

How Nixon Used the C.I.A.

By Tad Szulc

“... Nixon tapes would speak for themselves. The C.I.A. will tell the blue-ribbon panel as much, or as little, as it chooses ...”

President Ford no sooner said that he wished to know and tell the whole truth about the illegal domestic operations of the Central Intelligence Agency than he placed this investigation in the hands of an eight-man blue-ribbon commission whose immediate problem may lie in its own unreality. Its chairman, Vice-President Nelson Rockefeller, and several of its most knowledgeable members have long, intimate, and protective ties with the U.S. intelligence community, which could conceivably lead them to see the C.I.A.'s controversial doings in a relatively charitable light.

The crucial question to be answered by the commission is this: who knew about the C.I.A.'s portion of what John Mitchell characterized as the Nixon White House “horrors”? Was it Richard Nixon himself, orchestrating a comprehensive plan to push the United States toward a police state? Was it former C.I.A. Director Richard Helms? Was it General Robert Cushman Jr., a close associate of Richard Nixon's and, at the time, the agency's deputy director? Or was it Secretary of State Henry Kissinger, the man who, in effect, runs the entire U.S. intelligence community? Charity may not be the most necessary attribute for a group whose mission includes determining whether sufficient safeguards surround the C.I.A.

In any event, this commission can hardly do its work adequately unless, along with the Watergate special prosecutor, it gains access to the treasure trove of Richard Nixon's materials held back by the Ford White House because of Nixon's own legal challenges.

Federal investigators are convinced that among the 900 reels of tapes (adding up to some 5,400 listening hours)

and 42 million documents in the White House complex there is ample evidence to verify how and why the former president and his associates went about misusing and abusing the American intelligence community for their own political ends—at the expense of the civil rights of American citizens.

The C.I.A. and military intelligence have been snooping around the United States for a long time, but there has been nothing quite like the carryings-on under Nixon. These activities far transcend in importance recently reported “massive” C.I.A. spying on antiwar militants, if it really occurred. They included direct domestic police functions in support of local police forces, White House-directed surveillance of selected individuals for political reasons, considerable cooperation with the “plumbers,” and the management of a \$200-million-a-year top-secret C.I.A. corporate empire.

The existence of this vast international corporate empire has a new relevance, presumably of interest to the Rockefeller commission. Present foreign aid legislation prohibits the funding of covert C.I.A. operations abroad unless the president certifies to Congress their need for U.S. national security. The availability of funds in C.I.A.-owned and profit-making businesses could circumvent the intent of Congress.

New York Magazine has learned details of these and other hidden intelligence operations through recent research and wide-ranging interviews throughout the United States intelligence community. A presidential commission seriously interested in getting to the bottom of things surely could do much more. Curiously, though, the

contents of the Nixon cache, which would be the most vital aspect of its investigations, were referred to by neither Ford nor any other senior administration official in the course of announcing formation of the commission. The commission's present plan is to interview C.I.A. Director William Colby as its first witness, then move on to Kissinger and others. The Nixon tapes would speak for themselves. The C.I.A. will tell as much, or as little, as it chooses to the blue-ribbon investigators, a potentially sympathetic group. The chairman, Rockefeller, served on the Foreign Intelligence Advisory Board, theoretically a supervisory group for U.S. intelligence-gathering activities, from 1969 to 1974. Its membership includes such old friends of the C.I.A. as former Treasury Secretary C. Douglas Dillon, former California Governor Ronald Reagan, and former Chairman of the Joint Chiefs of Staff General Lyman Lemnitzer. As J.C.S. chairman, General Lemnitzer was on the White House's “303 Committee”—now known as the “40 Committee”—which supervises the most secret United States foreign covert intelligence operations.

The A.F.L.-C.I.O., whose secretary-treasurer, Lane Kirkland, is on the panel, provided in the sixties an umbrella for C.I.A. activities in Latin America by setting up the American Institute for Free Labor Development. Kirkland is also a member of Rockefeller's earlier commission on “critical choices.”

Nixon's legal suits to prevent access to his tapes and documents constitute a legal cover-up. It is aimed at voiding an agreement signed last November between the Ford White House and the special prosecutor to make the pertinent files available for the prepa-

ration of additional Watergate indictments.

Inasmuch as one of Nixon's suits challenges the constitutionality of a recent congressional act which ratifies, in effect, the Ford-special prosecutor agreement, the case may go all the way to the Supreme Court, indefinitely delaying all the investigations. The blue-ribbon commission must report by April 4 (even though it is unlikely that litigation over Nixon's materials will be resolved by then).

The White House tapes and documents are also believed to contain juicy material that would document other areas of Nixon abuses — most notably concerning illegal wiretaps, violations of the Internal Revenue Service's statutes on the secrecy of tax returns, and other startling attempts to subvert the functions of government departments for the former president's political advantage.

If the tapes are obtained, the special prosecutor hopes later this year to come up with new indictments against, among others, those who during Nixon's reign installed what are believed to have been illegal national security wiretaps against administration officials and Washington newsmen. Federal Bureau of Investigation agents, Justice Department Internal Security Division officials, Washington police officers, or even C.I.A. operatives may have done the work. Should the wiretap case go to trial, the special prosecutor is certain to call as witnesses Kissinger and his former deputy, General Alexander M. Haig Jr., who is now commander-in-chief of NATO forces. Both have already acknowledged recommending the names of those to be wiretapped.

The Nixon tapes might also explain why the Nixon administration late in 1972 created a mysterious military intelligence office known as Defense Investigative Service (D.I.S.) located in the Forrestal Building in downtown Washington. The D.I.S., reportedly staffed by a number of ex-C.I.A. agents from domestic intelligence units, reports directly to the Office of the Secretary of Defense, significantly by-passing the Defense Intelligence Agency.

Inquirers at the Pentagon about the D.I.S. are told that this office centralizes security clearance for defense contractors. But there is doubt that this is its only function. Until his retirement late in 1974, the D.I.S. was headed by Air Force Brigadier General Joseph Cappucci, formerly chief of the air force's Office of Special Investigation. Insiders say that clearing defense contractors would hardly be a task given a senior military intelligence officer. Political intelligence within the air force was a responsibility of the

Office of Special Investigations.

Officials familiar with the situation suggest that new disclosures from the Nixon materials may create acute embarrassment for Henry Kissinger. Inasmuch as the C.I.A. reports to the president of the United States through the mechanism of the National Security Council, headed by Kissinger since 1969, and since he is chairman of the N.S.C.'s "40 Committee," concerned with the most secret intelligence operations abroad, it is a valid question how much he might have known about the agency's secret operations.

Privately, many officials further argue that Kissinger probably had to be aware of the C.I.A.'s domestic



activities. For example, the dividing line between the agency's foreign and domestic counterintelligence work—the tracking of foreign intelligence operatives—is completely blurred, particularly since J. Edgar Hoover, the Federal Bureau of Investigation's late director, suspended all counterespionage cooperation with the C.I.A. in 1969. If indeed other C.I.A. units aside from the Counterintelligence Staff belonging to the office of the Deputy Director of Operations (D.D.O.), also known as the Clandestine Services, became engaged in purely domestic operations between 1969 and 1972, it would have been an affront to Kissinger to keep him in the dark. It must be remembered that from the moment he moved into the White House, in 1969, Kissinger insisted on maintaining full control of the C.I.A. to the point where successive C.I.A. directors had no direct private access to Nixon; the present director, William E. Colby, usually sees President Ford in Kissinger's presence.

After Ford requested a report from Colby on the C.I.A.'s illegal activities following publication in *The New York Times* on December 22 of the "massive spying" charges, it was Kissinger, as the head of the N.S.C. mechanism, who was instructed to transmit Colby's response to the president. In this sense,

then, Kissinger is part and parcel of the whole intelligence controversy. As of now, so is his friend and benefactor, Vice-President Rockefeller.

There are also some reasons to suspect that the whole affair is immensely more complex and sensitive than the simple possibility that the Counterintelligence Staff ran private spying operations against the antiwar movement. There have been a number of unexplained moves both by the C.I.A. and the White House suggestive of a no-holds-barred power struggle within the intelligence community, possibly involving Kissinger himself. Ford's decision to "get to the bottom" of the present C.I.A. affair—an abrupt departure from past White House practice in C.I.A. matters—is an element in the mystery.

One possibility, insiders say, is that the need was perceived at the highest levels of the government to hide the *real* C.I.A. enterprises during the Watergate era—such as undertaking direct police functions and dirty work for the Nixon White House. Because bits of information were beginning to surface, these insiders say, it was judged less damaging to go along with the limited charge of "massive spying" against the antiwar movement.

A related possibility is that the "massive spying" disclosures last month were the result of deliberate C.I.A. leaks. Their objective: to help eliminate James Angleton, the head of the Counterintelligence Staff, one of the C.I.A.'s most powerful and independent senior officials and long a thorn in Colby's and Kissinger's sides.

Angleton and his Counterintelligence group were initially singled out as culprits in the spying scandal despite the high probability, as it now appears, that an entirely separate C.I.A. branch, the Domestic Operations Division, conducted domestic operations.

Published reports early this month indicated that both Colby and Kissinger resented Angleton's personal control of all intelligence liaison with Israel. Unlike all other cases involving foreign intelligence, the C.I.A.'s relations with Israel were handled by Counterintelligence rather than a geographic division of Clandestine Services.

Some knowledgeable State Department officials say that Kissinger felt that Angleton's operations interfered with his Middle East diplomacy. Counterintelligence was apparently the only area in the C.I.A. that resisted Kissinger's sway. In addition, Angleton was known to hold a low opinion of the détente engineered and negotiated by Kissinger with the Soviet Union.

Angleton himself told newsmen that Colby had asked him to resign in the wake of the domestic spying charges

“...A related possibility is that the ‘massive spying’ disclosures last month were the result of deliberate C.I.A. leaks ...”

(although he was to remain with the agency as “a consultant” while the Counterintelligence Staff is being reorganized and a new chief named). Three of Angleton’s deputies were also asked to resign. But *New York Magazine* has learned that Colby actually moved to fire him two or three days before *The Times* published its report on domestic spying naming Angleton as the man responsible.

If this theory is correct, we may be facing an extraordinary combination of a cover-up of the C.I.A.’s domestic activities on Nixon’s behalf with esoteric intrigues within the agency itself—indeed, within the entire American intelligence community—a combination that cannot help but affect the conduct of American foreign policy.

The very structure of the agency’s “Clandestine Services,” the secretive Directorate of Operations (see table on page 33), helps explain how such things are possible.

So that perfect security and secrecy may be assured, the agency frequently insists on the right hand’s not knowing what the left hand does—the principle of “compartmentalization.” In all D.D.O. operations, knowledge is confined to those with “the need to know”—and it can’t even be ruled out that in some cases the C.I.A. director himself may have looked the other way on the theory, as a C.I.A. veteran put it, that “what you don’t know don’t hurt you.”

During the Nixon period—until his removal early in 1973—the C.I.A. director was Richard Helms, a lifelong clandestine operator. His deputy director of Central Intelligence (D.D.C.I.) was Lieutenant General Robert Cushman Jr., once Nixon’s military assistant and now commandant of the marine corps. Helms and Cushman were supported by four C.I.A. deputy directors, one of whom was the deputy director for plans (recently the title was changed to deputy director of operations).

This post was held until early 1973 by Thomas Karamessines. He and his deputy, Cord Meyer Jr., were in charge of all clandestine operations. The directorate was divided into four main branches reporting directly to Karamessines. (A fifth branch, the Science and Technology Office, was subsequently added.)

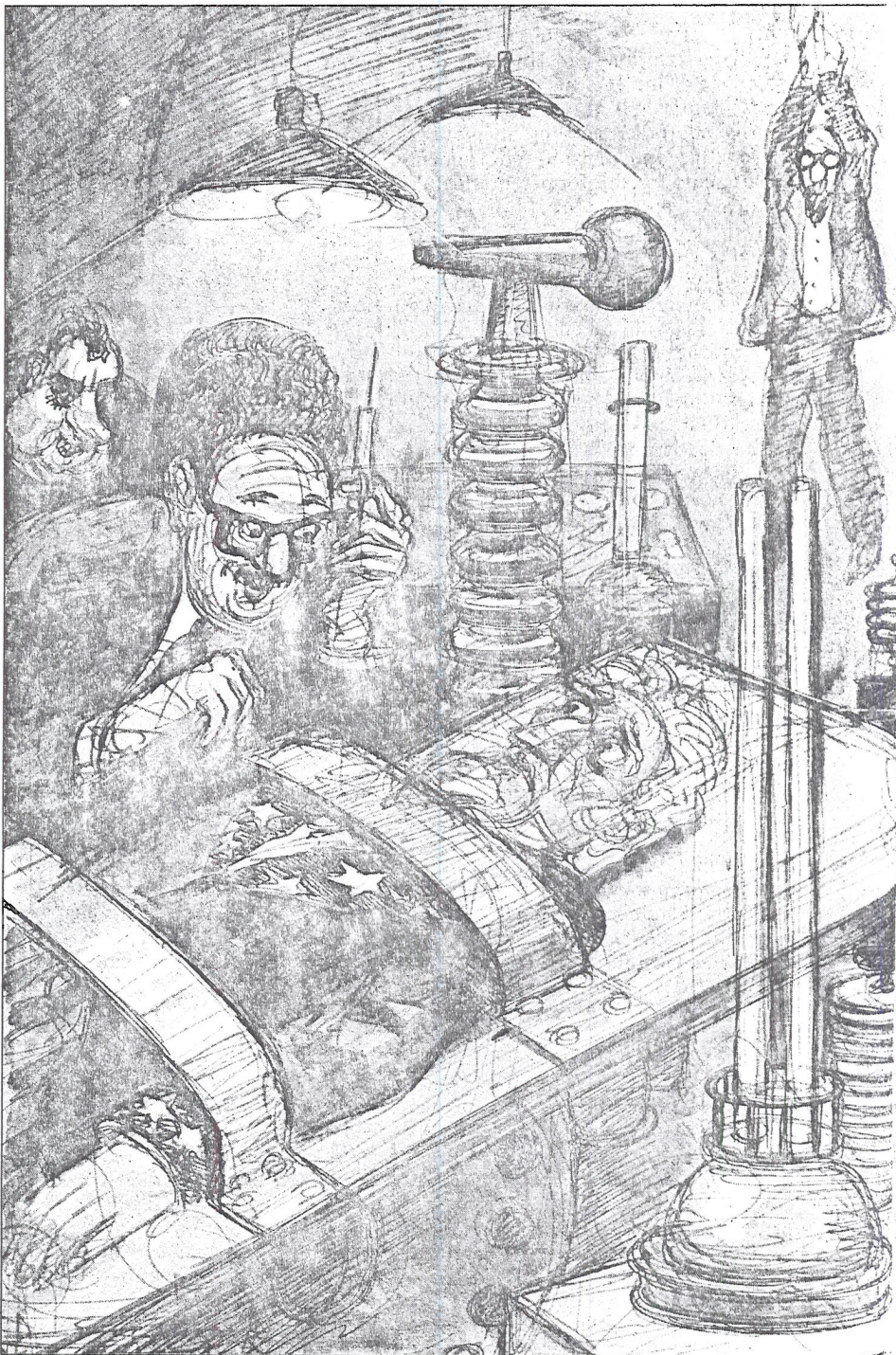
For specific operational purposes, however, Karamessines also ran two parallel groups of divisions, one foreign and one domestic. These were hier-

archically separated from the special staffs such as Counterintelligence or Covert Action. Six regional divisions supported by subregional and country desks formed the geographic group and worked with the special staffs on specific overseas operations.

On the domestic side, the directorate had—and still has—four divisions. In

varying degrees, they were all involved in Nixon-era secret domestic operations.

The little-known Domestic Operations Division (D.O.D.) and the mysteriously named “Division D” (now renamed “D Staff”) carried out the bulk of domestic activities, ranging from wholly legitimate ones to some that were quite shady. They were



logistically aided, as the rest of the C.I.A. is, by the specialized Technical Services Division (T.S.D.) and Records Integration Division (R.I.D.).

The Domestic Operations Division is in charge of a network of C.I.A. offices located in at least fifteen American cities. Some of these offices are overt and even listed in local telephone directories (under "Central Intelligence Agency"). The division's so-called "00" offices, for example, concentrate on debriefing American travelers returning home from trips to countries in which the C.I.A. has a special inter-

est. Inasmuch as the Counterintelligence Staff worries about foreign agents, such as Soviet K.G.B. operatives, entering the United States, it may occasionally request the D.O.D. to lend a hand in tracking them. Such interceptions were once made by the F.B.I., but when Hoover gave up his counterespionage functions, this follow-up was made by C.I.A. Counterintelligence or the D.O.D.

That which C.I.A. officials speaking privately have conceded to be the "gray area" of operations is the surveillance of American citizens suspected of contacts with foreign intelli-

gence. Although the 1947 National Security Act, which created the C.I.A., specifically forbids domestic police functions by the agency, it is argued that such activity is simply an extension of foreign counterintelligence.

It is widely known in Washington intelligence circles that the C.I.A., and especially Counterintelligence, suspected a number of dissident and radical American groups of ties with Communist intelligence services—and not only in the antiwar movement context. The Black Panthers, for example, were under close C.I.A. surveillance



“...At this point in time, the C.I.A. looks very much like a public agency of awesome power out of public control . . .”

based on the suspicion—never proved—that many of its members traveled to Algeria and Moscow for ideological indoctrination and then to North Korea for sabotage and guerrilla training. Similar suspicions surrounded young Americans who had visited Cuba.

The C.I.A. increased this surveillance under Nixon even though the National Advisory Commission on Civil Disorders, formed by former President Johnson, had concluded that there was no foreign subversive conspiracy behind racial riots. The C.I.A. had worked closely with the commission. Cord Meyer, the Clandestine Services' deputy chief, was the agency's liaison official.

But although it engaged in financing such groups as the National Student Association for intelligence operations abroad, and publishing houses, magazines, and news agencies for foreign propaganda in pre-Nixon days, former Director Richard Helms and the C.I.A. drew a line at “targeting” Americans at home. Nor would the C.I.A. busy itself abroad on essentially domestic matters. In the 1960's, for example, Helms personally refused a request from the Internal Revenue to establish surveillance in South America on a tax evader, an American citizen, who had skipped overseas owing hundreds of thousands of dollars in back taxes.

Under Nixon, however, the climate changed totally. In December, 1970, Helms fitted the C.I.A. into the secret Intelligence Evaluation Committee at the White House. The unit grew out of the secret domestic intelligence plan drafted for Nixon by his aide Tom Huston six months earlier. Under enormous White House pressure, the C.I.A. began to become involved in domestic activities, often in clear violation of its own statute. For example:

1. *Police functions.* During the 1969-1972 period of massive antiwar demonstrations, particularly in Washington, the C.I.A., responding to White House requests, trained and advised local police departments in the arts of intelligence and communications. The C.I.A.'s Domestic Operations Division, the Technical Services Division, the Records Integration Division, and the “D Staff” were all involved. The “D Staff” was in charge of communications and intelligence collection for local police forces. This presumably included direct surveillance of Americans, but as an ancillary rather than principal function. The R.I.D. helped out with computer read-outs from files

kept by the C.I.A.'s Counterintelligence, the F.B.I. (which did work on domestic riot control), and the military intelligence services. The Technical Services provided highly sophisticated equipment, such as devices showing whether a person had held metal—a gun—in his or her hand hours earlier.

The C.I.A. doesn't actually deny its training and equipment support for the Metropolitan Police Department in Washington. The C.I.A. claims, perhaps lamely, that it had acted in the belief that it was meeting the requirements of the 1968 Omnibus Crime Control and Safe Streets Act.

There is no question but that this C.I.A. police function, also carried out in New York and Chicago, specifically violated the National Security Act. C.I.A. training of U.S. police forces ended early in 1973, after a *New York Times* article alluded, in general terms, to such assistance.

2. *Plumbers.* The record of Watergate investigations shows that acting on a telephone call from John Ehrlichman, then Nixon's chief of the Domestic Council, the C.I.A. provided one of the plumbers, Howard Hunt, with disguise equipment on a “one-time basis.” This was authorized by General Cushman, then the C.I.A.'s deputy director, and the material was provided by the Technical Services Division.

But private investigations suggest that in addition to the help obtained from the C.I.A. headquarters on this particular occasion, the plumbers were equipped for other missions by the agency's clandestine offices in Miami and outside San Francisco. The so-called “green light” group in the C.I.A.'s Miami office reportedly provided Hunt with some of the equipment for the June, 1972, Watergate break-in. The C.I.A. office in Burlingame, near San Francisco, apparently did likewise in connection with the plumbers' break-in, in 1971, into Daniel Ellsberg's psychiatrist's offices. In 1973, when investigations uncovered the agency's role in equipping Hunt, a senior officer of the Technical Services Division, Howard Osborne, was quietly fired from the C.I.A.

In Las Vegas, Nevada, where the plumbers had planned an operation against newspaper publisher Hank Greenspun, the C.I.A. maintains one of its largest domestic clandestine offices, run by the D.O.D. It remains unclear why Las Vegas, hardly an espionage center, rates a big C.I.A. station.

3. *The corporate empire.* This is one of the C.I.A.'s most sensitive secrets. The network of C.I.A.-owned companies was created in 1950, at the height of the Cold War, to provide fireproof covers for overseas operations. In the 1960's, it was used to disguise the financing of such enterprises as the Bay of Pigs invasion of Cuba, the use of anti-Castro Cuban pilots and B-26's in the Congo, the “secret army” of Meo tribesmen in Laos, and a variety of other covert activities. Under Nixon, funds for domestic operations, including some plumber-type operations, were channeled through the C.I.A.'s “proprietary” or front corporations. The most famous, though not necessarily the most important, of them was the Robert R. Mullen & Co. in Washington, where Hunt was “employed” after leaving the C.I.A.

The holding company for the C.I.A.'s corporate empire is the Pacific Corporation located in Washington. Pacific, whose subsidiaries are said to employ some 20,000 people worldwide, was incorporated in Dover, Delaware, on July 10, 1950, by the Prentice Hall Corporation (no kin to the publishing firm of that name), an incorporating agent for hundreds of firms that enjoy Delaware's tax advantages. A C.I.A. official familiar with the Pacific Corporation explained that in this and every other case where a C.I.A. company is incorporated in a state capital, the local secretary of state is informed of the true nature of the enterprise to avoid tax or any other inquiries. Thus Delaware's secretary of state refuses to disclose the names of Pacific's directors at the time of the incorporation.

The Pacific Corporation owns such operational C.I.A. companies as Air America, Inc., whose planes supported all the agency operations in Indochina; C.A.T. (Civil Air Transport) Co., Ltd., a Taiwan-based airline often used by the C.I.A.; Air Asia Co., Ltd., specializing in aircraft maintenance; the Pacific Engineering Company; and the Thai Pacific Services Co., Ltd.

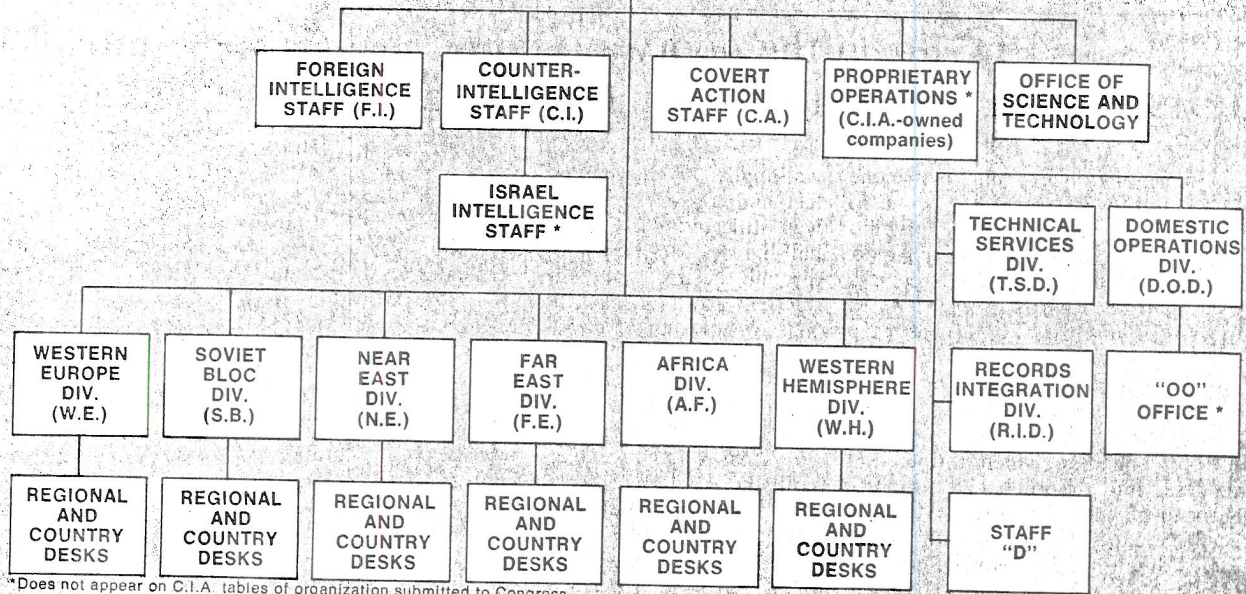
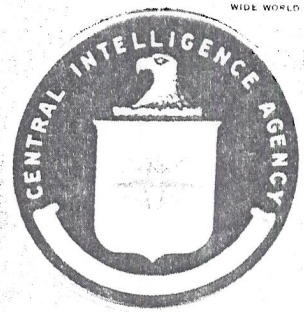
The Pacific Corporation and these five other companies have headquarters in a third-floor suite at 1725 K Street, Northwest, in Washington. Oddly, all six are listed in the building directory and in the Washington telephone book. But to a casual visitor to the K Street building lobby, all these names are wholly meaningless, as are those of nine officials listed under Suite 309. Curiously, however, the name of

Highly compartmentalized, with information passed around only on a "need-to-know" basis, the C.I.A.'s Directorate of Operations (also known as Clandestine Services) has arms that don't necessarily know what other arms are doing. Congress doesn't know that some of the arms exist.

DIRECTOR OF CENTRAL INTELLIGENCE (D.C.I.)
—WILLIAM E. COLBY—

DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE (D.D.C.I.)
—LIEUTENANT GENERAL VERNON WALTERS—

DEPUTY DIRECTOR OF OPERATIONS (D.D.O.)
(Also called Clandestine Services)
—WILLIAM NELSON—



* Does not appear on C.I.A. tables of organization submitted to Congress.

Hugh L. Grundy, who is president of the Pacific Corporation, Air America, and Air Asia, is not listed anywhere.

C.I.A. insiders say that the Pacific Corporation may own dozens of other companies elsewhere in the United States and abroad. It may be impossible to unravel all the corporate ramifications of the Pacific firm without a detailed inspection of the C.I.A.'s books, something a determined presidential commission could do.

It is known that the Pacific Corporation had about \$200 million in "sales" in 1972. This fact emerged when the Price Commission, engaged in classifying companies by their size for reporting purposes, came upon the Pacific Corporation's tax returns.

Tax returns? Of course. Because the corporation serves as a C.I.A. cover, it has to behave like all other companies. Thus it pays taxes. The C.I.A. realized, however, that the Pacific Corporation's cover was in jeopardy if the Price Commission applied to it the rule that all companies with sales in excess of \$50 million annually must report their activities. Accordingly, the Pacific Corporation sent a letter to the Price Commission advising it that its domestic sales were below \$50 million—that the

balance was in foreign operations.

All American citizens living continuously for eighteen months abroad, except for government employees, have a \$20,000 exemption from their taxable income. To maintain their cover, the employees of the Pacific Corporation and its subsidiaries theoretically enjoy this advantage. But because they are in fact government employees, they must pay the tax differential to the C.I.A., which, in turn, refunds it to the Internal Revenue under a secret arrangement.

The final irony is that the Pacific Corporation actually makes a profit on its different operations; the problem is how to feed it back, discreetly, to the U.S. Treasury. The empire also finances secret overseas operations. To disguise the movement of a large volume of dollars—as was the case in Vietnam and in the preparations for the overthrow of the Chilean regime in 1973—friendly American banks and currency houses discreetly handle this flow of funds.

Other activities emanating from the C.I.A.'s Domestic Operations Division have included the use of Cuban exiles, many of them former or present agency employees, to picket the diplomatic missions in the United States and elsewhere of foreign countries dealing with

the Castro regime. In this instance, the C.I.A. was both carrying out its private foreign policy toward Cuba and illegally engaging in domestic operations.

Break-ins into foreign embassies and United Nations missions are justified on counterintelligence grounds. (On one occasion C.I.A. raiders found \$300,000 in purloined stock certificates instead of diplomatic codes in the safe of a Latin American diplomat in New York; they left the certificates in the safe and fled.) The same explanation applies to one or two break-ins into the homes of C.I.A. officials suspected of leaks or other ties with foreign intelligence services.

As we have seen, one hand at the C.I.A. often doesn't know what the other does. This surely applied during the Nixon period, when the White House may have been dealing directly with senior C.I.A. officials friendly to it and willing to twist the statute to please the president. But at this point in time, as they say, the C.I.A. looks very much like a public agency of awesome power that is now beyond effective public control. And there is reason to wonder whether the Rockefeller commission may be up to the job of checking it and providing the safeguards promised by President Ford.