore I cannot give you all the details. It is a very lengthy case, but he did go through a number of stages in which he changed his stories.

Mr. X was a problem for the Central Intelligence Agency and for anybody else who dealt with him, because he basically insisted that he wanted to deal only with the President of United States. He did not want to deal with people at a lower rank. But he had a substantial influence on the case because he came to be accepted as almost a member of the Central Intelligence Agency, in terms of the handling of the Nosenko case. He was in due time given access to a voluminous amount of information relating to matters of counterintelligence interest.

In the case of Nosenko, he was given access to all the debriefings of Nosenko. He was given access to the tapes themselves. He was consulted as to Nosenko's bona fides. He was allowed to think up

questions which were to be asked Nosenko. He participated almost as if he were a U.S. citizen, with a status similar to my own in the organization.

He did this, however, without the knowledge at that time of Nosenko. He was kept behind the scenes, but he was masterminding the examinations in many ways.

The final point that I suppose I might make about Mr. X, which will give it, give you some evidence of his peculiar point of view, was that it was one of his contentions that the schism between the Soviet Union and China, Communist China, was simply a KGB disinformation ruse, designed to confuse the West. He offered this theory quite seriously, and in some limited quarters within the agency, it came to be taken seriously.

Now Mr. X said, in regard to Nosenko, that Nosenko had been sent out specifically to remedy the damage produced by Mr. X who defected some time previously and had given us information which he thought of great value. In point of fact, quantitatively and qualitatively, the information given by Mr. X was much smaller than that given by Nosenko. But I will read you an excerpt from what Mr. X had to say regarding Nosenko because it bears on the manner in which Nosenko was cheating—was treated.

Now this is a report written, not a direct quote, a report written on a conversation with Mr. X.

Mr. X felt in general that there were indeed serious signs of disinformation in this affair. He felt that such a disinformation operation to discredit him was a likelihood. A KGB officer could be permitted to tell everything he knew now—that is another KGB officer—everything he knew now, if he worked in the same general field as Mr. X.

The purpose of Nosenko's coming out, he thought, would be to contradict what Mr. X had said, and also possibly to set Mr. X up for kidnapping, also to divert our attention from investigations of Mr. X's leads by throwing up false scents, and to protect remaining Soviet sources.

Now Mr. X's views were immediately taken to be the definitive views on Nosenko, and from that standpoint, from that point on, the treatment of Mr. Nosenko was never, until 1967, devoted to learning what Mr. X had to say. It was devoted to "breaking" excuse me, sir, I misspoke. It was never devoted to finding out what Mr. Nosenko said. The Agency's activity was devoted to breaking Nosenko, who was presumed, on the basis of the supposed evidence given by Mr. X, that Nosenko was a "dispatched KGB agent" sent to mislead the United States.

It is with this in mind that we have to approach everything that happened from 1962, after the first contact with Nosenko terminated, and the time that Nosenko was turned over to the CIA Office of Security for reinvestigation.

The polygraphs themselves must be evaluated in the light of their use, not to get at truth, because they were used as an instrument of getting at truth, because they were used as an instrument of intimidation of one sort or another, in one way or another.

Now again on the handling of Mr. Nosenko, the belief among the small group of people running the Nosenko case, a very limited

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group of people, was that he was part of a plot of the type outlined by Mr. X, which was so horrendous that therefore not many people could be made privy to this investigation.

One of the reasons for that, even within the Agency, was that Mr. X had alleged that the Agency must be penetrated by the KGB at a high level, and therefore you had to limit what Nosenko and Mr. X said to a very small number of people who were thought not to be penetrations, a very small trusted group.

The secrecy surrounding this case, I can illustrate to you from the following personal experience.

In 1968 I came back, well, after this case had been resolved. I came back from Vietnam and was put in charge of the European Division of the Directorate of Operations of the Agency. Under my supervision at that time, there were two senior officers, one a GS-18 and one a GS-16, who had been two of the three persons who were in charge of the Nosenko and Mr. X cases. I was never told of their participation in this case. I was never told that their work on the case had been discredited and had caused them to be transferred out of headquarters to foreign assignments.

Therefore even though I was their supervisor, I was not permitted to know of this important part of their recent past and of their performance.

In 1964, Mr. Chairman, Nosenko came back out from the Soviet Union, again to Geneva, again in the same capacity as the KGB security officer attached to the Soviet mission to the disarmament conferences. He came out with the intention, a firm intention, of not going back. The Agency in the meantime had built up an elaborate case against him, a case built up under the aegis of the chief of the CI staff, the chief of the Soviet Bloc Division, and the deputy chief of the Soviet Bloc Division. Again it was the man I am referring to as the deputy chief of the Soviet Bloc Division, although he did not as yet hold that rank, who came out to Geneva to make the recontact with Nosenko.

The question of just how to deal with Nosenko had been carefully examined, and it was decided that although the Agency was intensely suspicious of him, perhaps more than suspicious, they had concluded that he was being dispatched to mislead the U.S. Government. Nevertheless we must not tip our hand. We must not let Nosenko know that we suspected him, because Nosenko would then report back to his superiors that we knew what they were up to. Thus Nosenko was treated with the maximum of duplicity.

As an illustration, I want to read them an excerpt from a transcript, and this is an accurate excerpt from a transcript. I want to read an excerpt of a conversation which ensued on the 30th of January 1964 between the deputy chief SB and Nosenko.

Nosenko, who, by the way, was worried about his future. He knew he had some kind of a relationship with us, but he was interested now in breaking finally with the Soviet Union and coming to the West, and he wanted asylum in United States, and he wanted to be sure that he was able to earn his living. He wasn't asking to be in charge of the Government. He wanted an opportunity to earn his living.
Nosenko said:

The only thing I want to know, and I ask this question, what should I expect in the future?
The Deputy Chief SB replied:

The following awaits. As I presented it, you wanted to come to the United States to have some job, some chance for future life which gives you security, and if possible, the opportunity to work in this field which you know, is that correct?
Nosenko. Absolutely.

Deputy chief SB: The Director has said yes, flatly, absolutely yes, in fact, I would say enthusiastic. That is the only word to describe it. We talked about it, and since this was a business discussion, I will repeat all of it. The next thing will be some details that we spoke about. We talked about the means by which you could have a solid career with a certain personal independence. Because of the very great assistance you have been to us already, and because of this desire to give you a backing, they will give you a little additional personal security. We want to give you an account of your own, a sum at the beginning of just plain \$50,000, and from there on, as a working contract, \$25,000 a year. But in addition, because of the case."

Which I have said I cannot otherwise identify, in which a KGB penetration had been arrested on the basis of Nosenko's information:

But, in addition, because of this case, which would have been impossible without your information, we are going to add at least \$10,000 to this initial sum.

So he was being paid, he was being assured of a bonus of \$10,000 for his excellent performance in connection with one case. That commitment was subsequently reiterated in almost those exact words on a later occasion when he was on his way back to the United States.

Once Nosenko arrived in the United States, there were a couple of problems. The two agencies were interrogating him, although he was in the actual custody of the Central Intelligence Agency. The FBI did not at that time at least share the doubts about Nosenko which the Agency had. They regarded him as a bona fide defector, and considered that his information was valid and useful. It shows in the record that at a later date Mr. Hoover expressed himself as believing that Nosenko was a valid defector but that Mr. X was a provocateur. So there was a direct conflict between the two agencies on this subject.

The position of the Central Intelligence Agency was that it faced a dilemma as to how to keep Nosenko sufficiently isolated so that he could not communicate with his supposed "KGB controllers," who were still masterminding his activities, while at the same time keeping him sufficiently cooperative to be debriefed.

The dilemma was compounded by the fact that while the FBI was primarily interested in ascertaining from Nosenko valid information which they presumed him to have, the interest of the Agency was not particularly in obtaining valid information because the Agency assumed that he would not be giving valid information except incidental to establishing falsely his bona fides.

Therefore, the Agency thought, the Agency effort was devoted to a plan to break him. "Break him" meant getting him to confess to what was presumed by the Agency to be the case that he was a dispatched KGB agent still functioning under KGB control, although in American hands.

On February 12, 1964, Nosenko was lodged in a CIA controlled house under constant guard, while being treated in a friendly fashion. Yet, he was, during all this time, still worried about his