

TESTIMONY OF HOWARD J. OSBORN, FORMER DIRECTOR OF SECURITY, CENTRAL INTELLIGENCE AGENCY, ACCOMPANIED BY JOHN DEBELIAS, COUNSEL

Mr. OSBORN. Senator Church, Senator Tower, and the other distinguished Senators who are members of this committee, I am here today at your invitation.

My Federal service has extended over a 32-year period; 27 of those years were spent with the CIA. I am proud of my service with the CIA, and I am proud of the thousands of dedicated men and women with whom I worked in the CIA. I retired from the CIA on December 31, 1974, after having been on sick leave from March 8, 1974, until the date of my retirement.

My last 10 years of active service with the CIA were spent as the Director of Security. I was responsible to the Director of CIA and to the other senior CIA officials for personnel security and for the security and protection of classified information, data and installations, both in the United States and abroad. During my tenure as Director of Security, I served successively under Mr. John A. McCone, Admiral William Raborn, Mr. Richard Helms, Mr. James R. Schlesinger, and Mr. William F. Colby.

I do not now have access to CIA files and records. As I answer your questions, please understand that my memory may be unclear or imprecise as a result of passage of time, or because the knowledge I had or have of the events being reviewed here was a general one and not specific as to all details.

At all times, while serving as Director of Security, I acted with the knowledge and approval and at the instruction of the Director of CIA and in many, if not most, instances, with the knowledge and approval of other senior Agency officials in the chain of command. I should like to emphasize that security in the Agency is a service and support function and its activities are not self-generated.

Among other services, the Office of Security provided guidance and assistance to employees with personal problems; it provided support to other Agency components upon authorized request and performed tasks and special inquiries assigned to it by the Director of CIA. The Director of CIA was empowered and directed by the National Security Act of 1947 to "protect intelligence sources and methods." By virtue of and extension of that authority, those actions and activities within my purview were designed to prevent potential penetration of the Agency by hostile intelligence services, afford protection to the Agency's domestic installations, and to determine the sources of unauthorized disclosure of classified and sensitive intelligence information to public media.

In retrospect, I feel that the charter of CIA was broad and general and designed, perhaps, to permit a wide latitude of operations. As a citizen, I am concerned that legislative efforts in the field of intelligence may hobble organizations which must react quickly to new requirements and provide our national leaders with a perceptive appraisal of threats facing our Nation. I do not doubt that you gentlemen will act in good faith in recommending new legislation to channel and manage intelligence efforts. However, I hope you agree with me that whatever form our intelligence agencies may take based on any new legislation, there is an increasing, not diminishing, need to pro-

vide the President, the National Security Council, and the Congress with hard, accurate, comprehensive, and timely intelligence.

In your review of the activities of CIA, over a long period of time, I hope that you will look not only at its actions, but the possible consequences of its failure to act.

From my own point of view, I have rendered loyal service to my country and to its citizens during all my Government service. To the best of my knowledge and belief, I have not acted at any time in my CIA service in an unlawful manner nor have I acted in derogation of my duty to the U.S. Government.

The CHAIRMAN. Thank you very much for your opening statement. Mr. Schwarz will commence the questions.

Mr. SCHWARZ. Mr. Osborn, when were you Director of Security?

Mr. OSBORN. From July 1, 1964, to March 8, 1974.

Mr. SCHWARZ. What function did the Office of Security play in connection with the various mail-opening projects of the CIA?

Mr. OSBORN. The Office of Security acted as the physical entity which conducted the activities.

Mr. SCHWARZ. You copied the exteriors, filched the letters, took them off to another location for copying, copied whatever was opened, and returned them to the mailstreams?

Mr. OSBORN. That is correct. It was done by Security personnel.

Mr. SCHWARZ. When I say filched the letters, I mean removed them from the Post Office Department and took them to another location, which was the CIA location for copying; is that right?

Mr. OSBORN. Right.

Mr. SCHWARZ. Now, during the time you held the position of Director of Security, did you know about all the mail-opening projects?

Mr. OSBORN. I knew of only one at the time I accepted the position.

Mr. SCHWARZ. Was there another one that went on during the time you held that office which you did not know about?

Mr. OSBORN. No, not to my knowledge.

Mr. SCHWARZ. We will come to that in a moment. Was the project in New York discontinued during your tenure?

Mr. OSBORN. Yes, it was.

Mr. SCHWARZ. Did you know throughout your tenure that the project was illegal?

Mr. OSBORN. Yes, I did.

Mr. SCHWARZ. Now, why was it knocked off?

Mr. OSBORN. It was terminated at my recommendation; part of the genesis of my recommendation was a strong and overriding concern of Mr. William Cotter, who was then Chief Postal Inspector, that the project should be terminated. I communicated this to Mr. Karamessines, and, in turn, we met on various occasions with the Director then in the chair.

Mr. SCHWARZ. I want to discuss who Mr. Cotter was and why he had a problem in a moment, but I would like to read to you from page 39 of your deposition, starting at line 15, in which you stated to Mr. Karamessines the reason that it should be knocked off when it was knocked off. Have you got that in front of you?

Mr. OSBORN. Yes.

Mr. SCHWARZ. I'm going to exclude the profanity unless you want me to read it.

Mr. OSBORN. Please do.

Mr. SCHWARZ. You said to Mr. Karamessines the following: "And I went to Mr. Karamessines and said this thing is illegal as hell," then I'm excluding something, "and we ought to knock it off right now in the light of Watergate climate." Now, how did the Watergate climate help persuade the CIA finally after 19 years to knock off the program which you knew to be illegal?

Mr. OSBORN. I think it's because we believed that there would be tremendous embarrassment to the Agency, particularly in light of the Watergate climate, and it was.

Mr. SCHWARZ. So, we can say, thank God for Watergate on this occasion.

Mr. OSBORN. I'm not going to say that, but you said it.

Mr. SCHWARZ. It helped, didn't it?

Mr. OSBORN. The climate provided it, certainly, I would think.

Mr. SCHWARZ. What are you saying now? What do you mean, Mr. Osborn? What climate? What good did that do? Why did it help? Why did you finally wake up to the problem? What was different? What were you afraid of?

The CHAIRMAN. Getting caught.

Mr. OSBORN. I think in the light of some of the disclosures during the Watergate sessions, that it came very fortunately to a lot of people's attention that the Government shouldn't do things that were illegal.

Mr. SCHWARZ. Did the Watergate climate lead to any other changes in the CIA?

Mr. OSBORN. Not to my knowledge.

Mr. SCHWARZ. Didn't it have anything to do with the instructions which were issued in 1973 to knock off all kinds of programs?

Mr. OSBORN. I'm sure it did, yes.

Mr. SCHWARZ. You know the instructions I'm referring to?

Mr. OSBORN. I have seen them, yes.

Mr. SCHWARZ. It was the general group of instructions from the Director.

Mr. OSBORN. Those are the ones who were issued by Mr. Colby.

Mr. SCHWARZ. Yes. Now, let us talk about Mr. Cotter for a moment. Had Mr. Cotter been in your office before he went to the Post Office?

Mr. OSBORN. Yes; he was a security officer in my office.

Mr. SCHWARZ. And he went to the Post Office in 1969, is that right?

Mr. OSBORN. Approximately then, yes.

Mr. SCHWARZ. And the project wasn't knocked off until 1973, is that right?

Mr. OSBORN. That is correct.

Mr. SCHWARZ. So, his enormous concern about the program, as you put it, couldn't have had terribly much to do with it, if it kept going for 4 years after he went over to the Post Office Department, isn't that right?

Mr. OSBORN. Well, I think he expressed concern about it several times. The fact that was apparent to me that it bothered him and he knew about this, and that it was certainly not consistent with his responsibilities as Chief Postal Inspector.

Mr. SCHWARZ. And he frequently discussed it with you and said he felt badly about it, but, once again, nothing happened in this case for 4 years, is that right?

Mr. OSBORN. I think I made the first recommendation to Mr. Karabessines in 1971 or 1972. My memory isn't precise.

Mr. SCHWARZ. But you have been hearing about Mr. Cotter's problem from the time he went to the Post Office, which was in 1969, isn't that right?

Mr. OSBORN. That's true, that's true.

Mr. SCHWARZ. So, for 4 years this man apparently felt uncomfortable, but the program just kept marching along, isn't that right?

Mr. OSBORN. That is correct.

Mr. SCHWARZ. Now, would you look at the document which is exhibit 4,¹ please. It is a document dated June 3, 1971.

Mr. OSBORN. Right.

Mr. SCHWARZ. Memorandum for the record. Headed: "Subject: Meeting at DCI's Office Concerning HTLINGUAL." That is the code name for the mail-opening project, right? And you attended that meeting, didn't you?

Mr. OSBORN. That is correct.

Mr. SCHWARZ. In that meeting, Mr. Helms said that he had briefed Attorney General Mitchell, and that Attorney General Mitchell had said he had no hangups concerning the project. He was going to discuss it with Mr. Helms tomorrow afternoon, but Mr. Helms also said that he briefed Mr. Blount, the Postmaster General, and "His reaction, too, was entirely positive regarding the operation and its continuation." Did you have a conversation with Mr. Cotter at some time after Mr. Helms went to see Mr. Blount, in which the subject of what was told to Mr. Blount was discussed between you and Mr. Cotter?

Mr. OSBORN. Yes, I did.

Mr. SCHWARZ. And did Mr. Cotter express some doubt to you as to what was, in fact, told to Mr. Blount?

Mr. OSBORN. I can't recall the details of our conversation, Mr. Schwarz.

Mr. SCHWARZ. Well, could I read into the record to you and see if this will refresh your recollection? From the bottom of page 78 to the top of page 79 of your deposition the question was "Do you recall Mr. Cotter ever telling you he's not sure as to what the Postmaster General was briefed about?" and your answer was "It seems to me that I recollect in connection with our discussion, it seems to me that I recall some indication, I don't know how much he told them, but whatever he told them, it certainly didn't hurt me. I think there was some indication that he"—that must be Blount from the context, right?

Mr. OSBORN. No, I think it's Cotter, and the implications, the statement, it certainly didn't hurt me, was Cotter's also.

Mr. SCHWARZ. Right. "I think there was some indication he didn't know much detail and got the clear understanding that he didn't know the detail, for example, that was reported in this memorandum."

Mr. OSBORN. That is correct.

Mr. SCHWARZ. I have one final question. Without using the name of the country, were you advised during your tenure as Chief of the Office of Security that the CIA wanted to engage in some mail project concerning a Far Eastern country?

Mr. OSBORN. Yes.

¹ See p. 197.

Mr. SCHWARZ. And did the Office of Security, in fact, set up in San Francisco an order to do something with the mail concerning that Far Eastern country?

Mr. OSBORN. It made arrangements with the local postal inspector for other personnel in the Agency to inspect the mail, yes.

Mr. SCHWARZ. And were you told by the persons within CIA that were seeking to set up that project that it was to be purely the photographing of the exterior and was not to involve opening—

Mr. OSBORN. That was my clear understanding.

Mr. SCHWARZ. And is that what you told Mr. Helms when you briefed him about that particular project?

Mr. OSBORN. I sure did. I'm sure it was.

Mr. SCHWARZ. And is that what you told the Post Office officials prior to getting their permission to start the project in San Francisco?

Mr. OSBORN. That was the substance of my conversation with Mr. Cotter, a very clear understanding.

Mr. SCHWARZ. And to make clear what you are saying, you told Mr. Cotter that you wanted to do something with the mail in San Francisco, but it did not involve opening?

Mr. OSBORN. I'm not sure I was that specific. I think I may have said that it was a mail-cover operation.

Mr. SCHWARZ. What does mail cover connote to some expert in the field?

Mr. OSBORN. Mail cover is photographing and examining externally the piece of mail.

Mr. SCHWARZ. OK. Now, despite what you were told by other persons within the CIA, what you say you told Mr. Helms and what you say you told Mr. Cotter, did you subsequently learn that, in fact, mail was opened in San Francisco?

Mr. OSBORN. Yes; I did in my home.

Mr. SCHWARZ. You don't mean it was opened in your home?

Mr. OSBORN. No, no. No way.

Mr. SCHWARZ. What do you mean?

Mr. OSBORN. The person that was involved in the operation—I believe in all three of the operations and I'm sure of that—we were discussing it in the context of the activities of the Senate and the House and the Rockefeller Commission, and he said, "You didn't even know we were opening it, did you?" and I said, "I certainly did not."

Mr. SCHWARZ. Did you feel you had been misled?

Mr. OSBORN. Yes, I did.

Mr. SCHWARZ. I have nothing further.

The CHAIRMAN. Mr. Smothers?

Mr. SMOOTHERS. Thank you, Mr. Chairman.

The CHAIRMAN. Concerning the discussion on the information you reported to Mr. Helms, is it your belief that this information was communicated further, Mr. Osborn?

Mr. OSBORN. I have no knowledge of the Director taking it any further.

Mr. SMOOTHERS. You have no knowledge then of any conversation which might have occurred between Mr. Helms and the Postmaster General or anyone else regarding this matter?

Mr. OSBORN. Regarding the San Francisco operation?

Mr. SMOOTHERS. Yes.

Mr. OSBORN. No.

Mr. SMOOTHERS. Do you have any knowledge of any conversations that may have occurred between Mr. Helms, Mr. Blount, who was the Postmaster General, or anyone else concerning mail openings generally?

Mr. OSBORN. None, other than that talk that we have already covered.

Mr. SMOOTHERS. Both your testimony and the testimony of others indicated that this project was not only illegal but from the standpoint of its take, if you will, worthless or close to useless in terms of the yield. Is that still your opinion?

Mr. OSBORN. I can speak only for the immediate area of my responsibility, the Office of Security; it never was of great value to us. I cannot speak for other consumers in the Agency.

Mr. SMOOTHERS. As the Director of Security, was it your responsibility to run this program?

Mr. OSBORN. It was our responsibility to do the actual work involved, all the policy guidance requirements, directives, changes came from the Counterintelligence Staff. It was their project. You might liken it this way, Mr. Smothers. You might say that they built the Cadillac, they drove it. I maintained it, I changed the oil, I greased it, I saw that it was kept in running condition. I didn't know where it was going and I had no authority to change it.

Mr. SMOOTHERS. I think we understand that.

Without minimizing the very serious issues involved here, your responsibilities to maintain and grease this Cadillac involved the expenditure of government moneys. It involved some decisions indeed about the efficiency of such an operation. In your capacity, then, as the Director, as the one responsible for keeping the machine running, did you not consider it a bit of an extravagance to spend money on something that was worthless?

Mr. OSBORN. Yes, I did. As a matter of fact, I think it was in 1969, my office was facing the necessity of reducing our keyhole slots, or vacancies as we call them, and one of the top priority items I had was the elimination of necessary position vacancies in New York to carry out this project, because we got nothing from it. And I didn't see that I should sacrifice other positions that were in the office for these. We got no benefit from it at all. I was not successful.

Mr. SMOOTHERS. You were not successful. Would it be fair to say then that your approach, your role in this operation, was simply to communicate to higher levels of the bureaucracy that we were wasting money and effort, along with conducting illegal activities, and simply to hope for something to change?

Mr. OSBORN. I reported my views on this to Mr. Karamessines. I reported it to my immediate superior, Deputy Director for, I guess, the report at the time. And in a meeting with Mr. Karamessines, Mr. Angleton and someone else who I can't remember at the time, I made the recommendation to the Director. Having done that I didn't feel that I knew anything about it or that I wanted to know.

Mr. SMOOTHERS. Do you believe, Mr. Osborn, that given your experience in trying to communicate this information and trying to tell

them that the maintenance that was being performed on this Cadillac was worthless—

Mr. OSBORN. The maintenance was very good. The product was worthless. In my opinion, as far as my office was concerned, I don't want to characterize or evaluate the value of the other elements.

Mr. SMOTHERS. Does this experience give you any basis to help this committee with how we might be sure that the kinds of recommendations you made would be surfaced at a level where closer attention would be paid to it, or are you satisfied it received close enough attention?

Mr. OSBORN. I'm very satisfied that it received close attention by the Director.

Mr. SMOTHERS. So, what we come down to then is a policy disagreement between you and others on the worth of this information.

Mr. OSBORN. That is exactly right. But remember, I was just one small consideration.

Mr. SMOTHERS. I think we understand your office.

Thank you, Mr. Chairman.

The CHAIRMAN. Your assessment happens, however, to correspond with the assessment of the successive investigations conducted by the Agency's own Inspector General's office, on the whole program.

Now, I am going to continue to follow the practice of turning to the other Senators first, but I just want to read into the record the figures that show how large a program this was through the years.

Beginning in 1953 and ending finally in 1973, the figures show that there was a total volume of letters coming through the New York Post Office that was subject to culling and opening and photographing by the CIA, in this particular program, a total of 28,322,796. Of that number, based as we have heard now on certain watch lists that were established, but in the main, on random selection accounting for two-thirds of the inspections, there was a total of 2,705,726 envelopes that were photographed plus 389,324 envelopes that were copied.

And the number of those letters that were illegally opened and whose contents were photographed came to 215,820, of which the photographed contents were distributed as follows: 57,846 were sent to the FBI; 31,436 were sent to the Soviet division of the CIA; and 57,894 were sent to other departments, largely counterintelligence departments of the CIA.

I think those figures speak for themselves, that it was a program that not only extended for a great number of years, but also was very sizable. It was a very sizable volume of mail that was opened, photographed, and distributed.

Senator Huddleston?

Senator HUDDLESTON. Thank you, Mr. Chairman.

Mr. Osborn, when you became Director of the Office of Security you inherited this ongoing project. Prior to becoming Director, you had been Deputy Director. Were you aware that during that time of the nature of the mail-opening program?

Mr. OSBORN. Yes, sir, I was for two reasons; one, because I was briefed on it when I became Deputy Director of Security; but beyond that, immediately before I became Deputy Director of Security, I was chief of the Soviet-Russian Division in the operational component and had been briefed and cleared and knew of it in that context.

Senator HUDDLESTON. Knew the full extent of it?

Mr. OSBORN. Yes; I had no idea of the volume. As a matter of fact, I have not seen these statistics until my attorney and I went to the Agency yesterday to review certain information which was declassified and provided as guidance for what was classified—it's the first time I have ever seen it.

Senator HUDDLESTON. So, until that time, you had no idea of the volume?

Mr. OSBORN. No; I suspected it was high, but quite frankly I was surprised to see the volume.

Senator HUDDLESTON. Well, while you were greasing and changing the oil and servicing this operation, did you have direct knowledge of specifically what was being done by your employees in carrying out this assignment?

Mr. OSBORN. No, sir, I knew they had a requirement list or a guide list or a watch list, that they were checking mail against that list. I never saw such a list to my certain knowledge during my tenure as Director of Security. I saw only one piece of mail from this project.

Senator HUDDLESTON. You did not know what specific methods they were using, just how, in fact, they were intercepting the mail?

Mr. OSBORN. I think I knew the means, yes.

Senator HUDDLESTON. You had an understanding?

Mr. OSBORN. Yes; when I became Director I actually went up and examined the facility.

Senator HUDDLESTON. You did go up and see the operation?

Mr. OSBORN. Yes.

Senator HUDDLESTON. Did you go to the Post Office where it was being intercepted or did you go where it was being copied?

Mr. OSBORN. No; I only went where it was being copied, which was an annex or adjunct to my Manhattan field office.

Senator HUDDLESTON. Were you called upon to approve or disapprove the San Francisco project?

Mr. OSBORN. I was called upon—the proposal was made to me, I was told that Mr. Karamessines had got Mr. Helms' approval. Because of the sensitivity of it, I believe I recall mentioning it to the Director personally, because I don't like secondhand information. I wanted his personal assurance that he approved it.

Senator HUDDLESTON. Did you understand that operation to be a mail cover, that is, an examination of the exterior of envelopes, or a full mail-opening project?

Mr. OSBORN. It was my full understanding it was a mail cover.

Senator HUDDLESTON. And not a mail opening?

Mr. OSBORN. There was no mention of mail opening to me.

Senator HUDDLESTON. It was your judgment that—

Mr. OSBORN. Until several months after I left the Agency.

Senator HUDDLESTON. Until after you had left the Agency?

Mr. OSBORN. Yes, sir.

Senator HUDDLESTON. Was it your understanding that that was also the understanding of Mr. Helms and Mr. Karamessines?

Mr. OSBORN. It had to be because if it involved opening I most certainly would have told Mr. Helms. I never lied to Mr. Helms in my life.

Senator HUDDLESTON. Who proposed this project?

Mr. OSBORN. A representative of the Agency's Technical Services Division, which was then in the operational component, and a representative of the Far East Division of the operational component.

Senator HUDDLESTON. And he represented it to you as being just a mail-cover operation?

Mr. OSBORN. That's right.

Senator HUDDLESTON. You later found out that it was opening.

Mr. OSBORN. After I retired.

Senator HUDDLESTON. Were you still there when the order came down from the Secretary of State to suspend this operation due to the impending visit of our Executive to an Asian country?

Mr. OSBORN. I don't recall this.

Senator HUDDLESTON. You are not aware of that?

Mr. OSBORN. No; I might have been aware but I don't recall it now.

Senator HUDDLESTON. During your tenure, were you aware that the Agency was purposely misleading the postal department which had given approval only for mail cover and not for a mail-opening operation?

Mr. OSBORN. Not during my time with the Agency, no sir. On the San Francisco project?

Senator HUDDLESTON. Well, either one.

Mr. OSBORN. I knew the New York project involved opening, yes.

Senator HUDDLESTON. And it was kept from the postal officials that you were actually opening the mail?

Mr. OSBORN. I think that is true, yes.

Senator HUDDLESTON. I believe you have testified that you contended on several occasions that this project was not worth its risk.

Mr. OSBORN. Insofar as my office was concerned.

Senator HUDDLESTON. The risk to the Agency was too great for the product that was being produced.

Mr. OSBORN. That's right. In evaluating the product again, I am evaluating only as concerned my own area of responsibility.

Senator HUDDLESTON. It was not your responsibility or your group's responsibility to evaluate the actual mail that they copied, is that correct?

Mr. OSBORN. No, sir.

Senator HUDDLESTON. What was your judgment of the value of this operation to the FBI?

Mr. OSBORN. I have never talked with the Federal Bureau of Investigation directly on the subject of the value of the product with them, but I have been present when numerous senior officials of the Agency have indicated that the Bureau thought it was an invaluable project, very valuable to them.

Senator HUDDLESTON. Do you know of any instances that were cited where it had been helpful to them in carrying out their responsibility?

Mr. OSBORN. Not specific instances, Senator, no.

Senator HUDDLESTON. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator SCHWEIKER?

Senator SCHWEIKER. Thank you, Mr. Chairman.

Mr. Osborn, how did you do it? How did you open the envelope mechanically? Did you steam-kettle? What physically was done?

Mr. OSBORN. I never saw them opened, Senator. I saw the equipment they used, but I never saw them open it. I can only speculate that they

used steam and other sophisticated devices in which they were trained.

Senator SCHWEIKER. I wonder if you would turn to exhibit 5.¹ Mr. Osborn, the second memorandum dated December 22, 1971. I realize that this is a little bit outside of your immediate province, but because of your general knowledge in this area, I think you might be able to explain a few things. This is a memorandum from the project chief of HTLINGUAL, I assume, to some staff in the counterintelligence part of the Agency. And here it is saying, "Subject: Handling of Items To and From Elected or Appointed U.S. Officials. In accordance with new policy confirmed yesterday . . . no officials in the above categories are to be watchlisted."

Were officials such as Congressman or Senators or Governors prior to this memo listed?

Mr. OSBORN. Not to my knowledge, Senator. I have only one bit of information pertinent to this subject and that is that sometime in 1971—I think 1971—my deputy in charge of many areas—but this specific area, in New York in charge of field offices—brought to me a copy of a letter which I believe was to a Congressman and I can't recall who it was.

Senator SCHWEIKER. Is this when you hit the roof?

Mr. OSBORN. Yes.

Senator SCHWEIKER. All right, go ahead.

Mr. OSBORN. I took it up with the Director. It may—I don't know—it may have been the genesis of this memo.

Senator SCHWEIKER. And why did you hit the roof and what did you do about it?

Mr. OSBORN. Because I didn't think we had any business opening mail to Congressmen.

Senator SCHWEIKER. And you went to whom?

Mr. OSBORN. I showed it to Mr. Helms, I believe, I can't recall.

Senator SCHWEIKER. What did he say?

Mr. OSBORN. I can't recall.

Senator SCHWEIKER. Well, this memorandum says that from now on we will continue to intercept Government officials, elected or otherwise, but we will do it on the same basis as everybody else. They will be treated equally.

Mr. OSBORN. I first saw this memorandum yesterday, Senator.

Senator SCHWEIKER. Right; I realize this is not your immediate division. It says that we will not go out of our way to instruct people to pick them up, but we will not forbid them either, so that our chances are strictly at random. According to the figures, one out of every 13 letters sent overseas during that period to the Soviet Union was read or randomly opened. But it does set up a special procedure called a special category, whereby the normal channels were closed to VIP officials whose mail was opened, and it also sets up a procedure whereby it is not itemized. It is not listed, sort of like a "Do Not File" procedure, except that it goes to the Project Chief of Counterintelligence and then only the Deputy Chief of Counterintelligence and the Chief of Counterintelligence can decide if it is going to be disseminated further.

Are you familiar with any of this, or maybe indirectly aware that it was going on?

¹ See p. 199.

Mr. OSBORN. No, sir. No, sir. That's why I was shocked by the letter from the Congressman.

Senator SCHWEIKER. There is no doubt in your mind that—

Mr. OSBORN. Remember now, this project is located and run in the Counterintelligence Staff.

Senator SCHWEIKER. Yes, I recognize that.

Mr. OSBORN. And it is very closely held because of its sensitivity.

Senator SCHWEIKER. I think the interesting thing about the memo, which you obviously were not in a position to confirm, was that as recently as 1971 we were saying that it is okay to read Senators' or Governors' mail, but just do it in the regular channels and do not do it on a watch list. Do it at random. If we catch them, then we will read it and see if it is really worth passing on or not. And I guess it was not until 1973 that it finally got terminated.

Mr. Osborn, in terms of when the situation came to your attention, was that triggered by the 1971 complaint of the scientific group?

Mr. OSBORN. Yes, I think that's when it really began to get in focus.

Senator SCHWEIKER. What was your either knowledge or understanding about it prior to that time, if any?

Mr. OSBORN. I'm not quite sure I understand the question, Senator.

Senator SCHWEIKER. This 1971 complaint brought matters to a head and that is when you became aware of it; is that correct?

Mr. OSBORN. Right.

Senator SCHWEIKER. Is this to say you were not aware of mail openings prior to that time?

Mr. OSBORN. No; I was aware of mail opening in 1960 when I was Chief of the SR Division, and one of the consumers, and I became aware of it in September of 1963 when I became Deputy Director of Security. I became aware of Security's role in this project.

Senator SCHWEIKER. When matters came to a head, in terms of things being terminated, or at least raising a fuss over it, then you referred to that letter in the glassine envelope?

Mr. OSBORN. No. I related it more specifically to the letter Mr. Cotter received from the American Federation of Scientists. He called me about it and sent me a copy of the letter. I sent it to Mr. Karamesines. That is when the general—as far as I was concerned—the general activity to terminate or suspend the project was initiated.

Senator SCHWEIKER. Mr. Osborn, the FBI received a substantial amount of this material. Senator Church, you brought out the figures where they got a high proportion of material. If it was valuable to them, to your knowledge, why did the FBI not take it over?

Mr. OSBORN. I can only assume that—

Senator SCHWEIKER. What is your best estimate?

I realize, again, it is an indirect situation. But you did give some testimony.

Mr. OSBORN. I think no one in the Bureau would have gone to Mr. Hoover with it.

Senator SCHWEIKER. And did you not also—

Mr. OSBORN. And I think that's why they wouldn't take it over.

Senator SCHWEIKER. They were afraid Mr. Hoover would have said it was improper and illegal and would have forbidden the Agency to do that?

Mr. OSBORN. That would only be speculation on my part, Senator.

Senator SCHWEIKER. So they received the material, but they did not want to be responsible for getting it?

Mr OSBORN. That is correct. I think this is one of the things that irritated our Director.

Senator SCHWEIKER. In view of the fact that so much of this has gone on without necessarily the highest officials knowing, how do you recommend that we could insure in the future that something like this does not surreptitiously begin again, does not start up on the basis of a few people at the lower level making a decision? What is your recommendation as to how we can prohibit it on an absolute basis in the future?

Mr. OSBORN. I think the recommendations made by the Rockefeller Commission would be very useful and very helpful in eliminating this type of activity.

Senator SCHWEIKER. Are you referring to any particular part of their recommendation?

Mr. OSBORN. No. I happen to agree, generally, with most of them.

Senator SCHWEIKER. What is your concept of the proposal to have an inspector general, who has a lot more power and authority than the present Inspector General system, and would have access to almost any component of an intelligence apparatus, to see if they were following the law or were doing things that were either not in the charter or were not legal? As a person who is experienced in the general area of security, what is your reaction?

Mr. OSBORN. That is the one recommendation I have some reservations on as to its effectiveness. I would much prefer that the legislation governing the Agency be revised, be strengthened in very specific terms, delineating the Director's responsibilities, what he is to do and what he isn't to do. I am a little concerned about the idea of a super inspector general becoming ultimately an internal Gestapo, and I'm a little concerned with the divisive effect it would have on the morale of the Agency and its so-called effectiveness.

Senator SCHWEIKER. But here is a case where you had a letter, you saw a glassine envelope. You hit the roof, to use your own words. You talked to Mr. Helms; he apparently hit the roof, or was apparently upset.

Mr. OSBORN. He never hits the roof. I've never seen him hit the roof yet.

Senator SCHWEIKER. Maybe he just elevated his language a little bit. But the impression you gave us was he gave a negative reaction to the operation. Is that correct?

Mr. OSBORN. Yes; I think he was a little concerned. If I recall—it was a long time ago—but I think his reaction was one of concern.

Senator SCHWEIKER. Then how can you say we do not need a strong Inspector General or an authority of that nature to ferret out illegalities and prevent this kind of activity from happening? I am a little bit uncertain as to just how we do this, if it does happen, without some special authority of some kind.

Mr. OSBORN. Well, Senator, I think you can agree that the National Security Act of 1947 is, perhaps, in this day and time regarded—and I think properly so—as somewhat ambiguous. What we need is an act that is not ambiguous, that says that the Agency has no internal security functions, other than, hypothetically, the investigation and report

of its own employees, its applicants and so on. And I think if the legislation had been precisely that clear, perhaps, we wouldn't be in this situation.

Senator SCHWEIKER. Well, Mr. Osborn, I agree there are certainly some questionable areas of that particular law. We would certainly have to revise it.

On the other hand, the mail law is very clear. The mail law very specifically prohibits this kind of operation. And of all of the things we have seen before our committee, I think this is probably as specific a prohibition as we have come across. So whether it was in the charter—I happen to think it was in the charter, because I believe it was an internal security function whether it was to be performed. The mail law was very specific, and yet it did not get through the Director, because the Inspector General recommended abandoning it. If you do not give the Inspector General authority, how do you ever police the Agency?

Mr. OSBORN. I think it might include—far be it from me to teach a fox to suck eggs—but I thought you might include in such legislation something that the Director of the CIA shall have no authority to abrogate existing law, period. And it doesn't say that now.

Senator SCHWEIKER. No citizen has the authority to abrogate existing laws, if the law is clear and specific.

Mr. OSBORN. But no citizen also has the total authority to protect the intelligence sources and methods without defining what it means. I just think it is ambiguous. I think it could be much more direct.

Senator SCHWEIKER. I just honestly do not see how you are ever going to clean up an Agency without some kind of strong internal authority, like an inspector general. That is just one Senator's point of view.

That is all I have, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you, Senator Schweiker.

Mr. Osborn, were you in attendance on June 3, 1971, at a meeting in which Director Helms briefed Attorney General Mitchell and Postmaster General Blount on this mail-opening operation?

Mr. OSBORN. Was I present with Mr. Helms? No, sir; I was not.

The CHAIRMAN. Were you at a meeting at which Mr. Helms reported on his having briefed Mitchell and Blount?

Mr. OSBORN. Yes, sir; I was.

The CHAIRMAN. And do you remember what Mr. Helms said at that meeting?

Mr. OSBORN. I have the memorandum. I have had access to the memorandum reporting of the meeting, and to me it is an accurate representation of my recollection of the meeting, Senator.

The CHAIRMAN. And can you tell us, based upon your review of that memorandum, what Mr. Helms said concerning his briefing with Mitchell and Blount?

Mr. OSBORN. No, sir; I cannot recall that far back in specific words. The memorandum doesn't help me to remember that.

The CHAIRMAN. Let us turn to the memorandum [exhibit 4¹], that you represent as being an accurate document, and its paragraph 2, where it reads:

¹ See p. 197.

Mr. Helms stated that on Monday he had briefed Attorney General Mitchell on the operation. Note: Mr. Helms may have meant Tuesday, June 1, Monday having been a holiday. Mr. Helms indicated that Mr. Mitchell fully concurred with the value of the operation and had no hangups concerning it. When discussing the advisability of also briefing Postmaster General Blount, Mr. Mitchell encouraged Mr. Helms to undertake such a briefing.

And going on to paragraph 3:

The DCI then indicated that yesterday, the 2nd of June 1971, he had seen Postmaster General Blount. Mr. Blount's reaction, too, was entirely positive regarding the operation and its continuation. He implied that nothing needed to be done and rejected a momentarily held thought of his to have someone review the legality of the operation, as such a review would, of necessity, widen the circle of witting persons. Mr. Helms explained to the Postmaster General that Mr. Cotter, the Chief Postal Inspector, has been aware of the operation for a considerable period of time, by virtue of having been on the staff of the CIA's New York field office. Mr. Helms showed the Postmaster General a few selected examples of the operation's product, including an item relating to Eldridge Cleaver, which attracted the Postmaster General's special interest.

Now, based upon your review of this document and whatever memory you have of the occasion, was it clear to you that Mr. Helms had told the Attorney General and the Postmaster General about the actual letter openings, or had he told them simply about the mail recovery operation?

Mr. OSBORN. It is my recollection, which is particularly reinforced since he showed them examples of the operation's product, that he did tell them it involved opening. I cannot be positive of that, but I seem to recall it.

The CHAIRMAN. That is your best recollection?

Mr. OSBORN. My best recollection.

The CHAIRMAN. I think that is important for the record, in view of the witnesses we will have tomorrow.

I would like to ask you another question concerning Mr. McCone. It is our understanding that Mr. McCone has said that he knew nothing about the mail opening operation while he was Director of the CIA and that he heard about it for the first time just before he appeared before the Rockefeller Commission. I would like to ask you, Mr. Osborn, do you know if Director John McCone had full knowledge of these mail-opening programs while he was Director of the Agency?

Mr. OSBORN. No, sir, I do not.

The CHAIRMAN. You do not know?

Mr. OSBORN. No. I never discussed this particular activity with Mr. McCone. My tenure under Mr. McCone was very brief.

The CHAIRMAN. Would you have had to approve the program costs, as a part of the annual budget review, and would those figures have gone to the Director in the normal course of the CIA's procedures?

Mr. OSBORN. I would not have had to approve this. This was the particular responsibility of the Counterintelligence Staff and the Deputy Director for Plans, as it was known at that time. Budgetary figures, I am sure, went to the Director through Colonel White, who was Executive Director of Control that would generally handle the budget area exercises for the Agency.

The CHAIRMAN. Do you know whether or not the budget figures would have been broken down in such a way as to give knowledge of this program to anyone reviewing them?

Mr. OSBORN. No, sir. I would have no specific knowledge of that. I could speculate and assume they were, but that is pure speculation on my part.

The CHAIRMAN. Very well, I will not press it, then.

I have no further questions. If the committee has no further questions, I want to thank you very much. And I would announce that tomorrow we will have the former Postmasters General Day, Gronowski, and Blount, who served during the period. We also would have the former Chief Postal Inspectors Montague and Cotter as witnesses during the morning session. And in the afternoon session, we will call again on Mr. Richard Helms.

The hearing stands adjourned until 10 o'clock tomorrow morning.

[Whereupon, at 12:44 p.m., the committee was recessed, to reconvene at 10 a.m. Wednesday, October 22, 1975.]

