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STATE DEPARTMENT SECURITY—1963-65



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PART IV  
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REPORT

OF THE

COMMITTEE TO INVESTIGATE THE  
ADMINISTRATION OF THE INTERNAL SECURITY  
ACT AND OTHER INTERNAL SECURITY LAWS

OF THE

COMMITTEE ON THE JUDICIARY  
UNITED STATES SENATE

—————  
DECEMBER 15, 1967



Printed for the use of the Committee on the Judiciary

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BENJAMIN MANDEL, *Director of Research*, Retired November 1, 1967

JOHN R. NORPEL, Jr., *Acting Director of Research*

RESOLUTION

*Resolved, by the Internal Security Subcommittee of the Senate Committee on the Judiciary, That the attached report on "State Department Security" is hereby authorized to be reported favorably to the full committee, to be printed and made public.*

Approved: December 15, 1967

Handwritten notes in the top right corner: "A Y", "2.80/3", "5/15", "A 10".

## FOREWORD

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From April 25, 1963, to May 4, 1965, the Internal Security Subcommittee held hearings on security in the Department of State.

The record of these hearings was printed and made public in 25 separate volumes between July 19, 1965, and October 2, 1966. Five of these volumes dealt with the Bureau of Security and Consular Affairs and subordinate offices of that Bureau. The other 20 volumes were subtitled as follows:

### STATE DEPARTMENT SECURITY—1963-65

- Part 1. The Wieland Case Updated
- Part 2. The Otepka Case—I
- Part 3. The Otepka Case—II
- Part 4. The Otepka Case—III
- Part 5. The Otepka Case—IV
- Part 6. The Otepka Case—V
- Part 7. The Otepka Case—VI
- Part 8. The Otepka Case—VII
- Part 9. Correspondence With Secretary Rusk
- Part 10. The Otepka Case—VIII
- Part 11. The Otepka Case—IX
- Part 12. The Otepka Case—X
- Part 13. The Otepka Case—XI
- Part 14. The Otepka Case—XII
- Part 15. The Otepka Case—XIII
- Part 16. The Otepka Case—XIV
- Part 17. The Otepka Case—XV  
[Appendix to Part 17]
- Part 18. The Otepka Case—XVI
- Part 19. The Otepka Case—XVII
- Part 20. The Otepka Case—XVIII

The subcommittee and its staff have devoted a great deal of time and attention to the preparation of a report covering the area embraced by the testimony contained in the 20 volumes cited above.

It would have been possible for the subcommittee to have filed a report on these hearings at an earlier date, but the subcommittee felt that because Mr. Otto Otepka was an important witness at these hearings, it would not be desirable to make a report while the Otepka case was still pending decision in the Department of State. Perhaps if the committee had known at the time the hearings were concluded how long it would be before the Otepka case would be decided within the Department, the committee might have taken a different view about the timing of its report. Actually, the appeal filed by Mr. Otepka from the State Department's dismissal order, growing out of Mr. Otepka's actions in furnishing certain information to the subcommittee, did not



## INDIVIDUAL VIEWS OF SENATORS EASTLAND AND DODD

This report, carefully documented by sworn testimony reveals many mistakes in management and in the lack of supervision or controls over powers exercised by officials in some management levels. It is to be hoped that the lessons indicated in these hearings and noted in this report have been taken to heart by administrative officials.

During the course of these hearings, and in the intensive study of the hearing record which was necessarily involved in the preparation of this report, the committee has found several areas in which it appears personnel security in the State Department, and in other departments as well, can be strengthened by legislation.

Recommendations in these areas will be made by the committee early in the next session, in combination with other security recommendations, of a legislative nature, growing out of the subcommittee's hearings in 1966 and in 1967 on the subject of gaps in our internal security laws. It is hoped that legislation to implement these forthcoming recommendations can be enacted at the next session of the Congress as the Internal Security Act of 1968.

Much of the testimony in these hearings involve what has come to be known as the Otepka case, and Mr. Otto Otepka was a major witness at the hearings. It is natural, therefore, that the subcommittee's report should discuss various aspects of the Otepka case.

The impact this case has had upon personnel security in the executive branch of our Government has been far greater than is generally recognized. This impact has had both positive and negative aspects.

On the plus side, a number of improvements in security policies and procedures have been put into effect administratively to cure lapses or supply deficiencies to which Mr. Otepka and other witnesses called attention. Another plus is the inspiring example Otto Otepka has set in remaining steadfast to the uncompromising principles and high standards which should and do motivate a majority of the professional security officers who serve our Government.

The most outstanding negative aspect of the Otepka case has been its chilling effect upon all those Government employees, both in and out of the security field, who may quite reasonably see it as an object lesson teaching that honor and virtue are not their own reward if following the path of honor and virtue involves stepping on the toes of entrenched authority, or calls for disclosing matters embarrassing to officials in high places.

The subcommittee, the Senate, the Congress, and the country owe a debt of gratitude—a debt which today remains still unpaid—to Otto Otepka and those who, like him, have told the truth and the whole truth without hedging or covering up for the sake of protecting either themselves or their superiors. For this reason alone, neither the committee nor the Senate nor the Congress should be willing to consider the Otepka case closed until Mr. Otepka stands free of all continuing punishments or harassments of any kind.

Reinforcing this equitable consideration, there is an even stronger reason why we must not rest until full justice has been done to Otto Otepka. No legislative body can discharge its duties with maximum efficiency without the power to conduct effective investigations respecting activities in the executive branch of the Government, most especially where wrongdoing or subversive activity is involved. The legislative body, or the committee of such a body, which cannot protect the witnesses who come before it from reprisals or harassment either because of their testimony, or because of the fact that they have appeared and testified, is in a poor position to seek or expect the full cooperation of other witnesses subsequently called.

Until we can find a way to terminate the Otepka case with full justice to Mr. Otepka and every other witness who testified, and with full and continuing recognition of the right of the Congress and its committees to obtain complete and accurate information with respect to wrongdoing, subversive activity, or any other threat to our security which may exist or take place within the executive branch, we must not rest; for we must recognize that until this has been accomplished, the prerogatives of the legislative branch stand infringed, and its effectiveness stands curtailed.

JAMES O. EASTLAND.  
THOMAS J. DODD.

## INDIVIDUAL VIEWS OF SENATOR STROM THURMOND

As this is written, the Secretary of State has just decided adversely against Mr. Otto Otepka in charges growing out of actions connected with the investigation conducted by this subcommittee. While the subcommittee has not been investigating the merits of the Otepka case as such, the Secretary of State's decision confirms in many ways the disturbing findings of this report.

The Otepka case, as such, involves much more data than was pertinent to the purposes of this investigation. The brief prepared by his attorney and submitted to the hearing examiner is now a matter of public record, and may be consulted by those who wish to do so in the daily Congressional Record, December 14, 1967, page H17048.

The Secretary's decision largely vindicates Mr. Otepka, since the Department dropped 10 of the original charges, and changed an order for dismissal to a mere reprimand and reduction in grade. Nevertheless, the stubborn insistence upon holding to the remaining three charges must still be considered as the culmination of a grievous scandal which penetrates to the highest echelons of the State Department.

It is important to distinguish between the cause of justice for Mr. Otepka, personally, and the cause for which Mr. Otepka was fighting. It may be appropriate here to quote from a letter to Mr. Dean Rusk, Secretary of State, signed by the members of this subcommittee on October 31, 1963:

Mr. Otepka's testimony has been a valuable contribution to the Internal Security Subcommittee's current investigation of security in the State Department, and we feel he has performed a substantial service for his country. We would consider it a great tragedy if the services of this exceptionally able and experienced security officer were lost to the U.S. Government on the basis of alleged technical violation growing out of his cooperation with the Senate Internal Security Subcommittee.

Although I was not a member of this subcommittee at that time, I wish to associate myself with these remarks, and to reinforce them. I believe that Otto Otepka is a dedicated and loyal patriot who has suffered extraordinary, calculated harassment because he attempted to carry out conscientiously the national security program prescribed by law or regulation.

There are two issues of paramount importance raised by this report. The first is whether a Government employee loyal to his country can, in the line of duty, furnish information confidentially to the appropriate congressional committees when he sees wrongdoing. Congress has a basic right to receive such information, not only to formulate new legislation, but to review existing programs.

This right has been embodied in a statute, namely, United States Code, title 5, section 652(d):

The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress or to any committee or member thereof, shall not be denied or interfered with. As amended June 10, 1948, c. 447, 62 Stat. 354; 1949 Reorganization Plan No. 5, effective August 19, 1949, 14 F.R. 5227, 63 Stat. 1067.

The State Department's position has been, variously, (1) that no wrongdoing may be disclosed unless the disclosure is authorized presumably by the wrongdoers; (2) that information from personnel files may not be disclosed in any case; (3) that any paper may be protected by calling it an official paper. Any of these interpretations is manifestly contrary to the plain meaning of the statute, yet the State Department has found no extenuating circumstances for Mr. Otepka's action in cooperating with the subcommittee.

An agency that had nothing to hide would be anxious for an employee to make use of this right. One would think that such an agency would be looking for extenuating circumstances if an employee had failed to do his duty toward Congress.

As a matter of fact, Mr. Otepka furnished no substantive matter from personnel files that was not already a matter of subcommittee or public record. Mr. Otepka furnished copies of the document only to illustrate security procedures and to prove that his superior had lied under oath to this subcommittee concerning security procedures.

The second issue, therefore, concerns what the Department of State had to hide. As is amply set forth in this report and in the preceding volumes of testimony, the State Department was trying to hide a new policy of phasing out effective security procedures. The highest officers of the State Department no longer believed in the mandate to maintain critical standards of suitability and loyalty in employing personnel. Quite simply, Mr. Otepka, and a small band of associates were in the way.

This attitude is amply documented in this report:

1. Officers with little or no experience in security evaluation were placed in positions making evaluation policy.
2. The functions of the Office of Security were dismantled piecemeal, and its staff transferred out.
3. The specialized personnel security files were broken up.
4. Mr. Otepka was criticized for being "too thorough" in a job where it is impossible to be too thorough.
5. A "personnel panel" with no written guidelines assumed many of the evaluation functions.

Many other moves are covered more fully in the report, but these steps show clearly the new policy. Since the loyalty of Mr. Otepka and his associates stood in the way of that policy, the Department began to move directly against him.

1. He was assigned to attend the National War College, in order to remove him from his duties.
2. He was detailed on make-work projects for the same reasons.
3. After his testimony before this subcommittee, he was publicly humiliated, removed from his offices, deprived of his papers and safe. His telephone was bugged, his trashbag searched, and carbons from his typewriter examined.

4. His loyal associates were transferred away from their work to a make-work project where they had no contact with other State Department employees.

As the situation evolved, the State Department began, finally, to move against this subcommittee.

1. Unusual delays were experienced in summoning witnesses and in official correspondence.

2. Witnesses arrived with instructions to limit their testimony and to refuse to discuss certain vital areas.

3. The "third-agency rule" was given an extreme interpretation which blocked information on many matters.

4. In news releases and public correspondence, the State Department indulged widely in half-truths and quoting out of context.

5. Three State Department officers lied to this committee, and were later forced to recant when the question of perjury became a matter of discussion on the Senate floor.

Perhaps the most illustrative example of the State Department attitude came when John F. Reilly, head of the Office of Security, testified that the reason why he had told half-truths was because the subcommittee had not asked him the right questions. Ironically, one of the original State Department charges against Mr. Otepka was that he had furnished the subcommittee with a list of the right questions.

State Department personnel security policy is manifestly contrary to the intentions of Congress. State Department officers have attempted deliberately to hide this fact from an agency of Congress charged with overseeing security practices. The State Department has indulged in illegal acts, the destruction of the careers of honest men, misrepresentation, and perhaps perjury, in order to prevent Congress from carrying out its constitutional functions. This is an arrogant challenge, which must not be allowed to stand.

STROM THURMOND.



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## STATE DEPARTMENT SECURITY—1963-65

### UNITED NATIONS PERSONNEL SECURITY

Incredible as it seems to many today—and amazing as it appeared to some, aware of the situation at the time—there was no security screening, for a period of about three years, of U.S. citizens given posts with United Nations agencies. This was at the beginning of the organization—1946-49—when the insertion into the organization of personnel wedded to the communist cause could do irreparable harm to the security of this country.

Partly because of this background, the subcommittee took a new look at the staffing of international organizations in the 1963-65 hearings and turned up some jolting facts.

There were thousands of jobs available in the U.N. agencies.<sup>1</sup> The U.N. 1963 report on staffing indicates a grand total of more than 43,000 staff positions, of which more than 3,494 were open to U.S. citizens. Would the communists and their fellow travelers miss this opportunity to infiltrate positions of influence? The records indicate they did not.

The Internal Security Subcommittee conducted an investigation beginning in 1952, regarding the presence of American citizens, as employees in the Secretariat or in U.N. agencies, who might be communists. A staff summary on this was included in the recent hearings at the suggestion of Senator Dodd. The summary states, in part:<sup>2</sup>

For a period of approximately 3 years—between the time of the formation of the United Nations in 1946 and the latter part of 1949—there was no safeguard whatsoever, from the standpoint of the United States, against employment by the United Nations of U.S. citizens who were disloyal to their country, or were actively engaged in espionage on behalf of some foreign power. During the course of the subcommittee hearings, several officials of the State Department testified that, although the United Nations was set up in 1946, they knew of no arrangement undertaken by the State Department prior to the autumn of 1949 to give to the Secretary General of the United Nations derogatory security information concerning U.S. citizens at the Secretariat.

Late in 1949, in response to a request from the Secretary General, an information agreement was worked out whereby officials of the Secretariat gave to the State Department, for security checks, a list of U.S. citizens working for the Secretariat. Thereupon the State Department undertook to assemble such derogatory security information as was available in the U.S. Government's files. However, no field investigation was undertaken by the Department. The procedure set down was to have certain State Department officers evaluate such derogatory security information and orally to communicate to unnamed officials of the United Nations a conclusion, arrived at by State Department officials on a basis determined within the Department, as to whether the Department desired to object to the continued employment of any such person by the U.N. The Department's regular Security Division Evaluation Office did not take part in the evaluation, however.

\* \* \* \* \*

<sup>1</sup> State Department Security hearings, pt. 15, p. 1166.

<sup>2</sup> Ibid., p. 1169.

The subcommittee recommended that legislative safeguards be established to prevent future employment of American nationals of questionable loyalty to the United States by international organizations, located in this country. It further recommended that a definite arrangement be entered into between the U.S. Government and international organizations, under which information concerning the records of all American applicants for employment should be submitted to responsible officials to the international organizations so that the security of the United States could be protected.

#### EXECUTIVE ORDER 10459 ISSUED

On May 27, 1953, the summary recalled, President Eisenhower issued Executive Order 10459 establishing the International Organizations Employees Loyalty Board in the Civil Service Commission. It established procedures for getting pertinent information to the U.N. Secretary General.<sup>3</sup>

In brief, Executive Order 10459 directs the Civil Service Commission to conduct a full background investigation of any U.S. citizen who is employed or may be employed by the United Nations or any other public international organizations of which the United States is a member. In the event the duration of employment is for a period of 90 days or more, or if less than a period of 90 days and derogatory information is disclosed, the Federal Bureau of Investigation makes a full field investigation.

Reports of full field investigations are forwarded through the Civil Service Commission to the Board. Whenever such a report contains derogatory information, there is made available to the person in question a hearing before the Board. Subsequent to the hearing the Board transmits an advisory opinion, together with the reason therefor, to the Secretary of State for transmission to the Secretary General of the United Nations for his use in exercising his rights and duties with respect to the personnel of the United Nations.

In a move to plug this gaping hole in security, the late Pat McCarran offered a bill in 1953 (S. 3, 83d Congress) to require clearance of all U.S. nationals and putting certain responsibilities on the Attorney General in this regard. The bill was passed by the Senate but did not become law. Instead, there was set up by Executive Order 10422, issued January 9, 1953, by President Truman, a system for security checks.<sup>4</sup>

This provided that the United States make available to the Secretary General of the U.N., information on which he could make his determination as to whether "reasonable grounds exist for believing that a U.S. citizen employed or being considered for employment on the Secretariat has been, is, or is likely to be, engaged in espionage or subversive activities against the United States".<sup>5</sup>

#### INVESTIGATIONS ORDERED

The Civil Service Commission was directed to conduct a preliminary investigation. If derogatory information turned up, a full field investigation was to be made by the Federal Bureau of Investigation, prior to appointment. Any derogatory information was to be forwarded by the Secretary of State to the United Nations Secretary General.

Executive Order 10422 was amended and broadened by Executive Order 10459, issued by President Eisenhower on June 2, 1953. Among

<sup>3</sup> Ibid., p. 1170.

<sup>4</sup> Ibid., p. 1146.

<sup>5</sup> Ibid., p. 1146.

other provisions, it created the International Organizations Employees Loyalty Board to receive the results of full field investigation. The Commission, in making a full background investigation was directed to make use of appropriate files of other appropriate Government investigative or intelligence agencies and the files of appropriate committees of Congress.<sup>6</sup>

### A WORKING AGREEMENT

A working agreement system was adopted because no nation was to be permitted to sway the appointment or discharge of any employee of the international organization. This was spelled out in testimony March 19, 1963:<sup>7</sup>

Mr. SOURWINE. Does the State Department procedure with respect to the clearance of American nationals employed by the United Nations involve pre-investigation, if you know?

Mr. ОТЕРКА. The procedure is prescribed by an Executive order which requires a preappointment full field investigation.

Mr. SOURWINE. I might say, Mr. Chairman, for the record—I know the Chair will recall this—that when we had testimony on this a number of years ago, right after our investigation of American nationals in the United Nations, we were told that the State Department could not recommend, because of its obligation to the United Nations and the rule of the U.N., that the employment of any employee was not to be swayed or controlled by member states; but that by an agreement with the United Nations, unofficial, not by treaty or any formal type of agreement, just a working agreement, the Department did advise the United Nations with respect to American nationals being considered for employment whom the Department considered to be security risks.

Subsequently, the Chair will remember this committee recommended legislation to require clearance of American nationals and to require the investigation of American nationals already employed and the furnishing of this information or the making of it available to the U.N., at least in an advisory way.

This legislation never was passed, and, in fact, it never had the support or approval of the Department of State.

The Department did, however, proceed to set up a clearance procedure. Perhaps I am in error about that, but a clearance procedure was set up under an Executive order with the International Employees Loyalty Review Board under the Civil Service Commission.

That is what you mean when you say it was moved in 1953, Mr. Otepka?

Mr. ОТЕРКА. Yes, sir.

Well, the provisions of the Executive order, or at least its implementing procedures, require that the State Department transmit the results of the determinations made by the International Organizations' Employee Loyalty Board to the executive head of each international agency.

Mr. SOURWINE. Do not those come back through the Office of Security of State Department?

Mr. ОТЕРКА. No, sir.

Mr. SOURWINE. They do not?

Mr. ОТЕРКА. No, sir.

Mr. SOURWINE. Never did?

Mr. ОТЕРКА. Not since the inception of this Executive order.

John F. Reilly, Deputy Assistant Secretary for Security, told the subcommittee April 20, 1963, that the International Organizations Employees Loyalty Board had been set up with the concurrence of the State Department.<sup>8</sup>

Mr. SOURWINE. I will state, then, that I was given to understand at the time—not as a matter of testimony—that the Department wanted the functioning of the Loyalty Board to be outside the State Department because it would then put the

<sup>6</sup> Ibid., p. 1147.

<sup>7</sup> Ibid., pp. 1143-1144.

<sup>8</sup> Ibid., p. 1168.

Department in the position of merely conveying to the United Nations an evaluation over which it presumably had no control. You don't know whether that consideration ever entered into the matter?

Mr. REILLY. At the time?

Mr. SOURWINE. Yes.

Mr. REILLY. Yes, I understand it did; yes, sir.

Mr. SOURWINE. Is that consideration still valid today?

Mr. REILLY. I think it is.

Mr. SOURWINE. That the function of evaluation, if it is to be performed, should then be performed outside the State Department?

Mr. REILLY. I think so, yes. That is my personal opinion.

Asked if he was at odds with Mr. Otepka as to whether the work should be done at the Civil Service Commission:<sup>9</sup>

Mr. REILLY. Oh, no. If there was a misunderstanding about that I would like to clarify it—this is, again, my personal view and does not have the endorsement of any other State Department official. My remark merely went to the investigative part of it.

Part of the difficulties in recruiting able, loyal, and intelligent Americans for international—to serve on international organizations as, to use the governmental phrase, the international civil service, has been the long time delay between the time the man has been approached or the time that he has expressed a willingness to serve the United States in this capacity, and the time that he has had the background investigation completed.

But later he suggested that, in order to speed clearances, security investigations might be performed at the State Department.<sup>10</sup>

Mr. Otepka, on the other hand, proposed that the Civil Service Commission be given additional funds as a means of speeding up action on personnel investigations.

Mr. Reilly disagreed. While not attacking the Commission he said: "I am rather proud of our ability in the State Department, as I have come to know it in the last year, to handle expeditiously, but with thorough background, investigations on individuals where there are top-level instances."

The need for preappointment investigations of job candidates was pointed up during testimony by Mr. Otepka, August 12, 1963.

Senator Hugh Scott, presiding, commented that there had been occasions, around 1954, when American nationals had been employed with UNESCO who were "Communist sympathizers, Communist co-workers."<sup>11</sup>

Mr. SOURWINE. This committee exposed a good many of them, some of whom were ordered discharged, but the decisions were reversed and they got large sums of money as compensation.

Senator SCOTT. They went to The International Court on appeal and got quite large sums as compensation. I was one of those who threatened to boycott the UNESCO meeting in Montevideo, Uruguay, publicly, together with the rest of the members of our delegation, if the American director of the association did not fire them. The American director was quite concerned about the Russians and his concern about the Russians was greater than our concern about the Americans until we indicated that perhaps his salary was also at stake, and then the motivation changed.

You can leave that in the record.

#### PREAPPOINTMENT SECURITY CLEARANCES

In spite of such known hazards, however, there was a move early in 1963 to amend the Executive order to strike out the requirement of

<sup>9</sup> Ibid., p. 1168.

<sup>10</sup> Ibid., pp. 1170-1171.

<sup>11</sup> Ibid., pp. 1231-1232.

a preappointment security clearance. Such a proposal was contained, among other items, in a February 19, 1963, draft of a report of the Advisory Committee on Management Improvement to the Assistant Secretary of State for International Organizations. The draft was being circulated within the State Department for comment. Mr. Otepka spotted the proposed change from preappointment loyalty investigations. He drafted a protest, for the signature of Mr. Reilly, as a memorandum to Assistant Secretary Harlan Cleveland, who headed International Organizations Affairs.<sup>12</sup> It wasn't forwarded, but the word got to Mr. Cleveland and others. Mr. Otepka and Mr. Reilly were questioned by the subcommittee about the draft. Shortly there was a revised version dated April 22, 1963. It contained extensive changes from the February draft. It dropped the proposal to eliminate security clearances for U.S. nationals seeking employment with international organizations. It retained the requirement for preappointment loyalty investigation.<sup>13</sup>

Senator Thomas J. Dodd, subcommittee vice-chairman, on hearing testimony of the proposal to weaken the loyalty investigations systems, said he was surprised. "I am shocked by it," he added.

Mr. Otepka, for many reasons, opposed the February proposal to substitute postappointment full field investigations for preappointment checks. He doubted the reliability of depending only on a national agency "name" check.

Some of Mr. Otepka's arguments were:<sup>14</sup>

3. Except where a lesser investigation is now provided in Executive Order 10422, as amended, SY is opposed to a further lessening of the scope of investigations in the cases of any U.S. citizen to be employed in international agencies. SY also is opposed to the substitution of postappointment full field investigation for the present requirement of a preappointment full field investigation, collectively for these reasons:

(a) A special Federal grand jury found on December 3, 1952, that there were disloyal Americans in the United Nations and its constituent agencies.

(b) The grand jury said that these disloyal Americans were employed because the Department of State "failed miserably" in the screening of such persons prior to employment through a system of mere record checks in security agencies.

(c) The grand jury recommended the eliciting of various detailed information from applicants in written applications including nonloyalty oriented facts. In SY's experience this information may be verified or substantiated only by appropriate background investigations.

(d) The Senate Judiciary Committee issued a report on January 2, 1953, following an investigation by its Internal Security Subcommittee into the activities of U.S. citizens employed by the United Nations. Like the grand jury this committee criticized the Department for evaluating adverse information that is based only on record checks and especially criticized it because the Department had acted so belatedly after receiving adverse information. Of 33 Americans employed by the U.N. agencies who had appeared before the subcommittee 26 invoked the constitutional privilege of self-incrimination when asked about Communist membership. The committee noted that three persons who invoked the privilege were not officials but stenographers or reporters. The rest were officials or high officers.

(e) A special subcommittee of the House Committee on the Judiciary conducted hearings in 1952 concerning the Department's role in screening U.N. personnel on the basis of record checks. In explaining the Department's belated actions on adverse data, a key Department official who had participated in the clearance process, conceded that the original "name check" might not have produced derogatory information but that later information might have led to an adverse opinion by the Department. According to SY's experience some

<sup>12</sup> Ibid., p. 1233.

<sup>13</sup> Ibid., pp. 1181-1212.

<sup>14</sup> Ibid., pp. 1234-1235.

such later information was obtained by inquiries extended beyond mere "name checks."

The House subcommittee found that the Department was "gravely remiss" in not recognizing and dealing with the situation in the U.N. long before the grand jury brought it to light.

(f) On January 9, 1953, President Truman issued Executive Order 10422 which provided for a full background investigation by the Civil Service Commission of all "locally" recruited American staff members while the FBI would make a full field investigation of all "internationally" recruited American staff members and any other American nationals concerning whom derogatory information was disclosed by the Commission's inquiries.

(g) On June 2, 1953, President Eisenhower amended Executive Order 10422 by Executive Order 10459 to provide that American employees whose terms of appointment did not exceed 90 days need undergo only a national agency check. This order left unchanged the other provisions for full field investigations.

The subcommittee was supplied with copies of both the February 19, 1963, draft and the April 22, 1963, version. Summaries of recommendations in the two drafts were printed in comparative columns in the subcommittee hearings.<sup>15</sup>

#### A STRANGE COINCIDENCE

In the late spring of 1962, a call for elimination of the loyalty checks for American nationals at the U.N. was sounded by Leonard B. Boudin, in a letter to the New York Times. It was printed July 30, 1962, about seven months before the February draft—recommending a cutback in security investigations—was circulated.

The Boudin letter:<sup>16</sup>

[From the New York Times, July 30, 1962, p. 22]

#### SCREENING U.N. EMPLOYEES

##### M'CARRAN COMMITTEE'S AUTHORITY OVER AMERICANS CHALLENGED

To the EDITOR OF THE NEW YORK TIMES:

In an otherwise excellent story published July 15, "U.N.'s Fiscal Plight," Thomas J. Hamilton seriously errs in referring to "11 American members of the United Nations who had been dismissed on charges of disloyalty to the United States."

These staff officials, some of whom I represented as counsel, had been dismissed as a result of U.S. governmental pressure when they declined, under the first and fifth amendments, to answer questions put by the McCarran Internal Security Subcommittee.

Both the validity and propriety of the committee's authority were most doubtful in view of the independence of the international Secretariat and the total lack of legislative purpose. Nevertheless, yielding to manifest political discretion, the first Secretary General dismissed these staff officials and the second preferred to pay damages rather than comply with the U.N.'s administrative tribunal's decision that the staff had been unlawfully discharged.

#### LOSS OF SERVICES

I write for two additional reasons:

First, the public is not aware that the careers of many devoted and brilliant international civil servants were destroyed in the hysteria of the 1950's. The loss of their services was also a grievous blow to the United Nations.

Second, your recent thoughtful editorial on Andrew Cordier's resignation should remind us that the U.S. Government is still enforcing President Truman's and President Eisenhower's Executive orders which screen, on political grounds, American employees of the United Nations and other international organizations.

<sup>15</sup> Ibid., pp. 1181-1212;

<sup>16</sup> Ibid., p. 1171-1172.

The expressed criteria include membership on the Attorney General's list; the sources include derogatory information in congressional committee files; the procedures are based upon undisclosed evidence.

Such screening is inconsistent with the charter's principle in article 100 of the independence of the organization. An International Organizations' Employees Loyalty Board in our Civil Service Commission makes no sense. There is no security problem in employment by the United Nations. Hence, the Association of the Bar's Special Committee on the Federal Loyalty-Security Program recommended in its 1956 report that this Board and the program be terminated.

The U.S. Government to its credit has sought in other respects to strengthen the United Nations. The present administration would now score a major achievement if it were to adopt, although belatedly, the committee's advice to eliminate its so-called loyalty program in the international field.

LEONARD B. BOUDIN.

Mr. Reilly said he did not know who had drafted the original version of the Advisory Committee's report. Did he recognize that the recommendation for the elimination of the United Nations clearance procedure for American nationals was along the lines of the Boudin recommendation? His reply was that that was "one of the things Mr. Otepka brought to my attention."<sup>17</sup> He said he was not familiar with the Boudin letter prior to hearing of it from Mr. Otepka.

Reilly said he was opposed to the elimination of the clearance procedure. He asked Mr. Otepka for comments, he said. He got the comments, in the draft of a proposed report to Mr. Cleveland, but had only vague reasons as to why he did not forward this to the International Organizations Office.<sup>18</sup>

Mr. SOURWINE. Now, you told us, Mr. Reilly, that you had talked—and I believe agreed—with Mr. Otepka with respect to the necessity for continuing the clearance of American nationals to be employed by international organizations?

Mr. REILLY. We might put it this way, that it is a characteristic of mine when I have views on something, I quite freely make them available to Mr. Otepka and here we found ourselves in agreement.

Mr. SOURWINE. Well, what I am really trying to get at is: You testified you had read this report before you took it to him—you took it to him with a request for comment?

Mr. REILLY. For comment; yes, sir.

Mr. SOURWINE. I would presume that, if you had seen something in the report to which you strongly objected, or took exception, you would have called it to Mr. Otepka's attention, so you would set the tone for the comment on the draft. Did you do this with respect to the report's recommendation for elimination of security clearance for American nationals to be employed by international organizations?

Mr. REILLY. I most certainly did.

Mr. SOURWINE. But after he had drafted the report embodying such objection, you never sent it on to Mr. Orrick?

Mr. REILLY. No, but—

Mr. SOURWINE. Why not?

Mr. REILLY. But I made certain, sir, that no final action with respect to the Department of State's views on that report would be made without my having ascertained on the record his comments.

Mr. Reilly was asked if the State Department had nothing to do with the elimination, from the April draft report, of the recommendation presenting clearance procedures which had been advanced in the February draft. He replied that he had no knowledge "one way or another."

Another segment:<sup>19</sup>

<sup>17</sup> Ibid., p. 1172.

<sup>18</sup> Ibid., p. 1173.

<sup>19</sup> Ibid., pp. 1173-1174.

Mr. SOURWINE. Don't you think it is reasonable that if attention was called by the Department to the fact that this committee was interested and that it was coincidental, at least, with the previous demand by Mr. Boudin, that there would be a lot of trouble if the report came out with that recommendation in it?

Mr. REILLY. I don't know that.

Mr. SOURWINE. You have no knowledge?

Mr. REILLY. That is correct.

Mr. SOURWINE. Do you think that, for all you know—it is perfectly reasonable to you—that the Advisory Committee just called the report back and made those changes of its own volition, on the volition and initiative of its members without reference to this committee's interest?

Mr. REILLY. It is also possible, and here we are merely speculating, or at least I have to, it is also possible that they knew of my views.

Mr. Reilly said he had expressed his views on the subject to Mr. Cleveland, Assistant Secretary for International Organizations.<sup>20</sup>

Mr. SOURWINE. Did you say anything to Mr. Cleveland about this Committee's interest in this matter?

Mr. REILLY. Yes; I did.

Mr. SOURWINE. Was there any suggestion made that perhaps there might be trouble if the report came out containing that recommendation?

Mr. REILLY. There was no such suggestion made in my presence.

Mr. SOURWINE. And not by you?

Mr. REILLY. Or not by me; no.

Mr. SOURWINE. You told him it appeared that the Committee was in opposition to this, at least there was some opposition in the Committee to it?

Mr. REILLY. I told him, first, informally, that I had objection to it, that I wanted, before anything along these lines was to be formalized, that I wanted to be heard and he indicated this would be the fact.

The hearing then turned back to the question as to why Mr. Reilly had not forwarded something in writing; Mr. Otepka's or his own.<sup>21</sup>

Mr. SOURWINE. All right. Why didn't you send up the written comment? That was your opportunity to be heard; wasn't it?

Mr. REILLY. Very frankly, because—knowing that the report was not going to be acted upon and with the priority of things that I had to do, I had not time to do the redrafting and to think through what I wanted to say—

Mr. SOURWINE. But you could have given it back to Mr. Otepka, couldn't you, and told him to redraft it, that you did not approve of it?

Mr. REILLY. I could, but this was one where I felt I wanted to make my own comments on, but because of the passage of time—

Mr. SOURWINE. Passage of time—between February and April—2 months—you did not have time to express your views?

Mr. REILLY. You know, Mr. Sourwine, some days things get to your desk that are not always uppermost in your mind and—

Mr. SOURWINE. Yes, I know, I have in mind what you said about work piling up on Mr. Otepka's desk, and we will talk about that later—I am talking about holding up things—

Mr. REILLY. Yes; I know.

Mr. SOURWINE. And we will talk later—about Mr. Otepka holding things on his desk.

But I just wonder. You said you felt rather strongly about this and you told Mr. Cleveland you did not want any action taken until you had expressed yourself. And here was your opportunity to express yourself to Mr. Orrick, to express yourself in writing, and in 60 days you did not take advantage of it.

Mr. REILLY. I don't believe it has been fully 60 days.

Even more severe disputes over security practices arose between Mr. Otepka and Mr. Reilly over the clearance of members of the Advisory Committee on the Staffing of International Organizations. These and many other items of dispute are outlined in our chapter on "The Contest Over the Otepka Rebuttal." See page 17.

<sup>20</sup> Ibid., p. 1174.

<sup>21</sup> Ibid., p. 1174.

## ADVISORY COMMITTEE ON THE ARTS

Since virtually all employees of the State Department are considered as holding "sensitive" positions, it seemed perfectly clear to Otto Otepka and to many others, that security checking would apply to even "big name" artists attached to the cultural program.

But the record indicates there was, in the beginning at least, some confusion about this, and in this program, as in others, we found pressures for action and for the use of waivers of rules regarding security checks.

This is highlighted in subcommittee hearings on appointments to the Advisory Committee on the Arts. There was eventual agreement that full field investigations were required, prior to appointment under the meaning of Executive Order 10450.

Along the line there were some oblique answers, others responsive but not too helpful at getting at the facts, and, of course, forthright responses.

As a prelude to later examination of the Cultural Affairs situation, we have this excerpt from testimony by Abram Chayes, State Department Legal Adviser, at a subcommittee hearing June 19, 1962. Mr. Chayes, it will be noted, said he had not made a broad ruling as to full field investigations but that in one case in which he was consulted it had been agreed there should be a full field check.<sup>1</sup>

Mr. SOURWINE. Mr. Chayes, in addition to Executive Order 10450 with regard to the investigation of appointees to positions in the Department of State, are there any statutory requirements respecting investigation for loyalty and suitability?

Mr. CHAYES. I assume there are, but I have not myself examined any. I saw the reference to a particular one in Mr. Lowenfeld's testimony.

Mr. SOURWINE. Were you familiar with that particular one?

Mr. CHAYES. I had not myself considered the language of it. In the one case in which we were consulted, the consultation—the contact was made with me directly. I referred the question to Mr. Lowenfeld. When he came back to me with the conclusion that a full field investigation was required, I simply approved that without further consideration, since it did not seem to me we would be doing anything that was likely to lead to trouble or criticism if we followed that path.

Mr. SOURWINE. So it has been and is the ruling of your office that it is a requirement that all persons named to the U.S. Advisory Commission on the Arts shall be investigated for loyalty and suitability in accordance with standards approved by the President, and that that means a full field under Executive Order 10450?

Mr. CHAYES. No, I do not think we ever came to that issue. The question in the particular case was that there was some material—I do not know what it was, because I did not examine it—but there was some material in the file which indicated the necessity of a full field investigation. And all we decided was that in that case the material in the file was enough to warrant a full field investigation.

Mr. SOURWINE. Mr. Chayes, isn't it true that efforts are being made right now to circumvent the provisions of the law I cited to you, and to secure without preinvestigation for security, appointment to the U.S. Advisory Commission on the Arts of, among others, Archibald MacLeish, Melvyn Douglas, Agnes DeMille, and George Seaton?

<sup>1</sup> State Department Security hearings, pt. 16, pp. 1247-1248.

Mr. CHAYES. I do not know, except I think one of those names was the one on which we were consulted, and which we said that a full field would be required.

Mr. SOURWINE. Do you know if it is true that Mr. MacLeish has been definitely promised one of these appointments by Mr. McGeorge Bundy?

Mr. CHAYES. I do not.

Mr. SOURWINE. Would you agree that the legislative history of that cultural affairs law indicates that the jobs on the U.S. Commission on the Arts are sensitive from a security standpoint?

Mr. CHAYES. I have not examined the legislative history. As I explained, in the one situation in which I was called upon to advise, since we decided upon a full field investigation, there was no occasion to examine the question whether anything less would be legal.

It is important to understand, as the testimony makes clear, that it was not Mr. Otepka's aim, in resisting preinvestigation clearances for these four individuals, to pass judgment on their qualifications for security clearance. He was concerned, at this point, with a more basic issue—the importance of maintaining sound security procedures.<sup>2</sup>

Otto F. Otepka, top security evaluator, explained the legal requirements in his testimony on March 6, 1963:<sup>3</sup>

Mr. SOURWINE. Was there such an effort as described or implied in the question which was asked of Mr. Chayes with respect to clearances of individuals appointed to be on this committee?

Mr. OTEPKA. Well, your question to Mr. Chayes refers to efforts being made to circumvent the provisions of the law.

Mr. SOURWINE. That is right.

Mr. OTEPKA. The law in this case—for the record—being Public Law 87-256, with which I am familiar.

As background for the record I might point out that the law provides that persons appointed or assigned to duties under the act shall be investigated and cleared under procedures approved by the President. The House Conference on the Report, in explanation of that language, indicates that this means that the appointment shall be subject to the provisions of Executive Order 10450 and, since all positions in the Department are sensitive, appointments to the Advisory Committee on the Arts require a full field investigation and a full field investigation requires that the applicant complete certain specified forms and there are no exceptions with respect to any person in completing those forms.

Now, addressing myself to the specific question, I don't feel that anyone in the Department was trying to circumvent a law.

Mr. SOURWINE. Well, all right. Was there any effort to get individuals cleared for the Advisory Committee on the Arts without completing the form you have referred to?

Mr. OTEPKA. Initially, yes. I think that matter has been administratively taken care of.

Mr. Otepka said he had been approached by one Cultural Affairs official inquiring if it was necessary that the security forms be completed. Mr. Otepka's reaction:<sup>4</sup>

Mr. SOURWINE. Now, when it was suggested to you that appointments be cleared without completing the form, did you go along with that suggestion or did you resist it?

Mr. OTEPKA. I, of course, had no choice but to insist that there be full compliance with the law.

\* \* \* \* \*

Mr. OTEPKA. Any individual to be appointed to this committee must fully comply with the provisions of the Executive Order 10450. This means he shall fill out all of these security investigative data, forms, be fingerprinted, and be fully investigated prior to appointment.

<sup>2</sup> State Department Security hearings, pt. 16, p. 1259

<sup>3</sup> Ibid., pt. 16, pp. 1245-1249.

<sup>4</sup> Ibid., pt. 16, pp. 1250, 1252.

Mr. Otepka said the problem about requests for such shortcuts had been resolved administratively. Mr. William H. Orrick, Jr., it was testified, had rejected requests for waivers, which Mr. Reilly had passed up the line. Mr. Orrick at the time was Deputy Under Secretary of State for Administration.<sup>5</sup>

During the consideration of the nominees and the suggestions for shortcuts, Mr. Otepka wrote a number of memorandums relating to the subject. The subcommittee requested that it be supplied with copies. The Department refused.<sup>6</sup>

Before the Advisory Committee was named and qualified, the program was proceeding under a different arrangement. As explained by Mr. Otepka:<sup>7</sup>

Mr. OTEPKA. The program provided for in this law, in the present law, was provided for in a previous statute and also pursuant to an executive directive.

Under this process the American National Theater Academy had a contract with the Department of State to engage in the selection of reputable performers, artists, and musicians, and performing arts groups, to represent U.S. culture abroad.

The contract with ANTA, I understand, would be terminated by the end of March and at that time it is expected that the Advisory Committee on the Arts and the Department of State will assume full management over all aspects of this performing arts program.

Secretary Rusk issued a press release March 7, 1963, which announced the selection of the first four of the 10 committeemen and gave a brief outline of the objectives.<sup>8</sup>

John F. Reilly, the Deputy Assistant Secretary of State for Security, while testifying May 22, 1963, was asked pointblank about efforts to skip preinvestigations in the case of the cultural affairs group. Mr. Reilly did not want to answer. At first his evasions rested on a broad refusal by the State Department to supply memorandums written by Otepka.<sup>9</sup>

Mr. SOURWINE. Let me turn to a new subject, Mr. Reilly.

Do you know whether it is true that, on or about June 19, 1962—Were you with the Department then?

Mr. REILLY. June 19, 1962, yes, I was.

Mr. SOURWINE. Whether it is true that, on or about that date, efforts were being made to circumvent the provisions of the law and to secure, without preinvestigation for security, appointment to the U.S. Advisory Commission on the Arts of, among others, Archibald MacLeish, Melvyn Douglas, Agnes DeMille, and George Seaton?

Mr. REILLY. Mr. Sourwine, I feel that the question comes within the area of topics covered in the Department's letter to the chairman, and for that reason I feel that under my instructions I could not get into that area.

Mr. SOURWINE. What specific instructions, sir?

Mr. REILLY. I am referring to Mr. Dutton's letter to Senator Eastland—

Mr. SOURWINE. No; I asked about instructions to you. What instructions to you would you violate if you answered this question?

Mr. REILLY. I take it that I am bound by the terms of this letter which—

Mr. SOURWINE. You think that letter is a denial, a refusal to answer a question as to whether efforts were being made within the State Department to circumvent the provisions of law? That's the question I asked you.

Mr. REILLY. It was the names that disturbed me, Mr. Sourwine.

(The letter from Mr. Dutton to Senator Eastland, referred to above, is as follows:)<sup>10</sup>

<sup>5</sup> Ibid., pt. 16, p. 1268.

<sup>6</sup> Ibid., pt. 16, p. 1271.

<sup>7</sup> Ibid., pt. 16, p. 1252.

<sup>8</sup> Ibid., pt. 16, pp. 1253-1254.

<sup>9</sup> Ibid., pt. 16, pp. 1261-1262.

<sup>10</sup> Ibid., pt. 16, p. 1271.

MARCH 20, 1963.

HON. JAMES O. EASTLAND,  
*Chairman, Committee on the Judiciary,*  
*U.S. Senate.*

DEAR MR. CHAIRMAN: I am informed that during the course of testimony before your committee by Mr. Otto Otepka of the Office of Security of the Department of State, requests were made by the committee counsel that the committee be furnished certain documents in the files of the Department. One of these documents is a confidential circular concerning Foreign Affairs Manual Circular 98-H of January 15, 1963. The other documents all relate to the U.S. Advisory Committee on the Arts and for the most part are internal memorandums from one officer of the Department to another containing the names of possible appointees to the committee and a discussion, from a security point of view, of these nominees.

The Department will furnish the committee a copy of the confidential circular concerning Foreign Affairs Manual Circular 98-H of January 15, 1963, and the memorandum relating to the substitution of the Advisory Committee on the Arts for ANTA. However, the Department regretfully cannot furnish the committee with the other memorandums requested, not only because these memorandums are internal working papers containing the advice of subordinate officers to their superiors, but also because they contain information relating to the security status of prospective employees of the Department of State and the President's directive of March 13, 1948, requires that such security information be kept confidential.

If I can be of further assistance, do not hesitate to let me know.

Sincerely yours,

FREDERICK G. DUTTON.

\* \* \* \* \*

Later, Mr. Reilly pinpointed this sentence from the Dutton letter that he regarded as his "instruction":

However, the Department regretfully cannot furnish the committee with the other memorandums requested.

As this colloquy continued, it was brought out by the Internal Security Subcommittee counsel that there was quite a difference between the requests for the Otepka memoranda and the much narrower question propounded to Mr. Reilly.

Mr. Reilly finally conceded there had been proposals for the use of waivers in the arts group appointments:<sup>11</sup>

MR. SOURWINE. \* \* \* All I am asking now is whether it is true that, on or about June 19, 1962, efforts were being made to circumvent the provisions of the law *in re* appointment, without preinvestigation for security, of these four named individuals. I am not asking you for names. These names are already in our record, and I repeated them again today. I am asking you if you know whether it is true that efforts were being made, on or about June 19, 1962, to circumvent the law and have these people appointed without preinvestigation for security?

MR. REILLY. What was being considered was, because of the desire to name a Committee (pauses).

MR. SOURWINE. Yes, sir?

MR. REILLY (resuming). — what was being considered was whether it would be possible to utilize the 90-day waiver provision for officers with respect to these. The decision within the Department was that we would not do it.

MR. SOURWINE. Yes, sir.

MR. REILLY. I don't mean to quibble with your choice of words. I did not view that as a concerted effort to circumvent the law.

MR. SOURWINE. Well, I didn't use the word "concerted" either.

MR. REILLY. Well, I am sorry; I am putting words in your mouth.

MR. SOURWINE. Now, you decided against doing it. That means you decided that it was not in accordance with the law; right?

MR. REILLY. Yes.

\* \* \* \* \*

<sup>11</sup> *Ibid.*, pt. 16. pp. 1262-1263.

Mr. Reilly explained how a suggestion for a waiver of security formalities could be generated by a higher official.<sup>12</sup>

Mr. SOURWINE. Now, there was someone who was trying to do it, wasn't there, trying to get it done? There was an effort made, or there were efforts made to get it done; isn't that right?

Mr. REILLY. It cannot be done unless the Office of Security does it.

Mr. SOURWINE. I know, but you didn't initiate it, did you?

Mr. REILLY. No.

Mr. SOURWINE. But when it came up to you, having been initiated by somebody else—

Mr. REILLY. All right. May I explain this?

Mr. SOURWINE. Of course.

Mr. REILLY. The fact that an Assistant Secretary comes to me and says, "I would like to have Mr. X on the rolls; it is quite urgent. Now, can we do this, that, or other," I do not because he is not a security expert. He does not necessarily know the provisions of various statutes of the Executive orders, and I wouldn't expect him to be familiar with the procedures of the Department of State. That's my problem.

I don't feel that he is asking me to circumvent the law. He is trying to explore with me a problem. "I am interested in using Mr. X in such a capacity. I would like to make the appointment. What can we do?"

Mr. SOURWINE. All right. Then what we differ about is the phrase "effort to circumvent the provisions of the law." We don't differ about the facts of what happened?

Mr. REILLY. Oh, no.

Mr. SOURWINE. All right.

Mr. Reilly ultimately conceded that as to "certain individuals" considered for the arts advisory group he had recommended that waivers be granted—but added that he was grateful he had been overruled by Mr. Orrick:<sup>13</sup>

Mr. SOURWINE. Were you the one that made the administrative decision that no individual be named to the Advisory Committee on the Arts except in full compliance with Executive Order 10450?

Mr. REILLY. Mr. Orrick made that decision.

Mr. SOURWINE. But you had recommended that he decide that way, had you not?

Mr. REILLY. I had recommended, on the basis of the information on name checks, and so forth, as to certain individuals, without naming those individuals, that waivers might be granted. I felt that it came within the purview of the law that Mr. Orrick, and bless him for it, turned it down.

#### MR. REILLY REFUSES INFORMATION

Though he was pressed for the information, Mr. Reilly refused to give specific answers about the Communist associations of the four named individuals. A segment of this portion of the record.<sup>14</sup>

Mr. SOURWINE. Are you aware, Mr. Reilly, that all four of those individuals I have named have had Communist associations?

Mr. REILLY. Once again, Mr. Sourwine, I feel that is the type of question that I would have to get instructions from my superiors as to whether or not I might answer within the framework of the intent of the March 20 letter.

Mr. SOURWINE. I don't know why you need to refer this back to the letter. You are a top security officer. You head the Office of Security. I was asking you about certain individuals whom I name, and asking you if you are aware that they have had Communist associations.

Now, you had no worry about admitting that you knew Dorothy Healey had a Communist association. What is the difference?

Mr. REILLY. I don't like branding people on a record.

Mr. SOURWINE. Well, you had no compunction about Dorothy Healey.

Mr. REILLY. I didn't say a thing about Dorothy Healey.

<sup>12</sup> Ibid., pt. 16, p. 1263.

<sup>13</sup> Ibid., pt. 16, p. 1268.

<sup>14</sup> Ibid., pt. 16, pp. 1263-1265.

Mr. SOURWINE. You know she is a Communist; I know she is a Communist.

Mr. REILLY. Yes. On the record, I never said——

Mr. SOURWINE. Is the difference that she has admitted it?

Mr. REILLY. That certainly is one difference; yes, of course.

Now, please don't misunderstand me, Mr. Sourwine. Let me say I am familiar with the record of all four individuals.

Mr. SOURWINE. Yes. But is there any reason you cannot admit that it is true that they have all had Communist associations?

Mr. REILLY. That is a judgment, and that is an evaluative judgment that has not formally been made as to all of these individuals.

Mr. SOURWINE. I am not asking for a formal judgment that has been made in the sense of an adjudication. I am asking for your opinion as a security officer.

Mr. REILLY. Well, let me answer: As a security officer I am familiar with the background of the four individuals you named, and there was information in there that I felt needed resolution.

Mr. SOURWINE. All right.

Isn't it true that the Communist associations of three of those individuals have never been satisfactorily explained from a security standpoint?

Mr. REILLY. I won't accept that as a true statement.

Mr. SOURWINE. Well, have the Communist associations of more than one of those four individuals been explained to your satisfaction?

Senator DODD. What troubles me is whether you are talking about the same thing. Does Mr. Reilly have the same information that you have, Mr. Sourwine? I actually don't know.

Mr. SOURWINE. I honestly don't know, either. Mr. Reilly has stated he is fully familiar with the security files of these individuals. I would suppose that means he is——

Mr. REILLY. I mean the files in the Department of State.

Mr. SOURWINE. Of course, I am not familiar with that file. I don't know what is in it.

Senator DODD. Off the record.

(Discussion off the record.)

Mr. SOURWINE. Mr. Reilly, you have said you are familiar with Department security files on these people. I am not. I do have information which leads me to make the statement, which I believe to be true, that there have been Communist associations in the cases of all four of these; that in one case, these associations have been satisfactorily explained; that in the other three cases they have not been satisfactorily explained.

Can you agree, from what you know about these people—not from any official action, but from your own judgment as a security officer—that this is the case?

Mr. REILLY. In at least one other of the cases you have mentioned, I believe there was additional information developed which did satisfactorily explain.

Now, I have not currently examined the remaining two files and therefore have no information as to whether or not there is additional information on those individuals which would explain any past association.

Mr. SOURWINE. All right.

#### OTEPKA TESTIMONY A CONTRAST

In contrast, the Otepka testimony on this subject was as follows: <sup>15</sup>

Mr. SOURWINE. To the best of your knowledge and information, Mr. Otepka, have all four of those named individuals had Communist associations in the past?

Mr. OTEPKA. Will you read off the four names, sir? I want to be sure.

Mr. SOURWINE. Archibald McLeish, Melvyn Douglas, Agnes DeMille, George Seaton.

Mr. OTEPKA. Yes.

Mr. SOURWINE. To your knowledge have the Communist associations of these four individuals ever been satisfactorily explained from a security standpoint?

Mr. OTEPKA. I would consider that in one case the association has been satisfactorily explained.

Mr. SOURWINE. And in the other three they have not. Is that correct?

Mr. OTEPKA. To my knowledge.

Mr. SOURWINE. Will you identify the case in which there has been a satisfactory explanation—obviously it is the one still under consideration and in which the information has been furnished.

Mr. OTEPKA. Yes, I don't mind identifying that name—George Seaton.

<sup>15</sup> Ibid., pt. 16, p. 1259.

There was full agreement by Mr. Otepka and Mr. Reilly, testifying separately, about there being no legal exemption from security checks for nominees for State Department posts for persons with cultural gifts or successes.

The Otepka segment: <sup>16</sup>

Mr. SOURWINE. Mr. Otepka, as a security officer, do you think that poets or artists or scientists or any one of them for that matter, or persons of any particular profession or calling are entitled to exemption from security rules and regulations and procedures just because of their calling or profession or cultural gifts?

Mr. OTEPKA. No, sir.

Mr. SOURWINE. Are any such persons for such reasons entitled to exemption from filling out Government information forms?

Mr. OTEPKA. No, sir.

Mr. SOURWINE. And that has been the administrative determination of the Department?

Mr. OTEPKA. That there are——

Mr. SOURWINE. That there are not to be any such exemptions?

Mr. OTEPKA. That is right.

The Reilly segment: <sup>17</sup>

Mr. SOURWINE.\*\*\* Mr. Reilly, as a security officer, do you think that poets or artists or scientists, or any one of them, or any of the other professions, or persons of any particular profession or calling, are entitled to exemption from security rules and regulations and procedures, just because of their calling or their profession or their cultural attainments?

Mr. REILLY. Most certainly not.

Mr. SOURWINE. Are any such persons, for any such reasons, entitled to exemption from filling out the Government forms in connection with this security?

Mr. REILLY. In my judgment, absolutely no. If the Secretary of State could fill out those forms, so could everyone else.

Perhaps there was a greater significance than appeared at first glance in the phrasing used by the U.S. Advisory Commission on International Education and Cultural Affairs, publicized in January 1963. The report described the record of the Advisory Committee as "a paradox of inspiring achievement on one hand and troublesome obstacles on the other." It appears the greatest obstacle may well have been Otepka's persuasive arguments for security compliance.

<sup>16</sup> Ibid., pt. 16, p. 1265.

<sup>17</sup> Ibid., pt. 16, p. 1266.

There was full agreement by Mr. Ochs and Mr. Kelly that  
some other, more direct, method of obtaining from the  
Department of Health Division data for persons with clinical  
cases of disease.

The following information was furnished by Mr. Kelly  
regarding the Department of Health Division's records  
concerning clinical cases of disease:

The Department of Health Division maintains a  
complete record of all clinical cases of disease  
reported to it by physicians and other health  
professionals.

The Department of Health Division also maintains  
a complete record of all deaths reported to it  
by physicians and other health professionals.  
The Department of Health Division also maintains  
a complete record of all marriages reported to it  
by the State Registrar of Vital Statistics.

It is noted that the Department of Health  
Division does not maintain a complete record of  
all marriages reported to it by the State  
Registrar of Vital Statistics. It is noted  
that the Department of Health Division does  
not maintain a complete record of all deaths  
reported to it by physicians and other health  
professionals.

Witnessed on 10/10/1967  
at New York, N.Y.

## THE CONTEST OVER THE OTEPKA REBUTTAL

High-level State Department officials waged a protracted contest—so determined as to make many wonder why—to suppress great chunks of what proved to be Part 20—the last—of the Otepka series publications of the subcommittee hearings on State Department security.

The argument over what the subcommittee should suppress or be allowed to print stalled release of Part 20 for months. This segment of the extensive hearings once had been intended as Part 10 of the series but as the contest persisted it was postponed, and again postponed, until it became the finale—but it was printed intact.

When this portion of the State Department security story is reread, after the publication issue was settled, subcommittee members wondered all the more.

What, for instance, was the compelling reason—if any—for avoiding the supposedly routine full investigation of candidates for appointment to high positions? Was there any excuse for indulging in shortcuts or waivers of rules for appointments when temporary arrangements were possible?

Such issues came to a climax over the appointment of an advisory group to aid the State Department in matters relating to the staffing of international organizations. The stated purpose was to permit the United States to compete with the Soviet Union in the matter of staffing.

A memorandum from Mr. Reilly to George M. Czayo, dated September 17, 1962, included this reference:<sup>1</sup>

Mr. Cleveland's memorandum (July 3, 1962) expressed his concern that posts available to the United States and to other non-Communist countries in the U.N. agencies be properly staffed in order to effectively combat Soviet subversive designs on those agencies.

There was a push for action. This led to a clash of opinions among State Department officials when Mr. Otepka recommended that questions in the files of any nominees be checked out before appointment. He opposed waivers.

Mr. Otepka knew that the appointment of an advisory group on staffing was a priority case, as were appointments in many other instances. But that posed no apparent problem since temporary, limited grants of security clearances were given—pending official appointment—prior to the early meetings of the ad hoc group. This system could have been continued until the requirements of full investigations were satisfied. There would have been no handicap to the work of the advisory group, assuming all were qualified for full clearances.

Mr. Otepka was willing to expedite some things but he wanted no blind-eye-sentry stuff in giving nominees access to classified data.

<sup>1</sup> State Department Security hearings, pt. 20, p. 1722.

Pressure for action on the international organization staffing problems built up, despite the fact that temporary, limited access arrangements had been made.<sup>2</sup>

The memorandums that began flying back and forth led up to Exhibit No. I as offered in the Otepka "comments on Reilly" as follows:<sup>3</sup>

## EXHIBIT No. I

DEPARTMENT OF STATE, REFERENCE SLIP, FEBRUARY 4, 1963

OFFICE OF THE DEPUTY ASSISTANT SECRETARY FOR SECURITY

Routing: Mr. Otepka.

Subject: Loyalty Investigation of U.S. Citizens Employed by International Organizations.

Would you look into this please and may I have your views by February 8?  
Attachment: Copy of MEMO FOR OIA—Mr. Hefner re subj dtd 1-27-63.  
From: John F. Reilly.

JANUARY 27, 1963.

Memorandum for: OIA—Mr. Hefner.

Subject: Loyalty Investigations of U.S. Citizens Employed by International Organizations.

It seems to me the subcommittee has made a sufficiently strong case for changing the policy on loyalty investigations, to justify our pushing right ahead with a recommendation for the change.

I take it that the essential change (to provide that non-professional employees, employees in P-1 slots, and person employed for less than two years, should be cleared on the basis of a check without full field investigation) could be accomplished through a change in the Executive Order without a change in the basic legislation involved. This would also be true of the other recommendation, that professional employees be cleared, with a full field investigation *after* they have been hired, could also be done by Executive Order, but I doubt if we would want to do this without full consultation on the Hill, notably with Senator Stennis.

You already have the original of a memorandum from the Legal Adviser. Would you please work with L in developing a recommendation to the Secretary, which should also be cleared with Mr. Orrick and Mr. Dutton?

IO—HARLAN CLEVELAND.

CC: Mr. Wallner  
Mr. Gardner  
Mr. Chayes  
Mr. Orrick  
Mr. Dutton

Mr. Otepka was willing to, and did, approve the grant of temporary permission for a consultant to see classified material for a particular meeting of the advisers, but he stood for a compliance with the law on permanent appointments and on open grants of access to classified data.

Despite some reports to the contrary, Mr. Otepka did not charge any of the advisory committee candidates with disloyalty. Nor did he reveal any "loyalty reports". When the nomination lists came to him, he checked the files and in some instances found unevaluated questions. He recommended that they be processed through the normal full investigation.<sup>4</sup>

<sup>2</sup> See paragraph marked by Mr. Otepka as "page 585" in pt. 20, pp. 1702-1703.

<sup>3</sup> Part 20, p. 1721.

<sup>4</sup> See pt. 20, p. 1703.

## MR. OTEPKA WAS IN THE WAY

Mr. Otepka stepped on some tender toes. There were prominent persons in the advisory committee nomination list. Mr. Otepka, therefore, was in the way of people in a hurry, those who didn't really believe in all the business of checking to see if there were unexplained sour notes in the score.<sup>5</sup>

He, obviously, was in the way of those who wanted immediate approval of the appointment of prominent persons. But Mr. Otepka couldn't understand why a prominent person should shy from a security check any more than a humble unknown.

Publication of the testimony and exhibits that wound up in Part 20 had been approved by the subcommittee. But there was delay and a reconsideration after Under Secretary of State George Ball, in a letter (labeled "Secret") to the subcommittee under the date of May 31, 1966, protested against the use of what he called "classified" documents.<sup>6</sup>

This stirred debate and delay but the State Department did not give up. An 11th-hour argument was filed with the subcommittee before it ordered publication of the entire volume "the objections of the Department of State to the contrary notwithstanding." This statement was included in the resolution adopted June 2, 1966,<sup>6</sup> stating that all of the testimony should be printed and made public without deletion. Senator Dodd, the subcommittee vice chairman, after extensive study of alternatives, joined with seven other members of the subcommittee who had approved the publication.<sup>6</sup> One member refrained from action for or against publication of the disputed material. There was no disagreement in the subcommittee over the right of Mr. Otepka to give, or the subcommittee to receive, the Otepka comments and exhibits that refuted and corrected the misstatements, half truths and lies in Mr. Reilly's testimony before the subcommittee.

The State Department's last formal effort to block publication of much of the testimony in Part 20 was signed by William J. Crockett, Deputy Under Secretary of State for Administration. It was dated August 23, 1966.<sup>6</sup> After repeating objections previously stated by Mr. Ball, he invoked the directive of former President Harry S. Truman regarding the secrecy of loyalty-security files.

(Neither Mr. Ball nor Mr. Crockett made any references to Presidential actions concerning *the need for* an effective security system in the State Department or about regulations for full investigation of the background or activities of persons proposed to be appointed to positions where they would have access to classified data.)

The Department apparently anticipated it would fail in its move to blot out the big sections of Mr. Otepka's rebuttal to Mr. Reilly for it sent up with the Crockett letter a listing of the security clearances which finally were given to these advisory committee nominees for whom Mr. Otepka had suggested full, routine investigations.

The State Department revealed the following clearance list on nominations to the Advisory Committee on the Staffing of International Organizations.<sup>7</sup>

<sup>5</sup> Ibid.

<sup>6</sup> See post-hearing correspondence, pt. 20, pp. VII, VIII, IX, X.

<sup>7</sup> See pt. 20, p. XI.

Name	Clearance status	Clearances recommended by—
BANCROFT, Harding	12/13/62—Conf. for Advisory Committee of Int. Org. Staffing. E.O. 10450 Cl. 1/7/64 5/17/66	E. Burkhardt—No signature. F. W. Traband. H. Grignon by F. Traband (MEK/CLB).
BRASFIELD, Karney	10/24/62	O. Otepka by C. Bock.
CORDIER, Andrew	7/25/62 through Secret for Advisory Com. of Int. Ord. 6/23/66	R. P. Levy. G. M. Gentile by F. Traband (JPP/CLB).
FINKELSTEIN, Lawrence	11/17/62	O. Otepka by F. Traband (NRD/AWM).
GROSS, Ernest	2/13/63	N. Doe by A. Moore (FWT).
LARSON, Arthur	9/11/62	O Otepka by C. Bock (MEKerr).
LINOWITZ, Sol	10/24/62	O. Otepka by C. Bock (CLBock).
POIS, Joseph	3/11/63	O. Otepka by R. Loughton (F. Gardner).
SHULMAN, Marshall D	6/15/65	G. M. Gentile by CLBock (ACDA has file).
	3/18/63 Advisory Com. of Int. Org. Staffing.	L. Hage-R. Loughton.
WILCOX, Francis O	9/4/62	O. Otepka by CLBock (NRDoe).

FWT—Frederick W. Traband.  
MEK—Margaret E. Kerr.  
CLB—Carl L. Bock.  
HGG—Henri G. Grignon.  
GMG—G. Marvin Gentile.

JPP—Jarvis P. Pentecost.  
NRD—Norman R. Doe.  
AWM—Albert W. Moore.  
ROL—Ray O. Loughton.

What Mr. Otepka actually said about the nominees to the advisory committee on staffing of international organizations is documented in his written comments on the Reilly testimony of May 21, 22, and 23, 1963.<sup>8</sup> There are various supporting exhibits.

The following is a paraphrased and abbreviated summary of a formal memorandum from Mr. Otepka to Mr. Reilly, dated September 10, 1962 (Exhibit No. I-f):<sup>9</sup>

In the instances of Francis O. Wilcox and Arthur Larson, Mr. Otepka found the investigative and clearance data to be adequate for full security clearances without further investigation.

More checks were recommended in the instances of the six others:<sup>10</sup>

Lawrence Finkelstein: No pertinent derogatory developed in the preliminary checking, but Mr. Finkelstein was a research employee of the Institute of Pacific Relations (1949–51) and a contributor to its publications. The Institute at the time was under investigation by the Internal Security Subcommittee. Mr. Otepka said that while IPR was not a Communist organization, the nominee's activities should bear scrutiny before, not after, his appointment.

Marshall D. Shulman: Emergency clearance was opposed and full investigation recommended for reasons indicated in Tab A—which was not revealed in documents supplied to the Internal Security Subcommittee.

Andrew Cordier: His SY (Office of Security) file together with the findings of the Internal Security Subcommittee (Bang-Jensen hearings) reflect "far too many unresolved matters which in the best interests of the Department should be clarified before his appointment. Dr. Cordier was executive assistant to U.N. Secretary General Dag Hammarskjold from 1957 to 1961. He was accused by Povl Bang-Jensen, Danish employee at the U.N., of "pro-Soviet views." The Dane charged that Dr. Cordier brought about his dismissal because

<sup>8</sup> See pt. 20, p. 1703 et seq.

<sup>9</sup> See Exhibit I-f, pt. 20, p. 1725.

<sup>10</sup> See Exhibit No. I, No. I-f, pt. 20, pp. 1721-1727.

he (Bang-Jensen) refused to turn over the names of Hungarian Freedom Fighters to where the Soviet Union would have access to them. Bang-Jensen later was found dead "under mysterious circumstances" in Central Park, New York City.

Mr. Belisle overruled Mr. Otepka and Mr. Reilly concurred. Mr. Cordier was granted full clearance.<sup>11</sup>

Ernest Gross: Mr. Otepka's check showed this nominee had not been investigated since 1953. In 1958 he became one of the legal advisers to Secretary General Hammarskjold and reportedly represented the U.N. chief in the Bang-Jensen matter. Bang-Jensen asserted in 1958 that Mr. Gross was friendly with Alger Hiss. Mr. Otepka recommended investigation to clarify these references.

Harding Bancroft: A former State Department employee, he left in 1953 to take an appointment in Geneva with the International Labor Organization. Another State Department position was considered in 1955. This came up for readjudication under the standard of Executive Order 10450 in connection with reemployment rights. Mr. Bancroft failed to exercise his rights. He had not had a security check since 1954. In view of the above the Otepka recommendation was for a supplementary investigation before reemployment.

In his general comments Mr. Otepka also said:

\* \* \* In the case of Bancroft, Otepka wrote a memorandum to Reilly expressing Otepka's concern about the fact that Loy Henderson had described Bancroft as pro-Soviet and also Otepka's concern that Bancroft long defended Alger Hiss and Bancroft relented (but not fully) only after Hiss had been sent to jail. Otepka indicated that he was clearing Bancroft with reservations, saying that the clearance was being granted based on Otepka's understanding from IO that these consultants dealt only with a limited number of classified documents which were described to Otepka as having no significant impact on the national security.

Sol Linowitz: No previous investigative data on him in the SY files. Mr. Otepka recommended investigation prior to appointment, in keeping with State Department procedures, unless it was determined that his services were "essential to the immediate needs" of the advisory committee.

It was by invitation by the Internal Security Subcommittee that Mr. Otepka supplied the self-written comments and documents to answer multiple errors in testimony by his superior officer, Mr. Reilly. This plan for a search for truth was set at a session August 12, 1963, with Senator Scott presiding. A segment of the hearing:<sup>12</sup>

Mr. SOURWINE. Mr. Otepka, are you aware that Mr. John Reilly, in his testimony before this committee, controverted many statements previously made by you when you testified?

Mr. OTEPKA. Yes; I was given to understand that he did.

Mr. SOURWINE. Did you have an opportunity to examine Mr. Reilly's testimony, the transcript of his testimony?

Mr. OTEPKA. Yes, sir.

Mr. SOURWINE. Did I furnish you with a copy of this testimony and ask you to prepare a memorandum of reply covering point by point all of those instances in which you felt Mr. Reilly's testimony was inaccurate or untrue?

Mr. OTEPKA. Yes, sir.

Mr. SOURWINE. Did you prepare such a memorandum?

Mr. OTEPKA. I did, sir.

Mr. SOURWINE. You prepared it yourself?

Mr. OTEPKA. Yes, sir; I did.

Mr. SOURWINE. Is this it?

Mr. OTEPKA. That is the memorandum I prepared.

<sup>11</sup> See Otepka comments, pt. 20, p. 1704.

<sup>12</sup> See pt. 20, pp. 1699-1700.

Mr. SOURWINE. That memorandum is accompanied by certain exhibits, Nos. 1 through 13?

Mr. OTEPKA. Yes, sir; which were intended to be used by me.

Mr. SOURWINE. The exhibits were furnished by you in connection with the memorandum for the records of this committee?

Mr. OTEPKA. The exhibits were intended to be used to refresh my recollection in connection with my forthcoming testimony before this committee of which I have previously been apprised.

Mr. SOURWINE. Mr. Otepka, are any of these exhibits classified?

Mr. OTEPKA. There is one exhibit which is—which bears a classification, but the classification was assigned to it only because it was—there was an accompanying document that was classified. However, that particular exhibit which I have there does not have the classified memorandum.

Mr. SOURWINE. Are you referring specifically to the exhibit No. 1f which deals—which consists of a memorandum to Mr. Reilly from you respecting emergency clearance of eight named individuals?

Mr. OTEPKA. Could you give me the date of that memorandum, sir?

Mr. SOURWINE. This one?

Mr. OTEPKA. Yes, sir.

Mr. SOURWINE. And you say that, although this memorandum has what appears to be a "secret" classification, it also has a marking that, upon removal of the attachments it will be considered "confidential" only.

Mr. OTEPKA. The marking on that document was placed there by me as a classifying officer. I am authorized to classify documents.

Mr. SOURWINE. Did you classify this document initially as "secret" with the attachments on it?

Mr. OTEPKA. That document is "secret" only with the attachments.

Mr. SOURWINE. But this was your classification?

Mr. OTEPKA. That was my classification.

Mr. SOURWINE. And with the attachments off it was no longer "secret"?

Mr. OTEPKA. That is correct.

Mr. SOURWINE. And you did not supply the attachments to the committee?

Mr. OTEPKA. No, sir.

Mr. SOURWINE. There is no reason why, then, all these exhibits should not go in our record along with this memorandum, is there?

Mr. OTEPKA. Based on my knowledge of the contradictions of Mr. Reilly in his testimony, I feel I am entitled to submit that material for the record.

Mr. SOURWINE. Mr. Chairman, I ask that all of this material may be ordered into the record at this point.

Senator SCOTT. Without objection it may be so received.

The first item in Mr. Otepka's written comments on Reilly testimony indicates how he was handicapped in his work by Mr. Reilly in the mere matter of not forwarding necessary material which he needed for making a requested report. It is a sample of the harassment to which he was subjected by Mr. Reilly and his eager aide, Mr. Belisle, among others:<sup>13</sup>

#### COMMENTS REGARDING TESTIMONY OF JOHN REILLY ON MAY 21, 22, AND 23, 1963

Testimony of May 21, 1963

*Pages\* 584-585 pencil mark 1 (ending with line 13)*

Otepka received from Reilly a note dated February 4, 1963,<sup>1</sup> with enclosure consisting *only* of a copy of a memorandum dated January 27, 1963, from IO<sup>2</sup> Harlan Cleveland addressed to OIA<sup>3</sup> Mr. Hefner.<sup>1</sup> Reilly's note to Otepka included *no report* of the Advisory Committee on International Organization Staffing. Since Otepka realized immediately that he did not have all the facts available on which he could prepare an intelligent appraisal of the proposal in the Cleveland

\*"Pages" cited throughout this document refer to typed transcripts of Reilly testimony before the Senate Internal Security Subcommittee.

<sup>1</sup> See Exhibit I at p. 1721.

<sup>2</sup> IO: Assistant Secretary for International Organization Affairs.

<sup>3</sup> OIA: Office of International Administration.

<sup>13</sup> See pt. 20, p. 1701.

memorandum of January 27, 1963, Otepka called Paul Byrnes in IO and asked him what additional information was available. Byrnes advised Otepka that a report was being drafted on which he, Byrnes, had already prepared comments. Otepka asked for and received from Byrnes the latter's own comments which, in general, coincided with Otepka's initial views. Otepka's views were based then only on the meager data available. Otepka sent a note February 8, 1963,<sup>1</sup> to Reilly and advised Reilly orally that SY<sup>4</sup> should oppose any attempt to eliminate full field investigation of UN personnel. Reilly did not, on this occasion nor thereafter, indicate to Otepka that he had known of or received a copy of the February 19, 1963, report of the Advisory Committee. The fact is that Otepka himself, after his discussion of February 8, 1963, with Reilly, obtained copies of the February 19, 1963, report from Byrnes. Otepka sent a copy of the February 19, 1963, report to Reilly under cover of Otepka's written comments prepared on March 18, 1963, for Reilly's signature.<sup>5</sup>

On several occasions after March 18, 1963, Otepka inquired orally of Reilly as to whether Reilly had had an opportunity to examine these comments and whether he would approve them. On such occasions Reilly gave Otepka the same answer: that he had not had the opportunity to review Otepka's draft comments. To this date, Reilly has not indicated to Otepka his approval or disapproval of Otepka's draft of March 18, 1963.

<sup>4</sup> SY: Office of Security.

<sup>5</sup> Typed note at bottom of page: "Copy given to Sourwine on May 23, 1963."

\* \* \* \* \*

Mr. Otepka also spoke of pressures for action in priority cases. This was included in a memorandum he had prepared for Mr. Reilly about Otepka proposals for improvements in the work of the Division of Evaluations.<sup>14</sup>

Mr. Otepka called it "constant, unyielding pressure on the Division to provide priority security clearances in selected cases to fill critical needs of various areas of the government." He said this was a deterrent to seeking changes in the organizational complement and to devoting time to training.

With some qualifying and disparaging remarks, Mr. Reilly, testifying May 23, 1963, agreed with this, in general. Some of his testimony goes like this:<sup>15</sup>

Mr. REILLY. No. In reading that, I took it then and I now take it to be an explanation on Mr. Otepka's part as to why he had not further trained some of the lower graded evaluators—

Mr. SOURWINE. I see.

Mr. REILLY (continuing). —because he has come to me on a number of occasions and stated, well, he was having difficulties with some of them. Some of them didn't know how to write well. This was time consuming.

Mr. SOURWINE. Well, he says that in this memo.

Mr. REILLY. Yes. And my response would be, "Otto, you are Chief of the Division of Evaluations. I look to you to train your men to administer your Division."

Mr. SOURWINE. Do you think that this language I have read is a reasonable excuse? Is he, in fact, "under constant unyielding pressure \* \* \* to provide priority security clearances in selected cases," and so forth?

Mr. REILLY. He is under pressures. Whether I would characterize them as "constant unyielding," I don't think I would say that it is that. But we do have requests.

Mr. SOURWINE. The problem does arise with some frequency?

Mr. REILLY. Oh, yes.

Mr. SOURWINE. There is usually a case or cases where there is pressure for priority handling?

Mr. REILLY. Yes.

Mr. SOURWINE. I know you mentioned this before. One of the things of which you were critical, in the way evaluations were handled, was that they didn't give enough attention to these priority cases.

Mr. REILLY. When it had been made clear to us that Mr. Ball needed a certain man if he could be cleared for a particular job, and that if the programing

<sup>14</sup> See pt. 20, p. 1671.

<sup>15</sup> See pt. 20, pp. 1671-1672.

the Under Secretary had in mind was to be carried out, he had to start by a certain date predictable in the future.

Mr. SOURWINE. I have a little trouble with this, not in understanding how a top-level executive wants a man when he wants him or when he needs him, but in understanding how, from a security standpoint, you can put a time limit on a clearance or fix a deadline for a security determination.

Mr. REILLY. Well, when a deadline is indicated, one, we endeavor to meet it if at all possible, but that doesn't mean in every case it is humanly possible to do it. We have to satisfy ourselves on the security side first.

\* \* \* \* \*

Mr. Reilly then said he had not had any problem with the Investigations Division over expedited cases.

Mr. SOURWINE. Your complaint was with Evaluations?

Mr. REILLY. Yes.

Mr. SOURWINE. And if I understand you correctly——

Mr. REILLY. No. I do want to say this, though: By and large they do meet deadlines. It takes prodding, but by and large—I don't want the record to reflect that I am saying they don't ever meet deadlines.

Mr. SOURWINE. I don't think you have ever said that.

Mr. REILLY. I just wanted to be sure.

Mr. SOURWINE. But I want the record to speak clearly: if I understand you correctly, you are saying that they do not make enough effort to meet deadlines. They don't give these priority cases adequate priority. Is that the substance of your dissatisfaction with them on that point?

Mr. REILLY. Well, frequently, instead of getting results, I will get a memorandum from Mr. Otepka pointing out all the other cases he has and the other problems. Well, if he spent the time that was devoted to writing that memorandum to me for the record was spent working on the case, we might have the case, if you follow me.

Subcommittee counsel asked for samples of such memorandums (agreeing in advance that the names should be deleted) but a State Department spokesman said, in a letter of February 18, 1965, to Chairman Eastland:

Mr. Reilly is no longer employed by the Department and the Department does not have knowledge of the memoranda Mr. Reilly referenced in his testimony.

Mr. Reilly indulged in a meaningless amount of dodging and attempted deception in replies to subcommittee questions.

One instance of this was related to the Otepka memorandum on security clearances for members of the Advisory Committee on Staffing of International Organizations:<sup>16</sup>

Mr. SOURWINE. Do you know whether the members of that Advisory Committee had any sort of clearance?

Mr. REILLY. Yes, they did. They had clearances as consultants for the particular purpose.

Mr. SOURWINE. Did they need access to classified information?

Mr. REILLY. It is my understanding that they did not.

Despite this statement, the record shows that they were granted limited access to classified data while still serving as consultants and before they were finally cleared and put on the official payroll. This was stated as a limited clearance of data.<sup>17</sup>

And again:<sup>18</sup>

Mr. SOURWINE. Did you have an opportunity in connection with the granting of these clearances to see the files on these men, the security files?

Mr. REILLY. I saw the files subsequent——

Mr. SOURWINE. To the clearance?

<sup>16</sup> See pt. 15, p. 1213.

<sup>17</sup> See pt. 20, pp. 1702-1703.

<sup>18</sup> See pt. 15, pp. 1213-1214.

Mr. REILLY. Right. But not prior because, under my instructions, where there is not deemed to be substantial derogatory information, the Office of Evaluations may grant clearances of this type.

Mr. SOURWINE. I see. And these clearances I take it from what you say, were granted by the Office of Evaluations.

Mr. REILLY. That is correct.

Mr. SOURWINE. The Division of Evaluations?

Mr. REILLY. Division of Evaluations, yes.

Mr. SOURWINE. Because in the judgment of that Division, is that what you are saying, there was no substantial derogatory information?

Mr. REILLY. That is correct, yes.

Mr. SOURWINE. When you saw them, did you consider that their records involved any unresolved security questions that you wanted more information about, or would have wanted more information about any of them before you acted?

Mr. REILLY. No. I was satisfied that these clearances had been granted within the framework of our rules.<sup>19</sup>

\* \* \* \* \*

Mr. Otepka denied the accuracy of this. In his comments on Reilly testimony he said as to the quotations *supra*:

Reilly's statement is not true. Otepka furnished Reilly with a comprehensive sketch of the background data at the very outset of the initial request from IO. Moreover Otepka prepared a memorandum addressed to the Executive Director, IO, in which Otepka detailed both the procedural problems involved as well as the substantive questions.

Mr. Belisle took this occasion to criticize Mr. Otepka for being "verbose" and to eliminate material dealing with the background of candidates.

The Otepka memorandum about the above continues:<sup>20</sup>

Belisle returned the memorandum to Otepka with a terse note saying Otepka's draft was verbose and that Otepka used "a hell of a lot of words." Belisle eliminated that part of Otepka's memorandum containing statements about the background of the individuals, and prepared his own memorandum to IO about the procedural problem, showing only himself (Belisle) as the drafting officer but using Otepka's almost identical words.

And again:

Mr. Reilly claimed that only one case (as to the IO advisory committee) had been brought to his attention (by Otepka or his staff). This is contradicted by Mr. Otepka in written comments on Reilly testimony.<sup>21</sup>

#### CREDIT GRABBING CAN BOOMERANG

There were other strange twists and turns in the squeeze play directed at Otto Otepka by the Reilly-Belisle team. Credit-grabbing and clumsy revision of Otepka recommendations were topped by a charge that Mr. Otepka had disavowed one of his own suggestions for improvement of security operations. He had not; his suggestion had been revised and distorted by his superiors until it no longer was his draft.<sup>22</sup>

Some dates are important in escaping from some of the obfuscations involved in this segment of the argument. For instance, Mr. Otepka was made chief of the Division of Evaluations in January of 1962. Mr. Reilly became head of the Office of Security in April, 1962. David Belisle went to State as Acting Deputy Assistant Secretary for Security (Reilly's deputy) in July, 1962.<sup>23</sup>

<sup>19</sup> See Otepka comments, pt. 20, p. 1703.

<sup>20</sup> Part. 20, p. 1703.

<sup>21</sup> Ibid.

<sup>22</sup> See pt. 20, p. 1709.

<sup>23</sup> See pt. 20, p. 1659.

Mr. Reilly, testifying May 21, 1963, made it clear that he preferred the advice of Mr. Belisle to that of Mr. Otepka and he added this, as to the latter:<sup>24</sup>

“\* \* \* Of course, when a man gives you advice and then testifies that he doesn't think certain changes made were sound, one has to wonder about the quality of the advice one is getting.

Mr. Reilly claimed that Mr. Otepka had not been asked to put his memorandum for improvements on his (Reilly's) desk; that he (Reilly) and Belisle had talked about these recommendations before his fall overseas trip but that Mr. Otepka had urged adoption of the recommendations.

He added:<sup>25</sup>

Mr. REILLY. We put three of these changes into effect because they were the ones that we had been considering, to see if they could be worked out.

Mr. SOURWINE. Maybe I missed——

Mr. REILLY. Then on the occasion of his first testimony here, he informed me, and you subsequently permitted me to see the transcript, he was complaining about the changes. Functions had been taken from SY/E and put elsewhere. And he did not think these were good changes.

The deception in the above Reilly statements did not stand up.

With his rebuttal testimony, Mr. Otepka presented documents showing that Mr. Reilly had indulged in half truths, mistakes in facts and in lies.

The use of the short form for reports on field investigations of job applicants affords a good example.

For the historical background on this:<sup>26</sup>

Back in 1960, long before the Reilly-Belisle team had arrived at the State Department, several officials, including Mr. Otepka, considered the use of a short form as a means of saving time and to cut down on a heavy backlog of investigative cases. It was to be limited to clerical personnel up to GS-4. It was to be used, also, only when no derogatory data turned up in the field investigations. It was to be used only on an emergency basis and was to be discontinued when the backlog of cases was eliminated.<sup>27</sup>

However, William O. Boswell, then director of the Office of Security, did not favor the plan, and it was put on ice.

Mr. Otepka revived the idea in 1962, when he was searching for means of improving security operations, and he discussed it with Mr. Reilly. He said, in reference to Reilly testimony:<sup>28</sup>

It is therefore untrue that Otepka put forward some recommendations which Mr. Reilly credits to himself and Belisle. This plagiarism, if any, is not Otepka's but Reilly's and Belisle's.

He listed the plan in his memorandum to Mr. Reilly, of October 29, 1962, and it is important to note that he limited its use to clerical personnel where full field investigations were entirely favorable.<sup>29</sup>

Not only did Mr. Reilly almost immediately order use of the short form plan—2 days after Mr. Otepka had put his recommendations on the Reilly desk—but he broadened it to apply to “all reports” of investigations which were favorable regardless of the grade or class

<sup>24</sup> See pt. 20, p. 1657.

<sup>25</sup> See pt. 20, pp. 1657-1658.

<sup>26</sup> See pt. 20, p. 1708.

<sup>27</sup> See June 15, 1960 memorandum, pt. 20, p. 1730.

<sup>28</sup> Part 20, p. 1708.

<sup>29</sup> Part 20, p. 1661.

of the position involved—a far cry from the limited plan in the Otepka recommendation.<sup>30</sup>

In his reply to this, Mr. Otepka protested the wide revisions and also noted that under the Reilly order investigators, rather than evaluators, would be left to decide if there was derogatory material in the field data.<sup>31</sup>

Mr. Otepka said:<sup>32</sup>

Upon receiving the Reilly memorandum of October 31, 1962, Otepka immediately made his views known to Reilly that short form reporting was inadvisable in the cases of any officer personnel for many reasons but in particular that it was imperative for evaluators and placement officers to know precisely what statements were made by witnesses. Also Otepka, more emphatically, told Reilly that he (Otepka) had not advocated the *evaluation* of any investigative reports by investigators (i.e. case supervisors). Otepka said he knew of no investigator (case supervisor) who had had any specialized experience on Communist activities and Otepka felt most investigators were ill equipped to identify witnesses with pro-Communist backgrounds in cases of officer applicants. Otepka said that the performance of evaluations by investigators was a practice contrary to all established sound concepts in effective personnel security administration. Reilly's thesis was that he trusted his investigators, that if an evaluator challenged a case, the evaluator could always ask the investigator to produce his notes, since Reilly's directive required the retention of notes for five years.

It is in this vein that Otepka—in response to questions of Committee Counsel perhaps—in effect, but not directly, “complained” about short form reports.

Answering other complaints by Mr. Reilly that he had contradicted his earlier proposals, Mr. Otepka commented:<sup>33</sup>

Regarding item 5, Otepka agreed (and still does) with the transfer of the function of *scheduling and control* of national agency checks to the file room and out of the Division of Evaluations. However, it was originally understood, after discussions held in the Office of Security incidental to the implementation of this transfer, that only the mechanical clerical function was being transferred. One clerk spent only 50 percent of her time on this function in the Division of Evaluations. The remainder was devoted to other clerical tasks. By a subsequent oral instruction—and contrary to Otepka's understanding—Belisle vested in the Records and Services Branch of the Executive Office the responsibility for issuing emergency security clearances to the Office of Personnel regarding clerical personnel. When asked by the Subcommittee to indicate what functions had been taken away from his Division, Otepka merely answered the question factually. He named the national agency check function among others. He lodged no complaint as charged by Reilly.

Concerning subparagraph 5(c), regarding the transfer of security violation matters to the Division of Domestic Operations, the Committee's record shows that Otepka did not complain to the Subcommittee about the change he had “recommended.” He merely identified for the Subcommittee, in response to its questions, a function which had been taken out from under his jurisdiction. Otepka did not intend his answer to be a complaint but a cold statement of an accomplished fact. Otepka was not asked by the Committee to explain whether or not he had approved of the transfer of the security violation function elsewhere. If the question had been asked, the answer would have been in the affirmative.

### CHARGE NO. 3 WEIRDLY TRUE

The extent to which an adversary proceeding can go—when you want to get rid of some subordinate—is seen in No. 3 of the charges thrown at Mr. Otepka. It was that, in violation of the directive of March 13, 1948, he gave Mr. Sourwine a copy of an investigative report concerning Joan Mae Fogltanz.

<sup>30</sup> Part 20, p. 1660.

<sup>31</sup> See testimony, pt. 20, pp. 1763-1764.

<sup>32</sup> See pt. 20, p. 1709.

<sup>33</sup> Part 20, pp. 1709-1710.

This is weirdly true, in a technical sense. The report on Joan Mae Fogltanz was included only as an example of the short form investigation report as against the traditional long form. And this report—used with names to document that it was factual, not theoretical—showed that the subject—Miss Fogltanz—passed all tests—was clear, clear, clear. But as it appears in solemn charge No. 3 it was a serious offense by Mr. Otepka.<sup>34</sup>

Mr. Reilly had lied about the short form in various ways, once taking credit for it, then saying that Mr. Otepka had criticized it, after having suggested it, when it was put into practice. Mr. Otepka showed this to be a combination of half truths, at best, as the excerpt *infra* illustrates.

In its zealous drive to get Otto Otepka out of the way, the State Department said, solemnly, in charge 3 of the formal accusations against its security officer, that in violation of the Presidential directive of March 13, 1948, he furnished to Mr. J. G. Sourwine (SISS general counsel) a copy of an investigative report dated May 27, 1960, concerning Joan Mae Fogltanz:<sup>35</sup>

(3) You have conducted yourself in a manner unbecoming an officer of the Department of State.

Specifically: You furnished a copy of an investigative report concerning a prospective employee of the Department to a person outside of the Department without authority and in violation of the Presidential Directive of March 13, 1948 (13 Fed. Reg. 1359).

This Directive provides:

“\* \* \* all reports, records, files relative to the loyalty of employees or prospective employees (including reports of such investigative agencies) shall be maintained in confidence, and shall not be transmitted or disclosed except where required in the efficient conduct of business.”

### PROMOTION TO OBSCURITY

The Otepka analysis of the Reilly testimony and the pertinent documents he supplied laid bare the reason why, in 1962, he suddenly had been chosen for an assignment to the National War College. The only possible conclusion that could be reached after reading the pertinent documents is that he was to be kicked upstairs in order to get him out of the way in the Office of Security.

There were words of praise about Mr. Otepka, about what a sacrifice it would be to the Bureau of Security and Consular Affairs for him to be taken away for the War College assignment, and so on.

But these words, perhaps made in sincerity by those who wrote the letters, became a matter of mockery by the casual, cool comment by Mr. Reilly that when Mr. Otepka finished his course at the War College that there would be no place for him in the security field in the State Department.<sup>36</sup>

So that was why Mr. Otepka declined the honor of the War College assignment. He saw through the deceptive words, the camouflage, the crafty ploy that didn't trap him.

Mr. Otepka wanted to stay in his chosen field, personnel security, so he said: “No, thanks.”

Rougher tactics followed, as the printed record will show: Reorganizations, shifts in assignments, the bugging of his office, his exclusion from his own files and, at last, when he challenged testimony by his

<sup>34</sup> See pt. 7, pp. 457-458.

<sup>35</sup> See pt. 7, p. 426.

<sup>36</sup> See pt. 20, pp. 1716-1717.

superior, Mr. Reilly, and supplied documents to prove his points, he was faced with ouster proceedings. All these are described in other chapters of this report.

Mr. Otepka's outline of the War College assignment ploy is neatly described by him in these paragraphs in his "Comments on Reilly":

(g) On May 3, 1962, the Deputy Assistant Secretary for Personnel, Herman Pollack, asked the Acting Administrator, Bureau of Security and Consular Affairs, for the release of Otepka for the purpose of permitting Otepka to attend the National War College. Pollack said:

"I know that the release of officers of such high caliber will require real sacrifice on the part of your bureau, but I am sure that temporary sacrifices must be made if we are to develop the kind of officers we need to meet the challenge ahead. By definition, the advanced career program exists only for those officers whom we can ill afford to spare, even temporarily."<sup>13</sup>

(h) By letter dated May 16, 1962, from John Ordway, Director of the Division of Personnel Operations, Otepka was advised of his selection for the National War College. The letter said:

"All selections were reviewed and approved by the Deputy Under Secretary for Administration. Selections were made on the basis of the relative superiority of the officer's performance and his estimated potential to assume the highest responsibilities for formulating, negotiating and otherwise executing U.S. foreign policy and for the management of our foreign affairs programs at home and abroad."<sup>14</sup>

(i) On June 1, 1962, Lt. Gen. Francis H. Griswold, Commandant of the National War College, wrote to Otepka, saying in part:

"Your selection testifies to your outstanding record and to your potential for increasingly important service within the Department of State.

"You are fortunate to have the opportunity, at this stage of your career, to set aside your normal duties for a ten month period and to use that time in exchanging your knowledge and ideas with equally capable members of the Armed Forces, several civilian agencies of our government, and our faculty."<sup>15</sup>

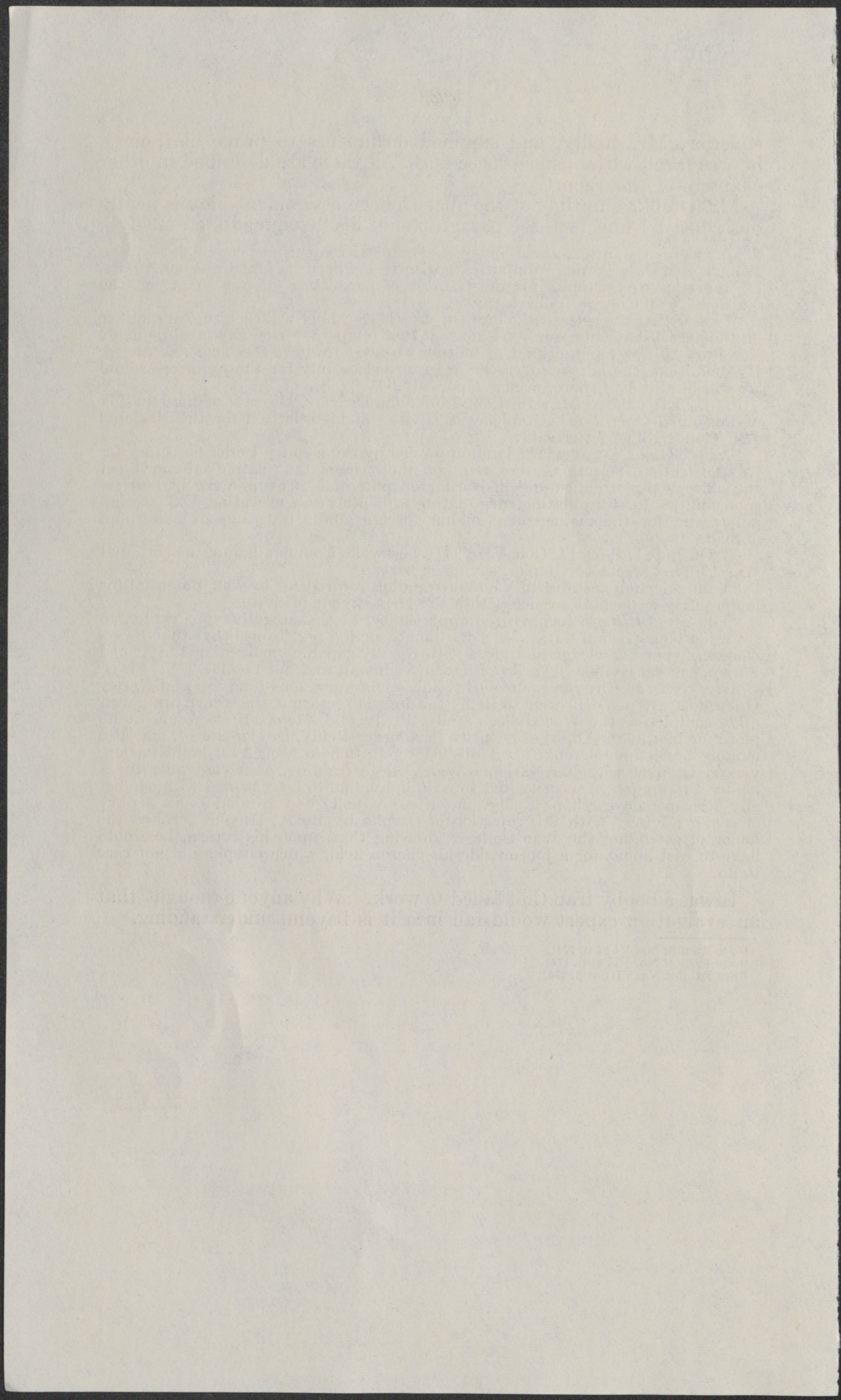
After receiving Ordway's and Griswold's communications (and especially after Griswold's) Otepka expressed to Reilly the desire to return to the security program upon completing the War College study. Reilly told Otepka there would be no place for him in the Office of Security. Evidently Reilly, looking ahead, and also looking back upon Otepka's established reputation in security administration, viewed Otepka, with his National War College training, as a contender for a higher ranking job in security and thus an individual to be reckoned with against any other person (perhaps Reilly himself) who Reilly had in mind as his deputy or senior adviser. With this rejection of Otepka by Reilly, Otepka declined the honor of attending the War College, knowing that, upon his return, he would have to cast about for a job outside his chosen field, which Otepka did not care to do.

It was a booby trap that failed to work. Why anyone thought that an evaluation expert would fall into it is beyond understanding.

<sup>13</sup> See Exhibit No. VI at p. 1741.

<sup>14</sup> See Exhibit No. VII at p. 1741.

<sup>15</sup> See Exhibit No. VIII at p. 1742.



## JOHN PATON DAVIES

The case of John Paton Davies was referred to during the testimony of John F. Reilly, Deputy Assistant Secretary for Security, Department of State on May 21, 1963.<sup>1</sup> Mr. Davies had been dismissed from the Department by then Secretary of State John Foster Dulles (under Executive Order 10450, on Nov. 5, 1954) on the ground of "lack of judgment, discretion, and reliability."<sup>2</sup>

After extensive hearings on the Institute of Pacific Relations, during 1951 and 1952, the subcommittee found that "John Paton Davies, Jr., testified falsely before the subcommittee in denying that he recommended the Central Intelligence Agency employ, utilize, and rely upon certain individuals having Communist associations and connections."<sup>3</sup>

Inquiry was made of Mr. Reilly as to whether efforts were being made to rehabilitate, or work toward the reinstatement of John Paton Davies. Mr. Reilly testified he had attended discussions about the possibility "such an individual" might be desired for employment by a consultant firm contracted by the State Department. Mr. Reilly also testified that a procedure is under consideration "whereby such a case would be processed through the Office of Security."<sup>4</sup> Mr. Reilly said work "is being done" on this matter in the Legal Adviser's office under Mr. Chayes.<sup>5</sup> Subsequently, Mr. Reilly admitted "There is no one else in similar case with John Paton Davies with respect to dismissal from the State Department." Mr. Reilly then admitted that the regulations were being rewritten in his case so as to remove the prohibition against reinstatement of a Foreign Service Officer who has been dismissed under security procedures "so as to permit an examination of this and an adjudication of this without prejudgment of what the outcome of such will be."<sup>6</sup>

In a letter to Senator Eastland, dated January 19, 1962, Secretary of State Dean Rusk had stated that "Mr. Davies' attorney had requested review of Mr. Davies' case in order to determine whether it would be possible under the provisions of Executive Order 10450 to effect such clearance of Mr. Davies on security grounds as would permit him to be employed by a contractor of the Federal Government whose employees might have access to security information."<sup>7</sup> Mr. Rusk stated in this letter that "John Paton Davies has made no request for reinstatement in the Department and his reemployment is not under consideration."<sup>8</sup>

As former Chief, Division of Evaluations, Department of State, Mr. Otto F. Otepka was asked [by Senator Scott] whether he knows

<sup>1</sup> State Department Security hearings, pt. 6, p. 333.

<sup>2</sup> New York Times, Nov. 6, 1954, pp. 1 and 8.

<sup>3</sup> Internal Security Subcommittee Report on the Institute of Pacific Relations, p. 224.

<sup>4</sup> State Department Security hearings, pt. 6, p. 334.

<sup>5</sup> Abram Chayes, former Legal Adviser to the Security of State, who resigned that position and accepted employment as a consultant to the Department.

<sup>6</sup> State Department Security hearings, pt. 6, p. 335.

<sup>7</sup> Ibid., p. 355.

<sup>8</sup> Ibid., p. 354.

"any other persons who were dismissed from the Department or resigned under a cloud whose reinstatement was now being sought." He answered, "Yes, sir," but the discussion of individual names was off the record except for the names of Raymond Ludden and "Mr. Clubb, former consul of Peiping," mentioned by Senator Scott.<sup>9</sup>

When Mr. Otepka's testimony was resumed on the record, it went like this:

Mr. SOURWINE. What can you tell us, Mr. Otepka, about moves to reinstate, or the reinstatement of John Paton Davies?

Mr. OTEPKA. Several months ago I had a reason for having a consultation in the office of the Legal Adviser. This discussion took place specifically in regard to an individual who had been removed as a security risk by the Department of State in 1952 and who was seeking restoration or vindication. It was found by the legal people that the Department of State security regulations prohibit the reemployment of any person who had been removed as a security risk, and I was informed by an individual in the legal office that consideration is being given to the revision of these regulations so that any person removed by the State Department as a security risk at any time may have recourse to reemployment or reinstatement.

In the course of that discussion, I was informed that one of the reasons for giving consideration to the revision of the regulations was to permit reconsideration to be given to the case of John Paton Davies.

Senator SCOTT. Now, is there any way by which this committee can ascertain the extent to which this change of procedure has progressed?

Mr. OTEPKA. I believe an inquiry could be sent to the Department, to the Office of Legal Adviser.

Senator SCOTT. Is there any individual who is engaged in the preparation of such a change of regulations, to your knowledge?

Mr. OTEPKA. Yes, sir.

Senator SCOTT. Who is that?

Mr. OTEPKA. Well, these were persons in subordinate jobs, and of course, I assume that they were doing as they were told.

Senator SCOTT. No. Well, then, never mind their names. But who were they working under? Who is their responsible superior?

Mr. OTEPKA. Mr. Abram Chayes, the Legal Adviser.<sup>10</sup>

<sup>9</sup> Ibid., p. 356. The "Mr. Clubb" referred to apparently is Edmund Oliver Clubb, who retired from the Foreign Service while under security investigation in February 1952.

<sup>10</sup> Ibid., pp. 356 and 357.

## JOHN STEWART SERVICE

John Stewart Service served in various capacities in the State Department, mostly in the Far East, from 1933 to December 14, 1951, when he was dismissed by Secretary of State Dean Acheson. He had been arrested with others (but not convicted) on charges of violating the Espionage Act in connection with the famous "Amerasia documents". He was absolved of espionage by the State Department and its Loyalty Security Board, the latter declaring, however, that there was a "reasonable doubt" of his loyalty. His status was restored by order of a Federal district court judge, to comply with a Supreme Court decision that his discharge was wrongful because the Secretary of State, in effectuating it, had violated his own regulations. Since that time, Service held assignments as special assistant in the office of the Deputy Assistant Secretary of State for Operations (July 9, 1957, to Feb. 8, 1959) and U.S. Consul General at Liverpool, England (Sept. 20, 1959, to May 1962).<sup>1</sup> He was permitted to retire honorably with a 12½-percent boost in his retirement annuity.<sup>2</sup>

Otto Otepka was made Deputy Director of the Office of Security in April 1957. During the 2 years immediately preceding November 17, 1961, according to his testimony, he was "assigned the responsibility for reviewing and readjudicating the case of John Stewart Service after Mr. Service had been restored to duty by an order of the Supreme Court." Otepka described his finding as follows:

My recommendation was that insofar as the security standards and principles were concerned, that I found that Mr. Service was not disloyal, that he was not a Communist, but that there were other factors relating to his judgment and conduct which I felt must be considered under the regulations pertaining to the performance and conduct of members of the Foreign Service of the United States. That is, as to whether or not Mr. Service in furnishing classified documents, which he admitted he furnished to an unauthorized person, did so with the intention of harming the United States or did so for other reasons. And this is why I had to make the differentiation. I felt that he was clearable on a security standard, but the other factors had to be adjudicated separately through the chain of command.<sup>3</sup>

Otepka told the subcommittee he had handled the evaluation of Service's original security case as well as the reevaluation of the case after Service's reinstatement in response to the Court order. Otepka's recommendation, which he said was specific to the effect that "the seriousness of the information which I found as a result of my review of the case merited its consideration by the Board of the Foreign Service and that it warranted adverse action against the employee", was overruled by higher authority.<sup>4</sup>

According to Otepka, Service denied having given classified documents to Mr. Jaffe, of the Amerasia magazine, maintaining that the documents he had transmitted were personal copies of documents

<sup>1</sup> State Department Biographic Register, 1960, p. 686.

<sup>2</sup> New York Times, July 4, 1957, p. 14.

<sup>3</sup> State Department Security hearings, pt. 2, p. 198.

<sup>4</sup> State Department Security hearings, pt. 6, p. 352.

he had prepared, which were not classified. Mr. Otepka gave his estimate of Service's maneuvers as follows:

\* \* \* the record which I examined indicated to me that he was using a dodge in attempting to show that there is a differentiation between documents which are record copies or those documents which he retains for his office files or personal files.

Having examined personally the documents in the Amerasia case, Otepka testified that many of them were "highly classified".<sup>5</sup>

The case of John Stewart Service became a matter of renewed subcommittee interest when it was learned that Service had recently been employed as librarian at the Center for Chinese Studies in the University of California at Berkeley and that important State Department officials appeared to have evidenced substantial interest in this appointment.

Robert L. Berry, Chief, Division of Investigations, Office of Security, Department of State, was questioned by the subcommittee on August 11, 1964. He gave negative answers to the following questions pertaining to Service:<sup>6</sup>

Has anyone ever asked you to assist Mr. Service to secure promotion or to get a job?

Have you ever done anything to help Mr. Service get a promotion or to get a job?

Are you aware of any concerted effort by any one or a number of State Department employees to help Mr. Service get a job?

Did you seek to help him secure appointment as a librarian for the Center for Chinese Studies at the University of California?

Did you recommend this appointment to Professor Schurmann in any way?

Do you know why an intelligence agency of the Government would be interested in securing appointment for Mr. Service at the Center for Chinese Studies in Berkeley?

Two days after this testimony by Berry, Mr. Allen S. Whiting, Director, Office for Research and Analysis for the Far East, Bureau of Intelligence and Research, was questioned relative to the Service appointment. Whiting testified that he had had a conversation at his home with Prof. Franz Schurmann, head of the Center for Chinese Studies at the University of California at Berkeley, and that this interview had been proposed through Robert L. Berry of the Security Office of the Department of State in the form of a memorandum transmitting a request from another agency.<sup>7</sup> This memorandum was, according to Whiting's testimony, classified as "Limited Official Use" (LOU)<sup>8</sup> by Mr. Berry. The man who gave the information to the Office of Security was identified by Whiting simply as "our special agent in charge at San Francisco, Calif." In view of Mr. Whiting's refusal on legal grounds to reveal the name of this individual, a formal request for the information was made to the Department of State.<sup>9</sup> Mr. Whiting testified that:

It was asserted that I knew Mr. Schurmann and Mr. Schurmann was in charge of the center and, therefore, I could find out details concerning the appointment from Mr. Schurmann.

Mr. Whiting was accompanied at the subcommittee hearing by Richard A. Frank as observer for the State Department. Frank

<sup>5</sup> State Department Security hearings, pt. 6, p. 352.

<sup>6</sup> State Department Security hearings, pt. 6, pp. 381-382.

<sup>7</sup> State Department Security hearings, pt. 6, pp. 392-397.

<sup>8</sup> LOU is not a classification, in the security sense, merely an administrative control.

<sup>9</sup> Under date of Mar. 12, 1965, Assistant Secretary of State Douglas MacArthur stated in a letter to the subcommittee that "As the Department has indicated before, the Department is unable to supply a memorandum relating to a personnel case \* \* \* since that memorandum is an internal working paper relating to a personnel case and involving communications from another agency." (State Department Security hearings, pt. 6, p. 396.)

admitted that he had briefed the witness, especially with regard to the "third agency rule".

In the beginning of his testimony, Mr. Whiting answered certain questions with a negative reply. We quote from the testimony some of these questions.

Do you know whether there is any group of individuals in the State Department who are collectively or severally interested or have been interested in securing employment for Mr. Service or securing disemployment for Mr. Service?

Do you know of any individuals in the State Department who have been separately interested in securing employment for Mr. Service or securing disemployment for him?

Has anyone ever asked you to assist Mr. Service to get a job or to get this job?

Have you ever done anything to help Mr. Service get a job or to get this job?

You, yourself, never participated in any way in an effort to get this particular job for Mr. Service?<sup>10</sup>

The next morning, Mr. Whiting said he called Mr. Berry and asked him to clarify the purpose of the memorandum. He was then informed by Mr. Berry that his sole function was to transmit the memorandum.<sup>11</sup>

Mr. Whiting was asked by the subcommittee to describe the matters dealt with in his interview with Professor Schurmann. He replied, "I asked what was the nature of his responsibilities, how these related to the function of the center, and to Mr. Service's career or diploma prospects at the center." He added, "In a discreet way I tried to ascertain what Professor Schurmann's personal views were with respect to this appointment."<sup>12</sup>

At this point, subcommittee counsel called attention to Whiting's earlier testimony<sup>13</sup> that he had no interest in and had made no inquiry with reference to the Service appointment.

After Whiting's interview with Schurmann, he reported in a written memorandum to Mr. Berry of the Office of Security.<sup>14</sup>

Mr. Robert Berry was recalled for testimony on August 17, 1964.<sup>15</sup> This time he remembered a number of items he had previously either denied or not recalled. He now remembered that there was a "memorandum received from our San Francisco field office, containing information from another Government agency \* \* \* in which they expressed some concern over the assignment of John Service as librarian at the—I believe it is the Institute of Chinese Studies at the University of California." He now recalled additional information about the "memorandum". He now testified that "it was not a memorandum from our San Francisco field office. It was a rough note that the assistant special agent in charge of the San Francisco office handed me in my office." Mr. Berry now identified the individual as Eugene Reynolds.<sup>16</sup>

He now recalled that he "took the information from that memorandum and put it on a transmittal memorandum and did address it to Allen S. Whiting in INR of the Department."<sup>17</sup>

Berry's revived memory now recalled that "the memorandum did indicate that he (Scalapino) was the one who recommended Mr. Serv-

<sup>10</sup> State Department Security hearings, pt. 6, p. 392.

<sup>11</sup> State Department Security hearings, pt. 6, p. 392.

<sup>12</sup> Ibid., p. 400.

<sup>13</sup> Ibid., p. 392.

<sup>14</sup> Ibid., p. 401.

<sup>15</sup> Ibid., p. 411.

<sup>16</sup> Ibid., pp. 413 and 418.

<sup>17</sup> Ibid., p. 413.

ice for that position.”<sup>18</sup> Robert Scalapino was known as a professor at the University of California at Berkeley.<sup>19</sup>

When asked whether “this rough draft that was handed to you by Mr. Reynolds involved a request or an implied request that Mr. Whiting should do something about this?” Mr. Berry replied, “Yes, sir.”<sup>20</sup>

When asked if the memorandum “called on him to do anything, requested him to do anything, or implied that he should do anything?” Mr. Berry replied, “That is right. It did imply that he should see Professor Schurmann.”<sup>21</sup>

Mr. Berry was then asked, “Was there any indication who wanted to know if Professor Schurmann was happy with the appointment of Mr. Service?” He answered, “I’m not so sure. I think the memorandum was indicating that he may not have been happy with it.”<sup>22</sup>

When subcommittee counsel pressed the question “who was it wanted to have Mr. Whiting check up?” Mr. Berry replied, “It was assumed the third agency was interested in looking into the matter.”<sup>23</sup>

Counsel then asked for a copy of Mr. Whiting’s memorandum. Mr. Berry raised formal objection. “This again,” he said, “is part of Mr. Service’s file. I believe that should be requested through the Secretary.” At this point counsel called attention to the fact that “Mr. Service is not an employee of the State Department” and hence does not fall under the categories covered by President Truman’s Executive order of 1947, which is limited to employees and applicants for employment. According to the July 21, 1964, memorandum from Whiting to Berry, which was produced and entered into the record, Mr. Whiting said that “At no time did Schurmann show the slightest reservation over this appointment.”<sup>24</sup>

While it seems clear that Mr. Robert L. Berry’s testimony was lacking in candor, and despite apparent conflicts between different portions of his testimony, it is not clear on the record that he gave deliberately false testimony. It is a matter of speculation how this might appear if the subcommittee had been able to get from the Department all the pertinent documents.

Whether Mr. Whiting’s dealings with the matter of Service’s appointment in the Institute for Chinese Studies either had, or were intended to have, any effect favorable to Service is not clearly established. Mr. Berry denied he had done anything to help Service get the job.<sup>25</sup>

He later testified that he was not aware of any concerted effort by any one or a number of State Department employees to help Service get a job. His subsequently admitted testimony respecting his collaboration with Eugene Reynolds and Allen S. Whiting is not directly contradictory, since this collaboration may or may not have involved an effort to secure Professor Schurmann’s approval of Mr. Service’s appointment to the Institute for Chinese Studies. Mr. Whiting’s memorandum, which might have cleared up this point, was denied to the subcommittee.

<sup>18</sup> Ibid., p. 414.

<sup>19</sup> Ibid., p. 402.

<sup>20</sup> Ibid., p. 414.

<sup>21</sup> Ibid., p. 414.

<sup>22</sup> Ibid., p. 414.

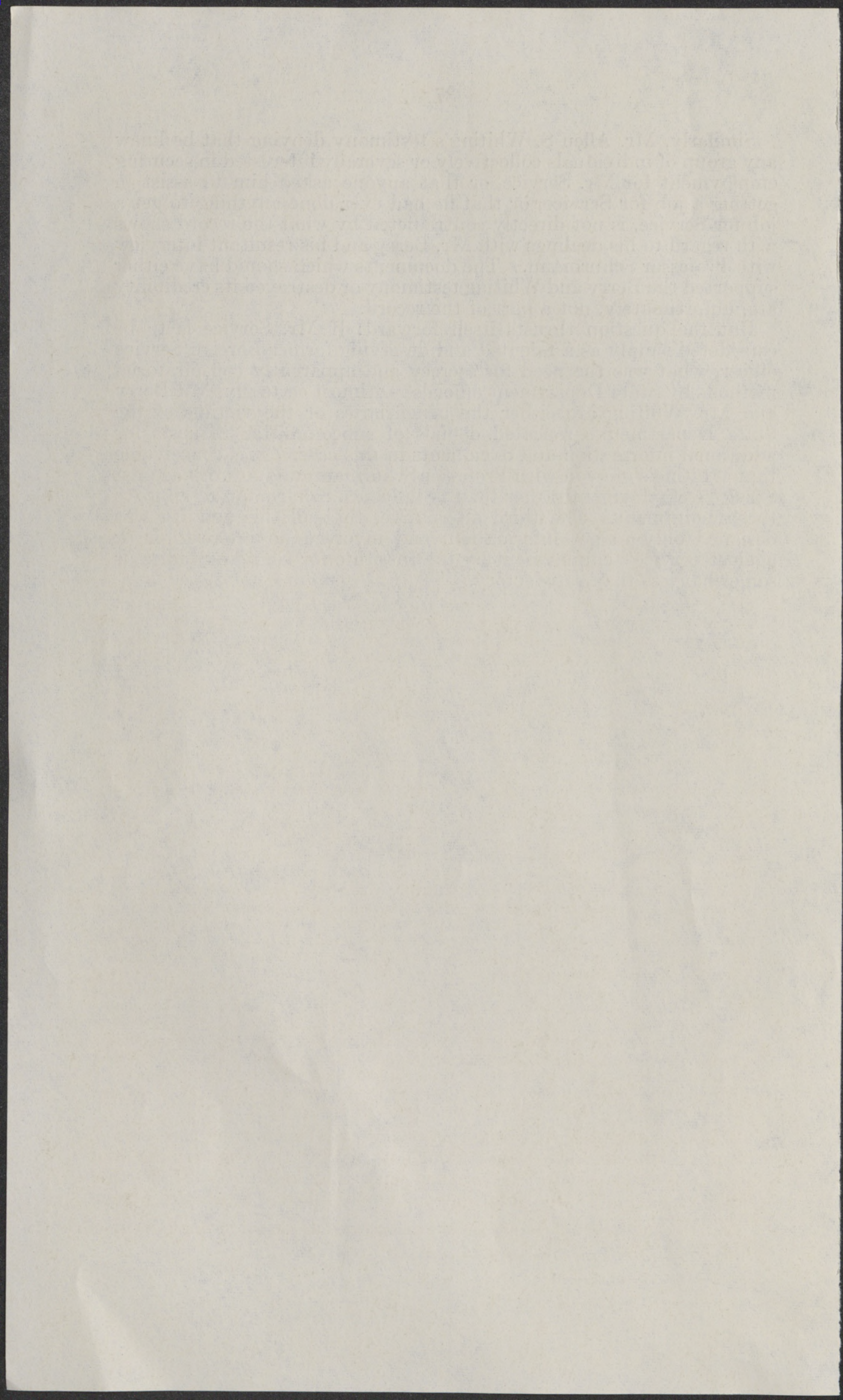
<sup>23</sup> Ibid., p. 415.

<sup>24</sup> State Department Security hearings, pt. 6, p. 417.

<sup>25</sup> State Department Security hearings, pt. 6, p. 381.

Similarly, Mr. Allen S. Whiting's testimony denying that he knew any group of individuals collectively or severally interested in securing employment for Mr. Service, or that anyone asked him to assist in getting a job for Service, or that he had ever done anything to get a job for Service, is not directly contradicted by what the record shows with regard to his dealings with Mr. Berry and his resultant interview with Professor Schurmann. The documents which should have either supported the Berry and Whiting testimony or destroyed its credibility are, unfortunately, not a part of the record.

But the question thrusts itself forward: If Mr. Service is to be considered simply as a talented and deserving former Foreign Service officer, what was the need for secrecy and apparently conspiratorial methods by State Department officials? Almost certainly, Mr. Berry and Mr. Whiting are either the beneficiaries or the victims of the State Department's repeated denials of subcommittee requests for additional information and documents in this case. It is conceivable that Whiting's mission with Professor Schurmann was to work against Service's employment rather than to influence Schurmann to approve the appointment. The third alternative, that all this activity was designed only to get information, and involved no interest for or against Service's employment by the Institute for Chinese Studies, is somewhat less than satisfactory.



## MICHAL GOLENIEWSKI

In April 1964, the Department of State began mailing out an unsigned statement dealing with certain aspects of the case of Michal Goleniewski. Full text of this statement follows.

DEPARTMENT OF STATE, APRIL 1964

In December 1958, the Department learned that Michal Goleniewski, a Polish intelligence agent, had accused an officer of the U.S. Embassy in Poland of cooperating with Polish and Russian intelligence services. Subsequently, Goleniewski also alleged that some other members of the Embassy staff had behaved in such a way as to make themselves potential victims of blackmail by Communist agents.

At the time of the original allegation the Polish agent was of unknown reliability. His information and motives were evaluated as quickly as possible.

While the evaluation was being made, the Ambassador in Warsaw inaugurated additional security measures in the Embassy designed to isolate the accused member of the staff from classified information.

Only in the single case noted above was there reason to believe that an officer of the Embassy staff may have been implicated in espionage. The individual was discharged, and action has been taken which will preclude his future employment in any position where a security clearance is required. Despite intensive investigation by Federal agencies there was insufficient legal evidence to support criminal proceedings against the suspected individual.

As a result of investigations, the Embassy Marine guards who were guilty of unacceptable conduct (but which in no case involved treason or espionage) were disciplined and returned to the United States.

In the case of the other civilian members of the Embassy accused by Goleniewski, investigations indicated that no espionage activities had taken place. However, the behavior of some of these employees was sufficiently questionable to warrant letters of reprimand which will seriously impair their future in the U.S. Government.

The executive branch of the Government has cooperated fully with the Senate Internal Security Subcommittee since that subcommittee served the first subpoena on Michal Goleniewski in August 1963. A second subpoena was served on Michal Goleniewski in early March 1964 through the assistance of the executive branch. Michal Goleniewski requested postponement of his appearance on both occasions for reasons of health, to which the subcommittee agreed. Currently he is under subpoena to appear before the subcommittee at an early date. At no time have there been efforts by any executive department or agency to quash the subpoena or to prevent Michal Goleniewski from testifying before the Senate Internal Security Subcommittee.

Congressman Leslie C. Arends made the following comment on the House floor: "I might add that the CIA Subcommittee, of which I am a member, went into every aspect of this case. I am personally satisfied that the publicized statements reported to come from Michal Goleniewski are not correct. The information as reported in the press is not in agreement with the information Goleniewski has made available to many departments of the Government."

Mr. Arends' full statement, which may be of interest, appears in the Congressional Record for March 26, 1964, on pages 6167-6169.<sup>1 2</sup>

This document is so worded as to indicate to someone receiving it from an official State Department source that the Department had serious doubts as to the authenticity and reliability of Michal Goleniewski and the information he supplied. Examples: Such

<sup>1</sup> Mr. Arends' full statement appears on pp. 6372 through 6373 of the permanently bound copy of the Congressional Record of Mar. 26, 1964.

<sup>2</sup> State Department Security hearings, pt. 10, pp. 622-623.

phrases as "Goleniewski also alleged;" the statement that "At the time of the original allegation the Polish agent was of unknown reliability;" the recital that Representative Arends was "personally satisfied that the publicized statements reported to come from Michal Goleniewski are not correct."

John R. Norpel, Jr., a former FBI agent, and more recently employed in the Bureau of Inter-American Affairs, Department of State, testified before the Senate Internal Security Subcommittee on July 24, 1964, giving his impression of Goleniewski's reliability.<sup>3</sup>

Mr. Norpel first became aware of this defector in late 1958 or early in 1959, and learned of his identity as Goleniewski in 1961.<sup>4</sup> Asked whether he knew "of any information ever furnished to the U.S. Government by Goleniewski which turned out to be untrue or inaccurate," this witness answered in the negative. He declared that information furnished by Goleniewski had checked out in substantial part. Mr. Norpel estimated that Goleniewski's reliability had been verified by U.S. security agencies by the early part of 1959.<sup>5</sup>

Of the Department's statement that "Only in the single case noted above was there reason to believe that an officer to the Embassy staff may have been implicated in espionage," this witness testified: "I would say it was not accurate. There were a number of others implicated in espionage."<sup>6</sup>

"In your judgment," Mr. Norpel was asked, "and from what you know of these cases, were persons allowed to continue in employment in our diplomatic service or in the Embassy in Warsaw who, on the basis of good security, should have been removed from these positions?" He answered in the affirmative and explained that he felt there is "grave doubt as to the security reliability of an individual already compromised." He noted that there was at least one and very likely two such cases in the Warsaw Embassy which had already been "brought to the surface by Goleniewski."<sup>7</sup>

In a memorandum accompanying his letter to Senator Eastland, dated March 10, 1964, and prepared for William J. Crockett by Ambassador Wilson Flake and Col. George W. French, the information supplied by Goleniewski is belittled and an attempt is made to pass the buck to Otto Otepka. We quote:

#### WARSAW SEX SCANDAL AND THE GOLENIEWSKI SPY RELEASES

There was a problem at the Warsaw Embassy which was brought to light in 1959. It was first revealed to the Department by the defector Goleniewski. A number of U.S. employees, including Marine guards, were implicated.

This case was brought to the Department's attention during a time when Mr. Otto F. Otepka was serving as Acting Director of the Office of Security. The case was subsequently controlled in large part by Mr. Otepka and his subordinates when Mr. Otepka was Deputy Director of the Office of Security and later when he served as Chief of Evaluations in the same Office.

Despite the fact that this case occurred some 4 years ago, the Department does attach importance to it and has asked Ambassador Wilson Flake (retired career Foreign Service officer) and Col. George W. French (recently retired Army intelligence officer), working closely with the Office of Security, to review carefully all aspects of the handling of this case, giving particular attention to the timeliness and sufficiency of interviews, additional investigations ordered, and the

<sup>3</sup> State Department Security hearings, pt. 10, pp. 620-629.

<sup>4</sup> Ibid., p. 621.

<sup>5</sup> Ibid., p. 624.

<sup>6</sup> Ibid., p. 625.

<sup>7</sup> Ibid., p. 628.

general effectiveness of dealing with all the issues and personnel involved, to insure the maximum protection of U.S. interests.<sup>8</sup>

Mr. Otepka protested against the inaccuracy of Mr. Crockett's statement in an analysis presented to the subcommittee, from which we quote in part:

In the summer of 1959 while I was Deputy Director and temporarily serving as Acting Director in the absence of my immediate chief, William O. Boswell, I was handed a highly classified document by representatives of another agency in the presence of the Acting Secretary of State. I was permitted to reveal the contents of this document only to Boswell, upon his return, and to the Deputy Administrator of the Bureau of Security and Consular Affairs, Boswell's immediate superior. I was instructed that the Office of Security should not take any action with respect to the principals (employees) named in the document without the express permission of the originating agency. The true identity of the source of the information was not revealed to me. I adhered to the agency's instructions scrupulously. On a subsequent occasion when I became concerned about one of the principals I personally contacted the originating agency and followed its advice.

\* \* \* \* \*

There were additional byproduct employee cases developed as the result of interviews conducted with the Marine Guards and I took the necessary action as soon as the information about the conduct of those employees was made available to me. I must emphasize that the disposition of the cases of the Marine Guards who were implicated was not within my jurisdiction. They were under the exclusive control of the Navy Department with the coordination of the originating agency.

If anyone in the Office of Security controlled a large part of the Goleniewski case, it was Mr. Boswell. By late 1960 he saw fit to divest me and other division chiefs of our personal involvement in matters normally within our operational jurisdiction, which he himself wished to control. For example, while I was still Deputy Director in September 1960, without consulting me and over the strong objections of the then Chief of the Division of Evaluations, he selected and assigned as Deputy Division Chief, Charles W. Lyons.<sup>9</sup>

\* \* \* \* \*

I did not learn the true identity of the source of the information given to me in 1959 and I did not associate the name Goleniewski with the source until August 1963, after my eviction from the Division of Evaluations. I obtained a copy of a private bill (a public document) sponsored by a Member of Congress to grant citizenship to Michal Goleniewski. The contents of the bill were sufficient in scope to reveal to me that he was the other agency's source of information.<sup>10</sup>

Certain newspapers have featured the story of Michal Goleniewski, or a version of it, in a series of sensational articles. Perhaps this may have induced Mr. Crockett to fasten responsibility for the case upon Otto Otepka. We present an excerpt from the testimony to illustrate:

MR. CROCKETT. \* \* \*

First, as to whether Mr. Otepka knew of the identity of Michal Goleniewski in 1959, it should be noted that in August 1959, Mr. Otepka was advised in detail on intelligence information furnished by a Polish intelligence officer who had defected from the Polish Intelligence Service. During this period the Polish defector was referred to either as "the Polish defector" or "source." This defector was not identified to the Office of Security as Michal Goleniewski until sometime after 1963.

Referring to Mr. Otepka's statements in 1961 at which time he testified that he knew of no Communists or subversives in the State Department, it must be assumed that he meant what he said, to wit, that he did not know of any Communists or subversives in the State Department as of that date. As to whether he discounted the information by the Polish defector, Mr. Otepka would be the best party to reply to this question.

<sup>8</sup> Ibid., p. 632.

<sup>9</sup> Ibid., p. 699.

<sup>10</sup> Ibid., p. 700.

Mr. SOURWINE. Do you realize that your memorandum does carry this implication?

Mr. CROCKETT. I realize this implication, but certainly Mr. Otepka in his responsibility when he received this information must have made this determination when he made his statement before your committee about Communists in the State Department.

Mr. SOURWINE. Your memorandum also asserts that Mr. Otepka controlled the cases of the employees identified by Goleniewski; is this true?

Mr. CROCKETT. Mr. Otepka, during this time, was employed as the Deputy Director of the Office of Security and in this capacity received knowledge of the information and allegations furnished by the defector. He was in a position to issue instructions that appropriate action be initiated on the information he had received.

Mr. SOURWINE. Is it not a fact that Otepka was not aware of the identity of the defector Goleniewski in 1955, and did not learn of it until the summer of 1963?

Mr. CROCKETT. Mr. Otepka could not have been aware of the identity of the Polish defector in 1955 since the information relative to this source first became available in 1958-59 period. As of August 1959 Mr. Otepka had detailed knowledge of the Polish intelligence defector and the information which was made available by this source. Whatever action could or should have been taken at that time would not be dependent on what the defector's name was.

Mr. SOURWINE. Is it not a fact that Otepka learned the full identity of this defector only as the result of a private bill for Goleniewski's citizenship which was presented to the Congress in August 1963, and the report on that bill made by another agency?

Mr. CROCKETT. Yes, sir; but whatever action might have been called for was in no way dependent on knowing the defector's name.

Mr. SOURWINE. Is it not true that when information respecting some of Goleniewski's disclosures, respecting the conduct of State Department employees, was furnished to the Department in 1959, there was a specific request that none of the employees involved were to be transferred or investigated by the Department until more information had been obtained by another agency and provided to the Department?

Mr. CROCKETT. There was not a complete prohibition on the investigative activities or precautionary security measures that could be undertaken by the Department of State based on the information furnished by the Polish defector. In 1959 the controlling agency explicitly requested the Department not to undertake any active investigation without the approval of that agency. Before 1961 the defector was "in place" which placed certain limitations on the dissemination and usefulness of the information furnished by the source. Later, after the source was no longer operating "in place," the controlling agency advised the State Department of his change in circumstances and requested that any investigative activity by State Department be coordinated with their agency.

Mr. SOURWINE. Is it not true that the information respecting the existence of the defector, and respecting what he had furnished in the way of information concerning certain State Department employees, was to be very closely held within the Department, and was in fact very closely restricted?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it not true that it was decided at the very highest level—an Acting Secretary in the Department—that the Office of Security would not proceed with respect to any of the cases involved in Goleniewski's disclosures except as later instructed and in accordance UB<sup>11</sup> or the KGB<sup>12</sup> learning of the existence of the defector and the fact that he was furnishing information?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it not true that the decision to permit two prime suspects, concerning whom Goleniewski had furnished information, and who at that time were employed in the Warsaw Embassy, to complete their then current tour of duty, was based on the judgment by the Ambassador that neither of them handled any substantial amount of sensitive data?

Mr. CROCKETT. Yes, sir; that is true.

Mr. SOURWINE. Were there any subsequent instructions to lift the ban against taking any action against the individuals named by Goleniewski?

Mr. CROCKETT. There was never a firm prohibition against action. The controlling agency requested at the outset that State would undertake no active investigation without the approval of that organization and later requested that any investigative activities be coordinated with that agency.

<sup>11</sup> Polish secret police.

<sup>12</sup> Soviet intelligence agency.

Mr. SOURWINE. Were any such instructions conveyed to Otepka or called to his attention?

Mr. CROCKETT. The files of the Office of Security indicate that Mr. Otepka had such information available to him.

Mr. SOURWINE. It is true, is it not, that the Marine Guards at the Warsaw Embassy who were involved by Goleniewski's disclosures were interviewed systematically, over an extended period of time, at Frankfurt, Germany, in a cooperative effort by the State Department and at least two other agencies.

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it not true that while the results of these investigations were made known to the Office of Security for information purposes, the responsibility for disciplining the Marine Guards or taking any other action rested with the Navy Department?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it not true that the Marine Guards, when interviewed, disclosed information concerning illicit relationships with Polish females by American civilian personnel at the Warsaw Embassy?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it true that one of the persons thus implicated was a code clerk, and that this individual was thereafter interviewed in Washington and allowed to resign from the Department?

Mr. CROCKETT. The resignation in this case was permitted in the light of the officer's misconduct and in no way reflected upon the officer's loyalty.

Mr. SOURWINE. Under the third agency rule, and on the basis of the Department's understanding concerning the action responsibility of an agency within the intelligence community which is the originator of intelligence information, was it not proper to presume that the cases of the two prime suspects had been referred to the FBI by the agency which originated the information from Goleniewski?

Mr. CROCKETT. Yes, sir; but under current policy, when information is received by the Department from another agency which would be of interest to the FBI, necessary action is taken by the Department of State to insure that the FBI has also received this same information.

Mr. SOURWINE. Is there any reason why any further action in these cases should have been generated by the State Department's Office of Security?

Mr. CROCKETT. Yes. Some of the information and allegations furnished by the defector and disclosures made during the interviews of the Marine Guard detachment reflected upon the suitability factors of persons assigned to the American Embassy in Warsaw. Appropriate investigative action has been taken in order to resolve the suitability implications of the reported circumstances.

Mr. SOURWINE. Are you aware that, in November 1960, Mr. Otepka was instructed by his superiors to undertake the performance of new duties which took him out of day-to-day operations of the Office of Security, and consequently detached him from the cases mentioned by the Polish defector?

Mr. CROCKETT. It is my understanding that as of April 7, 1957, Mr. Otepka was assigned to the position as Deputy Director, Office of Security, and remained in this position until January 21, 1962 and that, during this period on various occasions, was, in an acting capacity, the Director of the Office of Security. In these capacities and, having the knowledge of the allegations made by the Polish defector, he was in a position to direct investigations on such allegations. In the event that there was any disagreement on the handling or on the action taken in these cases, Mr. Otepka had various channels to the higher echelons of authority in the Bureau of Security and Consular Affairs as well as other departmental officers to effect a resolution on the handling and investigation of the material supplied by the Polish defector.

Even after Mr. Otepka was reassigned from the position of Deputy Director of the Office of Security to the position of Chief, Division of Evaluation, he continued to be in a position to direct further investigation of all personnel whose names appeared in the Polish allegations.

Mr. SOURWINE. Do you know who was given specific responsibility for following these cases after Mr. Otepka received his new assignment?

Mr. CROCKETT. I am not aware of the delegation of this responsibility for these cases within the operational levels of the Office of Security. However, I have been advised that there is evidence that a number of these cases were reviewed and acted upon by subordinates of Mr. Otepka.

Mr. SOURWINE. Did you know that these cases had been made the specific responsibility of a person other than Otepka, in November of 1960?

Mr. CROCKETT. No, sir.

Mr. SOURWINE. Did you know that, soon after November of 1960, although these cases were no longer Otepka's responsibility, Otepka learned that the key suspect had returned to the United States, and that he immediately sought and received permission from the originating agency to report the information about this individual to the security officer of his employing agency, the individual not being at the time an employee of the Department of State?

Mr. CROCKETT. I am advised that such is the case and cite this as an example of Mr. Otepka's knowledge of the Warsaw events and it further demonstrates that he was in a position to take supervisory action on these matters within the Office of Security.

Mr. SOURWINE. Are you aware that because of Mr. Otepka's other assigned duties he could not maintain control over this or any other case disclosed by the then unknown defector without abrogating the wishes of his immediate superior?

Mr. CROCKETT. I am not aware of such a specific limitation being placed upon Mr. Otepka's responsibility either in his capacity as Deputy Director, Office of Security, Acting Director, Office of Security, or as Chief, Division of Evaluations. As incumbent at various times in all of these positions he occupied a position of knowledge and authority as well as a point from which he could have given direct orders to subordinates or taken other action to resolve the Warsaw cases. In the event of possible disagreement he was in a position to seek consultation from appropriate higher echelons in the Department on the handling of this matter.

Mr. SOURWINE. Are you aware it is inaccurate to state that Otepka at any time had "control" over any of the cases involving disclosures by the Polish defector, either directly or through his subordinates?

Mr. CROCKETT. It may be apropos to define the term "control." However, it is not incorrect to state that Mr. Otepka had knowledge of these cases and having this knowledge, as well as a position of high responsibility in the Office of Security, he obviously had a legitimate interest and duty to assure that these important allegations were expeditiously resolved.<sup>13</sup>

The argument implied by Mr. Crockett's quoted testimony (that despite restrictions placed on Otepka as a result of orders from his superiors it was Otepka, and not his superiors, who was at fault in connection with what Mr. Crockett appears to regard as a failure to take adequate action on the basis of Goleniewski's reports) impressed the subcommittee as neither realistic nor convincing. The subcommittee took into account the fact that most of Mr. Crockett's answers, quoted above, were written after he had had months of opportunity to study the questions.

<sup>13</sup> Ibid., pp. 701-704.

## SECURITY EVALUATIONS COERCED

In testimony before this subcommittee during the past 4 years, State Department officials have indicated that great reliance is placed on the judgment of Department security evaluators. But other testimony has revealed that in actual practice, State Department officials have exercised coercion and sheer authority to alter or influence the decisions of evaluators. This is bad security practice wherever it occurs.

John F. Reilly, Deputy Assistant Secretary for Security, gave evidence about this practice during his testimony on April 30, 1963.<sup>1</sup> While agreeing to the premise that evaluation reports should be accepted as true when submitted by the evaluator, Mr. Reilly admitted that on occasion he has returned security reports to the evaluator "asking" that the report be "re-examined" in view of his comments. He said he had done this "two or three times a month."<sup>2</sup> Mr. Reilly further admitted that in certain instances "my suggestions become their judgment."<sup>3</sup> Since he also admitted that in some cases his "suggestions" were directed orally to the evaluator, it appears that in some cases, at least, no record was made to indicate responsibility for changes in evaluation reports.

Mr. REILLY. But, now, with respect to FBI agents, the one particular group with which I am most familiar from years of experience, every one of their reports and their memorandums to the Department of Justice states that they are merely reporting facts, they are not drawing conclusions from them. That is for the Department of Justice to do, they are to submit a given set of facts, sufficient evidence to warrant prosecution under a given statute, so they are not sitting in judgment.<sup>4</sup>

Mr. SOURWINE. That would, applying it to a security report, be a security evaluation—you would apply it to that?

Mr. REILLY. Yes.

Mr. SOURWINE. Such a report should be as objective as possible?

Mr. REILLY. Yes, sir.

Mr. SOURWINE. And the person making that report should weigh the facts and apply security standards?

Mr. REILLY. Yes, sir.

Mr. SOURWINE. And it is part of his expertise to know what weight to give?

Mr. REILLY. That is correct.

Mr. SOURWINE. And so as a matter of fact his security report when it has been evaluated; that is, the evaluation report, after it has been signed by the responsible official, should be accepted as true and—

Mr. REILLY. Yes.

Mr. SOURWINE. And you could not change an evaluation report after it has been signed and accepted?

Mr. REILLY. Well, if upon my own—if upon my own personal review of a file I found that there are facts which, perhaps through oversight, are not stated in their proper posture, oh, yes, I could write a memorandum.

Mr. SOURWINE. You could write a memorandum and disagree and add facts and say anything you want to and sign it and then it goes up with that memorandum covering it, but you could not change the evaluation report when signed by a responsible authority, could you?

<sup>1</sup> State Department Security hearings, pt. 1, pp. 14-17.

<sup>2</sup> State Department Security hearings, pt. 1, p. 15.

<sup>3</sup> State Department Security hearings, pt. 1, p. 16.

<sup>4</sup> State Department Security hearings, pt. 1, pp. 14-16.

Mr. REILLY. I can send it back to the Evaluations Division, this is what I would normally do, and do do, send it back to them with my comments, asking them to reexamine it in the light of my comments.

Mr. SOURWINE. And do you ask them to change the conclusions or take any facts out, take any statements out?

Mr. REILLY. I can ask them to consider, reconsider and if in reconsidering it they then hold to their original opinion, then my report—I write my own memorandum with my own conclusions and send it forward.

Mr. SOURWINE. But you have done this, you have asked reports be changed, that matters be taken out or added on evaluation reports?

Mr. REILLY. Yes. I simply—when I look at a case, a particular one, I read it and as I read it, and if, I say, feel it should be, I ask, “Would you have this re-examined to see if perhaps the evaluator has not given proper weight to this?”

Mr. SOURWINE. You have actually done that?

Mr. REILLY. Oh, yes.

Mr. SOURWINE. In how many cases?

Mr. REILLY. I don't keep statistics on that sort of thing, Mr. Sourwine, but—

Mr. SOURWINE. Half a dozen?

Mr. REILLY. Oh, maybe two or three times a month.

Mr. SOURWINE. Two or three times a month you take a case back and ask something be changed?

Mr. REILLY. Yes.

Mr. SOURWINE. Is it always changed?

Mr. REILLY. Not always. These are things where honest men may disagree—matters of weight. And they may disagree in good faith.

Mr. SOURWINE. And you do that orally? You don't do it in writing? You don't give them a memorandum to sign or initial?

Mr. REILLY. I would write it on a buck slip. What I quite frequently do, to save time, is to write it on the document, write it in black pen across the face of the document submitted to me for my comments.

Mr. SOURWINE. Well, that gets lost, doesn't it, if the document is changed, that memorandum is not a part of the permanent record, if the evaluation report is, in fact, changed?

Mr. REILLY. No, anything that—any of my comments remain in the file, whether they are on a buck slip or not.

Mr. SOURWINE. They would remain in the file but they wouldn't remain in the evaluation report that went upstairs?

Mr. REILLY. Oh, yes, they would, sir.

Mr. SOURWINE. Would they?

Mr. REILLY. Yes.

Mr. SOURWINE. Even when you send that in on a buck slip, as you say?

Mr. REILLY. Yes, sir.

Mr. SOURWINE. You always do it in writing, never orally?

Mr. REILLY. I have done it orally; yes.

Mr. SOURWINE. Do you think, Mr. Reilly, that it is good security procedure to ask for changes or alterations, or to make criticisms of an evaluation report orally or in any such way that your responsibility for the change or criticism is not shown in the file record, in which it could be found?

Mr. REILLY. But these are noncontroversial changes, where, for example, an evaluator has simply overlooked the fact—and this can happen—or if, in my feeling, the evaluator did not logically set forth his facts—I am not trying to be personally critical of that man. And if I write a man, criticizing his style, and so forth, this can reflect on that person as an individual, which I prefer not to do. That is the way I justify it.

Mr. SOURWINE. I am not thinking of the evaluator. I am thinking of the person whose security status is involved. I thought that such a person was entitled to every consideration and that everything in his case is made a matter of record, from the evaluation report on up and that every official had to sign and state reasons for his action, whatever action he took, whether he concurred or disapproved. Isn't that right?

Mr. REILLY. When a case has passed my office; yes, sir, that is a fact.

Mr. SOURWINE. But you say that you can send it back for changes and you need not make a record of the fact that you requested the changes?

Mr. REILLY. If there is no controversy between the Division of Evaluations and me with respect to suggested changes, then my suggestions become their judgment.

Mr. SOURWINE. Well, I can understand this, since you are the chief. You are the Deputy Assistant Secretary of State and you are certainly functioning as

chief of the Office of Security; and your suggestions would carry, shall we say, great weight with any of your subordinates within that Office; would they not?

Mr. REILLY. I would hope they do.

Mr. SOURWINE. And a man would have to be most recalcitrant to resist a suggestion you made?

Mr. REILLY. Oh, no, no, no. It is clearly understood that we operate in an atmosphere of intellectual honesty, and if my subordinates feel that they disagree with me—I am an attorney and I understand—they should disagree with me.

Mr. SOURWINE. And when you send a report back and you tell them that they have overlooked some facts or you want it rewritten or changed somehow, you feel that he should be perfectly free to argue about it?

Mr. REILLY. To point out to me where he believes he is correct; yes, sir.

Mr. SOURWINE. Did you ever have any of them argue with you about it?

Mr. REILLY. I have, sir, and I respect them for it. These are important matters.

#### QUESTION OF EXPERIENCE EXAMINED

Mr. Reilly has made it clear to this subcommittee that when he first returned security reports to be "re-examined" he had no previous experience in security evaluations. Yet, he sought to persuade professional evaluators to "re-examine" their decisions in view of his own comment.<sup>5</sup>

Mr. SOURWINE. You would consider the law applicable, and the laws of evidence, and the rules of the court, and the policies of the Department.

Now, an evaluator has to have in mind all of the facts, all of the factors which affect security. Do you think you have the background?

Mr. REILLY. I think I am acquiring——

Mr. SOURWINE. As an evaluator, a security evaluator?

Mr. REILLY. I think I am rapidly acquiring it. After all——

Mr. SOURWINE. Did you have it when you came to the State Department?

Mr. REILLY. No, sir; admittedly I did not.

Mr. SOURWINE. Did you have it the first time you sent a security report back to be changed?

Mr. REILLY. I was just acquiring it at that time.

Mr. SOURWINE. So it was in-job training, in-service training.

\* \* \* \* \*

There is no doubt that any official, no matter what agency or business, has a great deal of influence, coercive or otherwise, over his subordinates. The distinction between a "suggestion" and a demand is hard to determine where administrative bureaucracy exists.

Where the exercise of sheer authority is used to change the report of an evaluator without his consent, a serious violation of sound security practice occurs. Testimony adduced by the subcommittee uncovered such an occurrence.

Harry M. Hite, an evaluator in the Division of Evaluations, testified on March 5, 1964, that, on one occasion, changes were made in his evaluation by a superior officer, Mr. David Belisle.<sup>6</sup>

Mr. HITE. This occurred in October of last year. I had evaluated a Presidential case which went forward through my supervisor, Mr. Loughton, and from Mr. Loughton it went to Mr. Belisle. Apparently Mr. Belisle disagreed with my evaluation of that particular case and changed it.

I say "apparently" because I was not aware of the changes that were made on that case until a month later when my supervisor called it to my attention.

Mr. SOURWINE. You say he changed it?

Mr. HITE. Yes, sir.

Mr. SOURWINE. Your findings?

Mr. HITE. Yes, sir.

Mr. SOURWINE. You don't mean he entered in the file a notation of his disagreement with you; you mean he physically changed what you had written?

<sup>5</sup> State Department Security hearings, pt. 1, p. 17.

<sup>6</sup> State Department Security hearings, pt. 11, p. 773.

Mr. HITE. Yes, sir.

Mr. SOURWINE. Underneath which appears your signature.

Mr. HITE. Yes, sir.

Mr. SOURWINE. So that the change appears, then, over your signature?

Mr. HITE. Yes, sir.

Mr. SOURWINE. And thus it is a matter for which you on the record would be responsible?

Mr. HITE. Yes, sir.

Mr. SOURWINE. Were there any other changes?

Mr. HITE. Well, he deleted part of my evaluation, my conclusions on the case.

With respect to the effect of this deletion, the testimony was as follows:<sup>7</sup>

Mr. SOURWINE. What was the effect of the deletion; to make the case better or worse, to make the finding more or less favorable?

Mr. HITE. It made the finding more favorable.

Mr. SOURWINE. For the individual?

Mr. HITE. For the individual.

Mr. SOURWINE. Now, this is not in accordance with established procedure, is it?

Mr. HITE. No, sir; definitely not.

Mr. SOURWINE. Is it the general practice in a security case that, where there is disagreement by a superior, he notes his disagreement?

Mr. HITE. Yes, sir.

Mr. SOURWINE. And everybody who reaches a conclusion and puts it down is responsible for it and that conclusion is supposed to remain in the file?

Mr. HITE. Yes, sir.

To alter the decision of an evaluator without his knowledge or consent constitutes an injustice to the evaluator, as well as a breach of proper security practices. It devalues the professional competence of the evaluator, leaves decision to the bias of a central authority, and opens the door to political profiteering.

<sup>7</sup> State Department Security hearings, pt. 11, p. 774.

## WORRY OVER IMPOUNDED FILES

Grave concern was voiced by Mr. Otepka over the safety—the possible dissemination or destruction—of the contents of 14 of his file cabinets that were impounded by his bosses when he was ousted from the Office of Security.<sup>1</sup>

Included in these files were documented studies on the infiltration of the State Department by Communists and subversives.

Mr. Otepka expressed fears that these files, on which he put a high value, might be destroyed. It was not an idle fear for he had knowledge of earlier misadventures or deliberate carelessness that resulted in similar fates for other security information.

Mr. Otepka also made the point that while the central file room at SY might contain files on all present and former Department personnel, the special value of the impounded material was that scattered details had been assembled into compact studies. His suggested warning was that if these studies were burned, or buried in the files, the compilation job never again would be done.<sup>2</sup>

Selected segments of Otepka testimony of August 16, 1963, pertinent to this subject, are printed hereafter.

Mr. SOURWINE. Now, what were the contents of these cases, these file cases?

Mr. OTEPKA. This material consists of the history of the entire Department of State security program, and especially very detailed and documented studies and working files prepared by me and several of my predecessors in the Division of Evaluations and in the Office of Security.

Mr. SOURWINE. You astonish me, Mr. Otepka. I was told, a number of years ago, that there had been such historical files and that they had all been destroyed. Apparently that was in error.

How far back do these files go?

Mr. OTEPKA. 1945.

Mr. SOURWINE. Back to 1945.

Mr. OTEPKA. Yes. This was, of course, the beginning of very critical——

Mr. SOURWINE. That goes back to Executive Order 10450?

Mr. OTEPKA. Not exactly that.

Mr. SOURWINE. It goes back to President Truman's order?

Mr. OTEPKA. It goes back even before the Truman order.

Mr. SOURWINE. It does?

Mr. OTEPKA. Yes, sir.

Mr. SOURWINE. Now, was this material primarily of historical interest? You have spoken of it as historical.

Mr. OTEPKA. Well, I was describing the contents, and this was. I started off by saying it included material of this——

Mr. SOURWINE. What I am trying to get at is: Did it concern mainly individuals still employed by the Department of State?

Mr. OTEPKA. You use the word "mainly." There is a great deal of information in those files relating to persons still employed by the Department of State.

Mr. SOURWINE. It is old information?

Mr. OTEPKA. Yes.

Mr. SOURWINE. About persons now employed?

Mr. OTEPKA. Yes.

Mr. SOURWINE. Information which has not been integrated with their personnel security files?

<sup>1</sup> State Department Security hearings, pt. 20, pp. 1781-1783.

<sup>2</sup> Ibid.

Mr. OTEPKA. It contains some information that has not been integrated into the personnel security files.

Mr. SOURWINE. The 14 file cabinets then did not consist of personnel security files?

Mr. OTEPKA. Not as such.

Mr. SOURWINE. And were you progressively integrating this information into personnel security files, where it concerned one of them?

Mr. OTEPKA. Yes. But the point I was trying to bring out there and I think this is important, Mr. Sourwine——

Mr. SOURWINE. Go ahead.

Mr. OTEPKA. No one will contest that the central file room of the Office of Security probably includes a file on all present and former State Department personnel since the formal beginning of our security program, and the formal beginning took place in 1945. That is when we first established a security office as such.

What is of great importance in those files, are documented studies on the infiltration of the State Department by Communists and subversives.

Mr. SOURWINE. You mean the Department has in the past been infiltrated and someone in the Office of Security documented this with a study?

Mr. OTEPKA. Most certainly. Most certainly.

Mr. SOURWINE. None of these studies have been made public, have they?

Mr. OTEPKA. No, sir.

\* \* \* \* \*

Counsel for the Internal Security Subcommittee asked if the subcommittee could be supplied with copies of studies which had been given to other congressional committees—with names deleted. The record shows no State Department response to the proposal.

#### MR. HAYNES ORDERED FILES UPDATED

The need to update the security files had long been recognized. In fact, John W. Haynes, administrator of the Bureau of Security and Consular Affairs, had called upon Mr. Otepka back in November 2, 1960, to assume the task.<sup>3</sup>

He said, in part:<sup>4</sup>

\* \* \* "There are still major shortcomings, as no one is better aware than you, who have had to live with them and have so frequently recommended that they be corrected."

We must reach a stage within the foreseeable future where we can say with confidence that every file and every case under our jurisdiction has been suitably updated in terms of operational leads; has been carefully evaluated; and is entirely current and satisfactory to the Office of Security. Unfortunately, we are far from being able to make that statement today.

\* \* \* \* \*

I envision, therefore, your starting with a small group (perhaps two or three other officers and necessary secretarial help) and starting right in on the unasimulated files held in SCA. Then, it would seem to me, gradually you would work from the top down through all the files in the Department, starting with the top-ranking officers first.

Did Mr. Reilly know of the Haynes memorandum on the need of updating security files from top to bottom? Mr. Otepka said he knew that he did because he (Otepka) had spoken to Mr. Reilly about it on numerous occasions.<sup>5</sup>

<sup>3</sup> State Department Security hearings, pt. 20, p. 1774.

<sup>4</sup> Ibid., pt. 20, pp. 1774-1775.

<sup>5</sup> Ibid., pt. 20, p. 1780.

## COLUMNIST DESCRIBED THE NEED

The need to integrate security information into the pertinent, permanent files was emphasized by Mr. Otepka. It also was one point highlighted by Ray Cromley, Scripps-Howard columnist, in a series on State Department security problems published in March 1962.

On this subject, Mr. Cromley said: <sup>6</sup>

The State Department has had a modern security system for only a relatively few years. Many of its 14,000 employees were hired before there was an adequate system.

Security Chief Boswell says that he was hired many years ago after only a quick check with the postmaster of his hometown.

There has been an attempt in recent years to give every Foreign Service officer and every other employee a check. Studies have been made to get at the more obviously suspicious matters in the files of all employees. A great many individuals have been checked intensively. But there has never been the time nor the personnel to make the kind of thorough search of records that State Department security officers past and present would like to have.

Security men admit that a thorough checkup on all present employees of the Department would be very difficult. Much material pertinent to an evaluation of employees as security risks is scattered through many files. Key information that bears on the security reliability of Foreign Service officers is buried away in these varied files. It is buried, not deliberately, but simply because no one has ever had time to crossfile material so that it would be readily usable by security men.

\* \* \* \* \*

## MR. OTEPKA CITES GROSS CARELESSNESS

Mr. Otepka had reasons to be fearful of what might happen to his impounded files. For one thing, he had discovered cases of gross carelessness after he had been made deputy director of the Office of Security in 1957 and therefore had gained increased knowledge of the files problem.

He put into the record several shocking accounts of the cavalier treatment accorded personnel security data.

First there was the matter of security data that had been dumped carelessly into cardboard cartons and stored in the basement of a State Department annex building. Some of the cartons, he found, had broken open—or were broken open—and material was spilled out over the floor. Some of the 300 files so treated got mixed up with building trash, and a garbage detail picked it up and carted it off to the city incinerator, where it was burned.<sup>7</sup>

Mr. SOURWINE. \* \* \* Now, why were you worried about the contents of these file cabinets? They are in secure premises, in locked cabinets, aren't they?

Mr. OTEPKA. For this reason: A part of that material—that which was developed in those years prior to my appointment to the State Department—I found being treated as surplus material. It had been thrown into cardboard containers, and it was being treated as overflow material in our central file room when we were located at 515 22d Street, NW. Being so treated, this stuff wound up in the basement of that building.

Mr. SOURWINE. That was a temporary building? Wasn't it?

Mr. OTEPKA. No, it is not a temporary building. It is a converted apartment house.

Mr. SOURWINE. I see.

Mr. OTEPKA. Yes.

Mr. SOURWINE. You found this stuff in the basement when you came in, is that what you are telling me?

Mr. OTEPKA. Yes. After I came in.

<sup>6</sup> State Department Security hearings, pt. 20, p. 1805.

<sup>7</sup> State Department Security hearings, pt. 20, p. 1786-1788.

Mr. SOURWINE. This was in what year?

Mr. OTEPKA. It was shortly after I became Deputy Director because, as Deputy Director, I was given unimpeded access to the central file room.

Mr. SOURWINE. That was what year?

Mr. OTEPKA. I became Deputy Director in 1957.

Mr. SOURWINE. So in 1957 you found—

Mr. OTEPKA. Or thereabouts.

Mr. SOURWINE (continuing). You found the records of Communist infiltration in the Department from 1945 to 1957 in cartons, in the basement?

Mr. OTEPKA. I did, and many of those cartons were torn apart so that some of the material was lying on the basement floor.

Mr. SOURWINE. You salvaged this and got this into file cabinets?

Mr. OTEPKA. I used the authority of my position as Deputy Director to salvage this material, and I took it under my personal custody, since it could not be given proper protection in the file room, since I was concerned with its contents, and knowing that it would be of great future value as a means of identifying the derogatory cases which reposed in our central files, because, without those files—without these studies—it would have—it would now be virtually impossible to run through our central files to pick out what kind of past problems, present problems, and future problems occur or occurred in the Department of State.

\* \* \* \* \*

Mr. OTEPKA. May I continue with another incident? This I believe occurred in 1961, I will have to verify the accuracy of the date. We had a system of collecting material which was to be incinerated as nonrecord material or could be incinerated, and also because of the crowded condition of our central file room, so-called overflow material had to be transferred to a filing area off the premises of the Office of Security.

One day 300 security files, including files on Communist activities, subject files on Communist activity, FBI reports, in the process of being transferred to this first floor filing area, got mixed up, so that this material was picked up by the garbage detail and carried off to the city incinerator where it was burned.

There again was another vivid illustration of carelessness in protecting vital security files of the Department.

### THE CASE OF THE AVID COLLECTOR

Another case outlined by Mr. Otepka dealt with the case of a State Department employee who had a "mental quirk" penchant for collecting exotic material, which he found lying loosely about. From time to time, he took portions of such documents to his home for savoring there and, presumably, destroyed what he didn't want to keep.<sup>8</sup>

Mr. OTEPKA. \* \* \* And another element of my concern over the retention of such records by those who knew their value came about when in 1958 or 1959 it was found that an individual employed in the file room, and who had been there many years, was removing material from the file room, including FBI reports, taking the stuff home with him, throwing some of it into the incinerator in the basement of his apartment building or otherwise leaving the stuff carelessly strewn about the premises.

Mr. SOURWINE. When was this?

Mr. OTEPKA. It was in 1958 or 1959.

Mr. SOURWINE. Do you know who it was who did this?

Mr. OTEPKA. I do.

Mr. SOURWINE. Who was it?

Mr. OTEPKA. I would rather not put his name in the record, I know the name. The individual was retired from the Department for physical disability.

Mr. SOURWINE. Is he still alive?

Mr. OTEPKA. Yes, he is.

Mr. SOURWINE. Do you know what the purpose was of treating this material this way?

Mr. OTEPKA. The man simply had a mental quirk which was evidently known to persons who were in charge of the file room. They were responsible, and should

<sup>8</sup> State Department Security hearings, pt. 20, pp. 1787-1788.

have been responsible, for seeing that he was not taking any stuff out of that file room.

Apparently they had a poor inventory system or accountability system, and it was not detected.

Mr. SOURWINE. What was the nature of the mental quirk you spoke of?

Mr. OTEPKA. He liked to collect books, pamphlets, all kinds of literature and publications.

Mr. SOURWINE. It had nothing to do with the presence or absence of certain documents from certain files?

Mr. OTEPKA. No.

Mr. SOURWINE. He just took the stuff home because he was collecting—

Mr. OTEPKA. He took home whole files in some cases.

#### WHY WORRY ABOUT THE FUTURE?

Why should the fear over what happened in the past spread into the future?<sup>9</sup>

Mr. SOURWINE. Well now, I want to find out why these instances make you worry about the files today? The man who collected the files and other types of reading material is out of the State Department. The people who dumped these files in the basement where you found them I presume are no longer in a position where they can do the same with the 14 file cabinets, are they?

Mr. OTEPKA. I do not believe so.

Mr. SOURWINE. And the people who were concerned with your third instance, the carelessness which led to the burning of the 300 files, they are gone, too, aren't they?

Mr. OTEPKA. Not to my knowledge.

Mr. SOURWINE. They are still around?

Mr. OTEPKA. Yes.

Mr. SOURWINE. Are they in a position where they could cause loss or damage or careless misplacement to your 14 file cabinets?

Mr. OTEPKA. I do not know where these individuals are placed at this time.

Mr. SOURWINE. I see. Was it ever determined who was responsible?

Mr. OTEPKA. Yes.

Mr. SOURWINE. Were they properly disciplined?

Mr. OTEPKA. I do not know what action was taken.

Mr. SOURWINE. Anyway they are still with the Department or some of them?

Mr. OTEPKA. I believe so.

\* \* \* \* \*

Mr. SOURWINE. Your concern then is not with the threat that any particular person might willfully destroy these files or otherwise remove them but with the fact that, so far as you know, there is nobody who has the affirmative duty of protecting them or interest in protecting them. If that is wrong, correct me.

Mr. OTEPKA. I am always concerned, Mr. Sourwine, with so-called efficiency experts who are always going in and saying, "Well, what are you doing with all of these files? Aren't these just duplications? Aren't they just working papers? What value do they have?"

If somebody isn't there to put up a stiff protest with respect to their plans for their destruction, they are going to be thrown out.

Mr. SOURWINE. Well now, insofar—

Mr. OTEPKA. Because, Mr. Sourwine, these files are in such a deplorable condition, they are not too well organized, somebody is just going to say, "Get rid of this mess."

Mr. SOURWINE. You didn't organize them during all the time you had them?

Mr. OTEPKA. I organized as many as I could as time permitted. I at least did this: I picked up the bulk of these files off the basement floor. I at least sorted them out by years, and I gave them, the file cabinets, a label so I knew precisely what was in them. But believe me, they—it was just the worst mess I have ever experienced in my Government service concerning the care of classified security files.

Mr. SOURWINE. What I am trying to get at, Mr. Otepka, is whether you have any reason in your recent experience to fear that the persons now in charge

<sup>9</sup> State Department Security hearings, pt. 20, pp. 1788-1789.

of these files or having custody or access to them will treat them carelessly or negligently or in any other way that is wrong. Do you?

Mr. OTEPKA. Well, I think I gave you one reason. That was that these files could simply be declared again as surplus, and the other reason is the history of carelessness in the handling of such files. I don't want that repeated.

\* \* \* \* \*

## THE PROBLEM OF HOMOSEXUALITY

Though some State Department officials shied away from the subject, the problem of sexual perversion among employees was frankly admitted by others. It was termed a major problem, and a continuing one, calling for constant vigilance because of the risks of blackmail, coercion, and entrapment by subversive agents.

From some officials, testifying before the subcommittee, came what seems to be a new recognition of the dangers and even a declaration of new emphasis on correction of the problem.<sup>1</sup>

All this was encouraging but was read against the documented use of waivers and other shortcuts taken in the hiring of officials and in handicaps thrown in the way of evaluators and others who wanted to stick to the security regulations. Performance would test the policy.

But there it was: A firm-sounding though broadly stated declaration of policy that seemed to betoken an advance in this phase of security work. It was enunciated September 16, 1964, by William J. Crockett, Deputy Under Secretary for Administration. Here's how it went:

Mr. SOURWINE. Do you consider homosexuality a major problem? <sup>2</sup>

Mr. CROCKETT. It certainly is a major problem in the State Department. I suppose it is in all Federal employment, particularly overseas. But it is one of our major problems. And most particularly, I think, Mr. Sourwine, when these people, unbeknownst to us, get behind the Iron Curtain, I think this is an added risk.

Mr. SOURWINE. Not only there, but in any sensitive job, they are a risk, as Mr. McLeod so well explained before he died.

Mr. CROCKETT. This is without question. So we are giving our people more information on this and I talked to them the other day that, to the extent they let one of these fellows slip through, they are failing in their jobs. And we have to be more careful on this one.

Mr. SOURWINE. Of course, that is a very difficult area. What you say is of considerable interest. Mr. Schwartz,<sup>3</sup> as I recall, told us he didn't know of any problem of homosexuality in the Department and was satisfied there weren't any in the Bureau of Security and Consular Affairs?

Mr. CROCKETT. I suppose if you ask any supervisor, Mr. Sourwine, he would say the same thing.

Mr. SOURWINE. I don't know how a man would know.

Mr. CROCKETT. He doesn't.

Mr. SOURWINE. I would think any supervisor or deputy assistant secretary in the security grade would know this is a problem, and that the only way you can be sure of such a person is to catch him and have him confess, and that is a matter for constant vigilance.

Mr. CROCKETT. It is constant.

Mr. SOURWINE. As the CIA says: "We don't know of any infiltration, but we have to assume there has been some." I think that would be true of people of this unfortunate proclivity. We must assume there are some.

Mr. CROCKETT. Well, I don't know—

<sup>1</sup> See State Department Security hearings pt. 1, pp. 14-17; pt. 11, pp. 773-774; pt. 13, pp. 953-969 and pp. 978-984; and pt. 19, pp. 1612-1617 and pp. 1649-1650.

<sup>2</sup> State Department Security hearings, pt. 13, pp. 1021-1023.

<sup>3</sup> Abba P. Schwartz; then Administrator of the Bureau of Security and Consular Affairs, since resigned.

Mr. SOURWINE. Because every year you report 40, 50, 60 discovered.

Mr. CROCKETT. That is right, and I would say I even assume there may be some. I don't know them, but I know there may be some. But the time to get them is before they get in. And, therefore, this is the kind of pressure that we are putting on our security agents around the country and try to give them some understanding of the problem, deeper understanding, and some techniques that they can use, perhaps to be vigilant.

Another thing that we are doing in this regard is fairly basic. Maybe I shouldn't even mention it, perhaps, and take your time, but one of the things I have been concerned about is any equivocation, any rationalization on employment. This is a time to get your cleanest possible guy, when you are employing a person. That is the time to look at everything and not make any compromises.

Now, after you get an employee and he has been on the rolls for a while and he gets into this trouble or that trouble, maybe, then we owe him something and he owes us something. You have to take many things into consideration. But when he is just an applicant, you don't owe him anything.

Mr. SOURWINE. A man has no rights to Government employment.

Mr. CROCKETT. That is right.

Mr. SOURWINE. Once he is on the roll, as you pointed out so well, it is a problem to get rid of him. He then has rights.

Mr. CROCKETT. And you have responsibilities both ways. I mean you have to consider his rights and you have to weigh those against the national security and your own risk. But as you say, an applicant has no rights. And this is a sort of new philosophy that we are injecting into the investigative processes and evaluation processes, that we don't have to compromise on this; why stretch our judgment at all when a man is just an applicant?

Sure, we need certain experts and certain high-grade intelligence and ability and all this. But they are not overriding in terms of security.

Mr. SOURWINE. What you are saying is that you simply want the best men available, but you are not considering, as available, men who are potential security risks?

Mr. CROCKETT. Right.

Mr. SOURWINE. I respectfully suggest an amendment to what you just said. I don't think this is a new proposal or a new basis, but if the State Department is now adopting it, that is new.

Mr. CROCKETT. Right.

Mr. SOURWINE. It is one of the things that has been fought over in Government for a good many years.

Mr. CROCKETT. One thing I want to say is—I want to amplify this record by saying I don't think in the past there was any policy of hiring security risks. I don't think that at all. All I am saying is that, in the past there might have been a tendency to say: "Well, this guy has a little problem, but we believe it is not too important and he will outlive it; or we can live with that blemish, whatever it is."

Mr. SOURWINE. But isn't it true that over many years, the policy has been that if you couldn't establish by at least a preponderance of the evidence that there was this tendency, you didn't block the man out because of it, and that was the—or in many cases was given as the—application of the policy of "a man is innocent until he is proven guilty."

Mr. CROCKETT. Right.

Mr. SOURWINE. The other line is that the interest of the Government is paramount and security is of sufficient importance that if there is doubt, it should be resolved in favor of the Government. And that means: don't employ a man about whom there is any doubt at all.

Mr. CROCKETT. That is right, and especially, and I say this most especially to our younger people that are coming in. I think I could not say that, on the employment of a senior officer or transfer of a senior officer from another agency, that it was in the national interest that you wouldn't have him because there was any miscellaneous allegation against him. I don't mean this at all. But I mean this is really applicable to our FSO-8 program: young officers who are going to make their career in the Service. There isn't any sense of getting people in that have any problems at all.

Mr. SOURWINE. But the policy now is and will be, as far as you know, in the future, that the State Department at least is not going to employ anybody where there is any question of security risk involved? You are not going to try to adjudicate those cases in advance of employment, as you would have to if it arose in the case of a man who had already been put on the payroll?

Mr. CROCKETT. Exactly right.

Mr. SOURWINE. That is a real and forceful application of the principle that employment must be clearly in the interest of the Government; not merely, as it

used to be for some years, that it had not been shown that employment would be contrary to the interest of the Department?

Mr. CROCKETT. That is right.

William O. Boswell, for a time the Director of the Office of Security, agreed (Feb. 17, 1963) that there was always a problem of homosexuality, but he sought to minimize it.\*

Mr. SOURWINE. During your tenure as Director, was there any problem of homosexuality among the employees of the Department?

Mr. BOSWELL. Yes, always problems of that.

Mr. SOURWINE. This was a substantial amount?

Mr. BOSWELL. Not—these things are comparative. Compared to a number of years ago I would say, no, it was not substantial. I don't recall the figures but every year when we go to Mr. Rooney's Committee on Appropriations, we give the figures there.

Mr. SOURWINE. It is a continuing thing, isn't it?

Mr. BOSWELL. It is a continuing thing. I think in proportion it is considerably less than it was some time ago.

Mr. SOURWINE. It takes a lot of time and a lot of effort is put into it to continue to try to weed these people out?

Mr. BOSWELL. Yes, sir.

Mr. SOURWINE. And you get a substantial number each year? More than 1? More than 10? More than a dozen? More than 20?

Mr. BOSWELL. I think in my time it ran around 20, 25 employees.

Mr. SOURWINE. You don't recall any of the figures for 1959, 1960, 1961?

Mr. BOSWELL. No. But it would be very easy to get them.

Mr. SOURWINE. May the order be that the figures be inserted for that year?

Senator HRUSKA. Very well.

(In a letter dated March 5, 1964, addressed to Senator James O. Eastland, as chairman, Mr. Frederick G. Dutton, Assistant Secretary of State, reported that the number of employees separated from the Department after indications of homosexuality were disclosed, were, for the years requested: 1959, 18; 1960, 16; 1961, 24.)

Mr. SOURWINE. What would you think of a Foreign Service officer of some years' experience who stated that he had no knowledge of any homosexual problem in the Department?

Mr. BOSWELL. He might not have any personal knowledge of it but he certainly should know that there is a problem. Everyone knows. There has been enough publicity about this.

Mr. SOURWINE. If he has been a security officer, he should have had personal opportunity to know it.

Mr. BOSWELL. Most security officers have an opportunity. Not all.

Mr. SOURWINE. There are posts where this is no problem?

Mr. BOSWELL. Oh, yes. Many posts where it is not—let me put it this way: it is not an active problem. It is a problem, always one of concern.

\* \* \* \* \*

Harris H. Huston, former Deputy Administrator, Bureau of Security and Consular Affairs, (Aug. 21, 1957–January 1961) said he thought the use of the polygraph might prove helpful in checking on job applicants.

Mr. SOURWINE. What can be done to prevent the employment of homosexuals by the Department of State?

Mr. HUSTON. I can only address myself to the situation as of the time I left.

Mr. SOURWINE. Well, you dealt with the problem at that time, and you must have given it considerable thought.

Mr. HUSTON. And as of that time I felt that, in that particular area, we were probably more effective than we were in many others. In other words, I think we had a better chance of preventing a homosexual from coming into the Department than we would a Soviet agent.

Senator McCLELLAN. Are they easier detected? It is easier to establish their practices than it is the philosophy of someone who may be following—

Mr. HUSTON. That is right.

\*State Department Security hearing, pt. 13, p. 1009.

Mr. McCLELLAN (continuing). —the Kremlin line?

Mr. HUSTON. I think that is true. I think that is quite true.

Mr. SOURWINE. You say the Department was successful, but it must be a relative success, since every year there is a report of a substantial number of homosexuals who are weeded out after they had been employed. That is true, isn't it?

Mr. HUSTON. That is true. That is true.

Mr. SOURWINE. One year it will be 46, the next year 43 or some larger or smaller number. I was talking about what can be done, if anything, to prevent the employment of these people in the first place. Obviously, if you did not employ them, you would not have the problem of weeding them out. Do you know of any way to substantially prevent the employment of homosexuals by the Department?

Mr. HUSTON. No. I am not qualified to speak to this because I do not know enough about the procedures that they use in the training of people who do the interviewing and are on the panels set up to interview applicants or how the determinations are made as to who will be employed. I assume that there might be some room for improvement in that area, but I really do not know. But as far as the investigation of them is concerned or the effort made to determine at the time whether they are or are not, I can recall only one way in which maybe an improvement could have been made. At one time, at least, I felt that the timing on the investigation and the personnel people having access to the results of the investigation was not as well coordinated as it should be. The interviewing Foreign Service officers did not have available to them, when interviewing an applicant, the information that was developed as a result of the investigation.

Mr. SOURWINE. Mr. Huston, you know, do you not, of the success which has been obtained in this regard in at least one agency of the Government by the use of the polygraph?

Mr. HUSTON. I understand that is true; yes.

Mr. SOURWINE. So you think that it might be both helpful and feasible to utilize the polygraph in connection with the employment of State Department people above a certain grade as a means of avoiding employment of homosexuals?

Mr. HUSTON. I have always favored the use of the polygraph, and I——

Mr. SOURWINE. It is not now used in the Department, is it?

Mr. HUSTON. I think in some instances, but not by Department personnel. I think the Department has, on occasion, had outside help in the use of the polygraph. I don't believe it has any qualified operators itself.

I, personally, have never been able to understand the objections people have to the use of it. I do not think I would ever have any reluctance to submit myself to one. While I recognize its limitations from a legal standpoint in courts, as far as the admissibility of evidence derived from it is concerned, I still feel it is a useful implement and can be helpful in connection with security.

Mr. SOURWINE. It has been established, has it not, through trial, that the use of the polygraph does frequently cause homosexuals to expose themselves, to confess their predilection, and thus eliminate themselves?

Mr. HUSTON. I think that is true.

Mr. SOURWINE. Well, its use, not as a matter of evidence against anybody but as an investigative technique to help to cause people of this type to eliminate themselves, could be of substantial value.

Mr. HUSTON. I think so.

\* \* \* \* \*

In another turn on the stand, Mr. Crockett blamed the Department's domestic field service for letting some sexual deviates get through "the first net" as he termed this service. This came during a discussion of the Department's plan—later effected—for reorganizing the domestic field service.<sup>4</sup> This added a confusing factor to the discussion since the reorganization reduced the number of supervising security officers in the field.

Mr. SOURWINE. The committee, Mr. Crockett, understands that you have ordered or approved a reorganization of the Office of Security with respect to its domestic field operations. Can you tell us a little about this?

Mr. CROCKETT. Well, the thing that we are trying for there is, again, to make our field operations more effective, and I will have to correct the numbers. But

<sup>4</sup> State Department Security hearings, pt. 19, p. 1571.

at one time, we had, I think, about 14 supervising security officers or agents in the field, all reporting into Washington. The present organizational concept is that this would be reduced to about six and they, in turn, would have officers in their regions reporting to them.

I think that the objective is to select officers capable of supervising others and capable of planning operations in an area, hopefully to get a better job done than we have had in the past, with perhaps a saving of some people that will be brought into the Washington security office.

I think this saves—I don't know how many—in the field operation that would be brought into Washington operation.

Mr. SOURWINE. Haven't you had a very high standard, really, of performance and experience, and considerable buildup seniority, among the men who have been running your field offices?

Mr. CROCKETT. With three or four exceptions, this is true.

Mr. SOURWINE. It has been my impression that they are a very high grade bunch of men.

Mr. CROCKETT. They are. I am proud of them. Within the last several months, we have had two or three fairly bad disappointments among them that we have discovered. I can tell you about it off the record.

Mr. SOURWINE. I didn't mean to gun for any particular individual. I wasn't asking for that kind of information.

Mr. CROCKETT. No, but they are good. There isn't any question about it. Mr. Gentile<sup>5</sup> has started a series of Washington conferences for these people. We have brought in two groups, I believe, in August, and there is a group in now and there will be a group in next week. So that all our field people, field agents will be in for a week of training and discussion on techniques and problems and just general updating on the security program, the importance of it.

For instance, they are good, but they are not good enough. I don't know whether they will ever be good enough or not. But to the extent that we find a homosexual in the State Department 1 or 2 or 3 years after his employment means to me that he escaped the first net—our security officers in the field.

Mr. SOURWINE. That isn't a hereditary defect, is it?

Mr. CROCKETT. Sir?

Mr. Sourwine. That isn't a hereditary defect, is it?

Mr. CROCKETT. No, but it is certainly something that they might have found if he were practicing it at the time of his employment. So I am just giving you an example. This is just one thing that I am very concerned about. I have written Mr. Gentile saying I think this is something that we have to increase and intensify our security investigative program and evaluative program on, to insure that we have a better record on this score.

\* \* \* \* \*

The importance of vigilance was stressed by Otto Otepka on November 24, 1964, in a portion of his answers to a subcommittee interrogatory.

Large numbers of homosexuals were dismissed especially from 1950 to 1955. The amount of separations decreased between 1955 and 1960 because increased vigilance prevented many appointments of persons with homosexual tendencies.

From 1961 through 1963 the figures will reveal annual increases in the number of homosexuals separated. In examining the scope of this problem attention must be given to *two* sets of figures which are reported annually to the Rooney subcommittee. One set of figures deals with incumbent employees who have attained permanent or indefinite status, either as civil service or Foreign Service employees. The other set of figures deals with "conditional employees." These are persons who entered on duty in sensitive positions under emergency appointment procedures. In such instances the preappointment full field investigation is waived and the person is appointed on the basis of a record check only subject to the completion of a full investigation within 90 days or 180 days *after* appointment (90 days for officers, 180 days for clerks).

In my present circumstances I do not have access to the complete figures for 1961, 1962, and 1963. Examples, therefore, will be cited by me based on what is available.

<sup>5</sup> G. Marvin Gentile, Deputy Assistant Secretary for Security.

It was testified to by William O. Boswell that 16 permanent or indefinite employees of the Department were separated during 1960 because of homosexuality, 11 of which were under the Foreign Service, 4 civil service, and 1 under contract. No figures are given in the published testimony for conditional employees although Mr. Rooney appears to have been informed there were 15 employees in this category during the same year. Further, 92 applicants were rejected because of sex perversion.

During 1961, according to the testimony of Boswell and Belton O. Bryan, 24 permanent or indefinite employees were separated because of sexual perversion, an increase of 8 over the previous year. Thirteen of these were under the Foreign Service, 8 civil service, and 3 were contract employees. No figures appear in the published testimony with respect to conditional employees or applicants rejected for sexual perversion during the calendar year 1961.

In 1962, according to John F. Reilly, 24 permanent or indefinite employees were separated because of sexual perversion. In addition, Reilly stated 16 conditional employees were separated and 60 applicants out of a total of 152 rejectees were denied employment for the same reasons. No specific breakdown as to the actual totals for the Foreign Service, civil service, or contractual employment, was provided by Reilly. In responding to Mr. Rooney's question about the high number of sex deviates rejected as applicants Reilly explained "For some reason, they seem to be drawn to the attractiveness of oversea life. \* \* \* Perhaps they feel life is a little freer there."

During 1963, as testified to by Raymond Laugel, 45 employees were separated for sexual perversion, an increase of 27 over 1960, 21 over 1961, and 21 over 1962. Of the 45, 27 were in the Foreign Service and 18 were in the "domestic service." No figures appear in the published testimony for conditional employees separated or applicants rejected in 1963 for sexual perversion.

The statement by Mr. Crockett that the present homosexual problem is substantial seems to be confirmed by the figures cited. An increased number of persons with homosexual tendencies has been drawn to the Department of State. It is a logical presumption that many of these have escaped the security net. The increases were in part brought about by the waiver procedures and other practices that permitted short cutting investigations.

\* \* \* \* \*

Mr. Otepka also cited the testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation, before the Appropriations Subcommittee of the House of Representatives (Jan. 24, 1962) as pointing up the fact that proper investigation would reveal homosexual tendencies in an applicant. Mr. Otepka added a warning about the use of waivers. He also emphasized that a sex deviate might be a "loyal American" but still wouldn't meet the test of fitness because of the risks of subversion. Here are these portions of his November 24, 1964, interrogatory.

J. Edgar Hoover in testimony before the House Appropriations Subcommittee on January 24, 1962, stated that if persons with homosexual tendencies had been properly investigated and evaluated these tendencies would have been found. He indicated thereby that the State Department would not have had the homosexuals who were discovered several years later. Mr. Hoover considers a homosexual to be a security risk.

In my opinion the homosexual problem in the Department can be eliminated by the following steps:

First, the completion of a thorough preappointment background investigation, including a personal interview by experienced security officers of all applicants for sensitive positions. This would require the withdrawal by the Secretary of all delegated authority to appointing officers which has permitted most clerical personnel to obtain employment on the basis of a waiver. No waivers should be authorized for any appointment including that of an officer with special talents except in rare instances and only with the express personal approval of the Secretary or Acting Secretary predicated at least on a satisfactory partial background investigation instead as now, on a satisfactory national agency record check.

Second, cold, hard, realistic application of both security and suitability criteria in the case of a permanent or indefinite career employee concerning whom there are reasonable grounds to believe he may be a homosexual. There is a tendency

to attach too much weight to overall performance of the individual in some cases of suspected homosexuals even where homosexuality has been admitted, with the result that the employee remains too often and too long in a sensitive position until he is actually caught in an overt act. Competent medical authority should always be available to a security officer to assist in the resolution of cases where homosexuality is strongly suspected but has been denied by the employee.

Additional information with respect to the homosexual problem in the Department of State may be found in the printed testimony of Scott McLeod before the Senate Internal Security Subcommittee on April 4, 1962 (pp. 438-442). Mr. McLeod was an experienced security officer and I do not hesitate to associate myself with his views on this matter.

As a closing comment on this question I am concerned with the recognition that is now being afforded within the Federal Government to organizations of homosexuals representing other homosexuals. Representatives of such organizations have been allowed to plead during administrative proceedings on behalf of admitted homosexuals that homosexuality is a private affair and that to deny employment to a person with homosexual tendencies is discrimination against a class and hence unconstitutional.

Homosexuality is not a crime but a negative condition precedent to obtaining the honored privilege of Government employment. The Federal Government should not give a forum to those who intend to obtain special consideration in Federal employment for sex deviates who though they may be loyal Americans simply do not meet the tests of fitness explicit in civil service laws and the Foreign Service Act.

I believe the Mr. Crockett as Deputy Under Secretary for Administration has the authority and a sincere desire to take the necessary steps to eliminate all suspected homosexuals from any position in the Department regardless of rank or station.

\* \* \* \* \*

The size of the problem was indicated by Mr. Otepka in estimating that there were 75 homosexual cases pending in August 1963.\*

Senator SCOTT. How many such cases of alleged sexual deviation are currently pending?

Mr. OTEPKA. I will have to do some guessing on that, sir. Taking the example which I cited earlier this morning: we removed 24 individuals—24 employees—last year for homosexual activity. I would say that we probably have up to 75 cases of such allegations pending.

Senator SCOTT. Have you had any adjudicated cases, where you have evidence or admissions of sexual deviations, where the individuals are still in the Department?

Mr. OTEPKA. Yes, sir; I have seen such cases where the individuals are still employed.

Senator SCOTT. What about the figures as to pending security cases involving alleged contact with Communist agents or operatives or Communist front groups?

Mr. OTEPKA. Well, the jurisdiction for those investigations lies exclusively with the FBI. I don't think I should guess on that without going back and checking.

Senator SCOTT. I would like you to check.

Mr. OTEPKA. I would say there is a dozen, at least a dozen of those cases pending right now.

Senator SCOTT. How many adjudicated cases are pending where you have confessions, admissions, or uncontroverted proof of such contacts, where the individuals are still employed by the State Department?

Mr. OTEPKA. When you are speaking of these contacts, sir, are you excluding normal official contacts on the part of State Department?

Senator SCOTT. Yes, of course. I am excluding all official, proper or regularized contacts.

Mr. OTEPKA. There are some cases, sir, but I could not at this time give you that figure.<sup>6</sup>

\*State Department Security hearings, pt. 13, p. 1004.

<sup>6</sup>The Subcommittee asked the Department to supply the figure but it was refused. The reason given was "secrecy of loyalty reports." See State Department Security hearings, pt. 13, pp. 1004-1005.

## REVISED CSC RULES OUTLINED

Because there had been so many broad statements about the problem, the subcommittee sought more definitive answers.

The first came in a letter from Kimbell Johnson, Director of the Bureau of Personnel Investigations, Civil Service Commission, on June 11, 1965, replying to queries from subcommittee counsel.<sup>7</sup> Mr. Johnson wrote:

U.S. CIVIL SERVICE COMMISSION,  
BUREAU OF PERSONNEL INVESTIGATIONS,  
Washington, D.C., June 11, 1965.

Mr. J. G. SOURWINE,  
Chief Counsel, Internal Security Subcommittee,  
Committee on the Judiciary, U.S. Senate,  
Washington, D.C.

DEAR MR. SOURWINE: This is in response to your letter of May 27, 1965. The Civil Service Commission does not disqualify individuals for unsuitability based on "suspected homosexuality" or "homosexual tendencies." About 18 months ago we changed the instructions on this subject in our Suitability Rating Handbook to read as follows:

"Persons about whom there is evidence that they have engaged in or solicited others to engage in homosexual or sexually perverted acts with them, without evidence of rehabilitation, are not suitable for Federal employment. In acting on such cases the Commission will consider arrest records, court records, or medical evidence, admissions, or other credible information that the individual has engaged in or solicited others to engage in such acts with him. Evidence showing that a person has homosexual tendencies, standing alone, is insufficient to support a rating of unsuitability on the ground of immoral conduct."

That change did not represent an actual change in Commission policy but rather a clarification of language expressing its policy. The Commission has always considered homosexual acts (or soliciting others to perform such acts) as disqualifying under Civil Service Regulation 731.201(b), "Criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct."

The Commission's position in this regard is supported by the conclusions of the Hoey Subcommittee of the Senate Committee on Expenditures in the Executive Departments (81st Cong., 2d sess.) which made a comprehensive investigation of the "Employment of Homosexuals and Other Sex Perverts in Government." The subcommittee report stated in part, "There is no place in the U.S. Government for persons who violate the laws or the accepted standards of morality, or who otherwise bring disrepute to the Federal service by infamous or scandalous personal conduct." The report also stated that "it is the opinion of this subcommittee that those who engage in acts of homosexuality and other perverted sex activities are unsuitable for employment in the Federal Government."

The handbook instructions quoted above are used by the Commission in deciding on the suitability of applicants and of persons appointed to nonsensitive positions in the competitive service. In acting on these nonsensitive cases we consider homosexuality as a suitability factor. The employing agency makes the decision in all other cases, and homosexuality can be either a suitability or a security factor depending on position sensitivity and the circumstances in the individual case.

With respect to sensitive positions, section 2 of Executive Order 10450 makes the head of each department and agency responsible for establishing and maintaining within his department or agency an effective security program; and Public Law 81-733 expressly provides that the decision of an agency head in a security case shall be "conclusive and final." Therefore, the Commission does not issue standards or guides for agency action in security cases. The standards applicable to such cases are those contained in Executive Order 10450. Homosexuality is covered by section 8(a)(1)(iii) of that order, which reads:

"Any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion."

Agencies also can act on suitability grounds, using the disqualification in Civil Service Regulation 731.201(b), quoted above.

As part of its responsibility under section 14 of the order, the Commission reviews a representative sampling of cases processed by the agency in its security

<sup>7</sup> State Department Security hearings, pt. 13, pp. 1024-1025.

program. This is done to determine overall trends and patterns bearing on the effectiveness of agency security operations, rather than to superimpose our judgment in individual cases. These reviews have not disclosed any pattern of deficiencies that would indicate agencies are acting on homosexual cases to the detriment of the national security, nor have they uncovered tendencies to deny individual employees fair, impartial, and equitable treatment.

Other than the disqualification in CSR 731.201(b) and the criterion in section 8(a)(1) of Executive Order 10450, both cited above, the Commission has no knowledge of any agency order, rule, or regulation which makes "any homosexuality, of whatever kind, of whatever degree, and at whatever date" an absolute bar to employment or continuation in employment.

Sincerely yours,

KIMBELL JOHNSON, *Director.*

#### DEPARTMENT POLICY IS SPELLED OUT

The second, which nailed down an enlightened policy for control of the problem of sex deviates at the State Department, was expressed in a letter to Chairman Eastland (under the date of Sept. 17, 1965) carrying the signature of Douglas MacArthur II, Assistant Secretary of State for Congressional Relations.<sup>8</sup> It was State's response to questions posed by Chairman Eastland, on July 13, 1965, in a letter to Secretary of State Dean Rusk.

The MacArthur letter, reproduced here because it is regarded as a key document, is as follows:

SEPTEMBER 17, 1965.

Hon. JAMES O. EASTLAND,  
*Chairman, Internal Security Subcommittee, Committee on the Judiciary, U.S. Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of July 13, 1965, and to our reply of July 27, 1965. We are now able to provide comprehensive answers to the questions proposed in your letter.

In order to facilitate your review, the paragraphs in your letter containing the questions are repeated with our reply to each:

I. In discharging its obligations under Executive Order 10450, approved April 27, 1953, to what extent, and under what conditions, does the Department of State regard homosexuality as a bar to employment or continuation in employment by a department or agency in the executive branch of the U.S. Government?

The Department currently considers homosexuality as an absolute bar to employment or continued employment. In discharging its obligations under Executive Order 10450, the Department must (in homosexuality and sexual perversion cases) consider, along with standards of Executive Order 10450, the civil service regulations and the Foreign Service regulations. Executive Order 10450 did not abridge the Civil Service Act of 1883, as amended, or the Foreign Service Act of 1946, as amended. The order merely extends some of the suitability factors mentioned in the Civil Service Commission Acts, rules, and regulations to security standards now used in effecting the removal of individuals in the interest of national security.

The standards of Executive Order 10450 apply equally to the employees of the Foreign Service of the United States, and to the civil service employees in the departmental service of the Department of State. After careful deliberation and consideration of all the regulations affecting employment, the Department decided that the standards of Executive Order 10450 would not be utilized as the basis for initiating removal action of an employee, except where specific security factors were involved. Therefore, all investigations prior to an individual's employment and all actions subsequent to an individual's employment in purely suitability (homosexual or perverted morals) cases, are handled under the existing civil service and Foreign Service regulations.

The Civil Service Regulations under rule II, section 2.104, disqualification of applicants: (a) An applicant may be denied examination and an eligible may be denied appointment for any of the following reasons:

1. Dismissal from employment for delinquency or misconduct.
2. Physical or mental unfitness for the position for which applied.

<sup>8</sup> State Department Security hearings, pt. 13, pp. 1026-1028.

3. Criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct.
4. Intentional false statements or deception or fraud in examination or appointment.
5. Refusal to furnish testimony as required by section 5.3 of rule V.
6. Habitual use of intoxicating beverages to excess.
7. On all the evidence, reasonable grounds exist for belief that the person involved is disloyal to the Government of the United States.
8. Any legal or other disqualification which makes the applicant unfit for the service.

Prior to July 7, 1953, no recognition was taken by the Department of the occurrence of homosexual acts or perverted sex acts, standing alone, prior to an employee's or prospective employee's 21st birthday. Since that date on instructions received from the then Administrator of the Bureau of Security and Consular Affairs, the age of 18 years has been utilized as the breakoff point in evaluating homosexual acts concerning which cognizance is taken. It is, therefore, the general policy that admissions of homosexual or sexually perverted conduct subsequent to age 18, is a bar to employment under present standards of policy of the Department of State.

The development of evidence of homosexual conduct on the part of incumbents subsequent to their employment with the Department constitutes a bar to continued employment. Removal actions, based on homosexual conduct, are initiated under the pertinent sections of the Civil Service Commission Acts and Regulations insofar as departmental employees are concerned and under section 621 of the Foreign Service Act of 1946 and section 1922 of the Foreign Affairs Manual, as appropriate, this, depending upon the nature of offenses, and the surrounding circumstances.

In any event, if there are specific security factors involved in any case of homosexuality or perverse morals, the Department would then utilize Executive Order 10450 as the means for appropriately handling the offending individual.

II. Instructions of the State Department's Office of Security with respect to investigations appear to indicate that the degree to which homosexuality militates against employment or continuation in employment differs inversely with the importance of the position involved. Does the Department take this view of the matter?

No. The Department does not take this view of the matter. Homosexuality is an absolute bar to employment with the Department regardless of the nature of the position. Virtually all the positions in the Department of State are sensitive and involve the handling of classified materials. The security criteria for all sensitive positions are the same. The Department is not aware of any instructions which would give the indication outlined in the question.

III. The Suitability Rating Examiner's Handbook, Civil Service Commission Handbook IN-204, in discussing homosexuality under the general heading of "Immoral Conduct," states that "persons about whom there is evidence that they are homosexuals or sexual perverts \* \* \* are not suitable for Federal employment." In interpreting and applying this standard, how is the word "evidence" construed? The language following that quoted above states that in acting on such cases, the Commission will consider (1) arrest records, etc., (2) the person's statement or reliable medical evidence that he is a homosexual, or (3) creditable information from reliable sources concerning an individual's reputation and conduct. This would appear to allow room for discretion in determining whether homosexuality is a bar to employment or continuation in employment in any particular case. Is this your Department's interpretation?

No. If any individual is known to be a homosexual, he is barred from employment or continuation in employment. While the Department is convinced that it should not hire or employ homosexuals, or sexual deviates, this program is carried out in a manner consistent with the traditional American concepts of justice and fair play. In cases involving incumbents, inasmuch as all actions of the Department are dependent upon the availability to the accused of some form of quasi-judicial processing and/or review, and are subject to postaudit review by the Civil Service Commission, the Department must stand ready with a weight of legal evidence sufficient to warrant action by the appropriate hearing boards.

The Department relies on the regulations set forth under Executive Order 10450, the Foreign Service Act of 1946, and pertinent Civil Service Acts and Regulations in the handling of these cases.

IV. Does the Department operate under any order, rule, or regulation which makes any homosexuality, of whatever kind, of whatever degree, and at what-

ever date, an absolute bar to employment or continuation in employment? If the answer is affirmative, please cite the rule, order, or regulation (or combination thereof) which is controlling in this respect.

As stated above, the Department currently operates under the principle that any known homosexual is barred from employment or continuation in employment and relies on the regulations set forth under Executive Order 10450, the Foreign Service Act of 1946, and pertinent Civil Service Act and Regulations in the handling of these cases.

V. It would appear that homosexuality is regarded by the Department as primarily a suitability factor, rather than a security factor. Is this correct?

This is correct, the exception being where there are overriding security questions which would place the individual case within the framework of Executive Order 10450. Homosexuality is also a security matter, because of blackmail, coercion, and entrapment.

VI. Does the State Department, in security evaluations or actions, take cognizance of such terms as "latent homosexual," "reformed homosexual," "former homosexual," "homosexual tendencies," and "homosexual experience" (as distinguished from homosexuality or homosexualism)? If so, please furnish the definition of each of these terms as used in employment, by the Department.

Yes.

1. *Latent homosexual*.—A latent homosexual is one who primarily by competent knowledge or opinion, secondarily by self-admission, or through positive evidentiary facts is known to have homosexual tendencies or desires which may or may not have been actually accomplished by a homosexual act.

(a) A person known to be a latent homosexual is not employable in the Department of State.

(b) If an incumbent is involved, with the advice and counsel of the Department's Medical Division and following a complete investigation, latent homosexuals will not continue in employment in the Department of State.

2. *Reformed homosexual*.—Neither the Department nor the Medical Division is aware of the implication meant by this term and is therefore unable to reply in a meaningful manner.

3. *Former homosexual*.—The Department is not aware of the implication meant by this term and is therefore unable to reply in a meaningful manner. However, as to Nos. 2 and 3 above, if the individual has admitted adult homosexual activities, he is not employable in the Department of State.

4. *Homosexual tendencies*.—An adult person (over age 18) who is known to have homosexual tendencies, is not employable by the Department of State.

5. *Homosexual experience*.—It is the policy of the Department of State generally that a person who is known to have engaged in a homosexual experience subsequent to his 18th birthday, is not employable by the State Department.

The basis for the policy of the Department of State is, of course, the pertinent sections of the basic acts, rules, and regulations of the Civil Service Commission, stemming from the act of 1883, as amended, plus Executive Order 10450, in addition to the Foreign Service Act.

If the Department can be of any further assistance, please let me know.

DOUGLAS MACARTHUR II,  
*Assistant Secretary for Congressional Relations.*

(EDITOR'S NOTE.—That this problem still exists and is still important was indicated by testimony given this year before the subcommittee of the House Committee on Appropriations considering fund requests for the Departments of State, Justice, and Commerce, the judiciary, and related agencies. The following is found on pages 297 and 298:)

#### SECURITY RISKS

Mr. ROONEY. What is your report this year with regard to security risks?

Mr. GENTILE. This year we had a total of 19, Mr. Chairman.

Mr. ROONEY. Made up of what sort of risks?

Mr. GENTILE. Seventeen were for homosexual activities and two were in the area of immoral conduct.

Mr. ROONEY. What was the highest grade in the Foreign Service of those among those 19?

Mr. GENTILE. The highest grade in the Foreign Service among those 19 was a Foreign Service officer class 3.

Mr. ROONEY. How long had he or she been in the Foreign Service?

Mr. GENTILE. Twenty years.

Mr. ROONEY. And when he was confronted he resigned, did he?

Mr. GENTILE. Yes, sir.

Mr. ROONEY. Married?

Mr. GENTILE. Yes, sir.

Mr. ROONEY. Please insert at this point in the record a statement indicating the annual pay and include therein all allowances of an FSO-3.

(The information follows:)

"In connection with this FSO-3, his annual salary was \$17,531 and his allowances were \$1,700."

Mr. ROONEY. What was the next highest in grade?

Mr. GENTILE. On the Foreign Service side?

Mr. ROONEY. Either side.

Mr. GENTILE. GS-15.

Mr. ROONEY. A GS-15 gets how much?

Mr. GENTILE. This man was getting \$18,825.

Mr. ROONEY. And this homosexual had been in the Department how long?

Mr. GENTILE. Three years and one month.

Mr. ROONEY. What was the next highest on the Foreign Service side?

Mr. GENTILE. On the Foreign Service side, a Foreign Service officer class 4. This is for homosexuals.

Mr. ROONEY. And he resigned when confronted, did he?

Mr. GENTILE. Yes, sir.

Mr. ROONEY. You will please insert at this point in the record a statement indicating the salary and all allowances of a class 4 Foreign Service officer.

(The information follows:)

"In connection with this class 4 Foreign Service officer, his annual salary was \$13,815 and his allowances were \$2,100."

Mr. ROONEY. If there are no further questions, we thank you, Mr. Gentile and gentlemen.

Mr. GENTILE. Thank you, Mr. Chairman.

## PERSONNEL SECURITY INVESTIGATIONS

The subcommittee explored extensively a suggestion that all State Department personnel security investigations (other than those conducted by the FBI) be transferred to the Civil Service Commission. Such a transfer is authorized by existing law. The proposal had been advanced with the thought that it might provide the service cheaper and faster.

Also in the background was the question of whether investigations are best performed by an independent agency, as opposed to one policing its own problems.

But the proposal became involved in unsubstantiated claims by a State Department witness that its system was cheaper, was faster, was needed for other reasons and anyway, was preferred.

The General Accounting Office, at the request of the subcommittee, made an appraisal of the problem, but found a lack of data comparability in the Civil Service Commission and State Department accounting systems. The subcommittee must admit frustration in the effort to make a definitive record on this question, but feels that even though the result was somewhat inconclusive, the effort should be reported.

It started this way:

Mr. SOURWINE. Mr. Reilly, would you oppose turning over the investigatory functions in personnel cases to the Civil Service Commission? <sup>1</sup>

Mr. REILLY. Yes, sir; I would.

Mr. SOURWINE. You would. It is authorized by law but you would oppose it. Why?

Mr. REILLY. This is a question that has been raised, Mr. Sourwine, many, many times, long prior to my being with the Department of State, and consistently it has been our view that we can be more flexible in meeting time schedules of the Department. We feel that our investigations are every bit as good as anyone else's, without decrying anyone else's, but that they are every bit as good, and we feel that we can do it a little more economically.

Mr. SOURWINE. Why is that?

Mr. REILLY. Because we have a staff of investigators the bulk of whom we would need anyway for other investigative functions we perform for various other elements in the Department of State. We would still have to keep these people on our payroll and pay the Civil Service Commission or the FBI or anyone else. We would have to pay them their flat investigative rate.

Mr. SOURWINE. Well, the Civil Service Commission has a great many more investigators than you do, do they not?

Mr. REILLY. Yes.

Mr. SOURWINE. And they have them in more places?

Mr. REILLY. That is correct.

Mr. SOURWINE. So that presumably, if you gave your investigative load to the Civil Service Commission, they could handle it by apportioning it among their investigators, and the distance their investigators would have to travel would be on an average less and the number of cases an investigator would have in a particular area would be greater, which would be a saving. Aren't those things true?

Mr. REILLY. They are going to charge me \$350 a case or charge the Department of State \$350 a case.

Mr. SOURWINE. They are?

Mr. REILLY. Yes. That's their flat rate. Additionally——

<sup>1</sup> State Department Security hearings, pt. 4, pp. 180-181.

Mr. SOURWINE. And what does it cost you in the Department?

Mr. REILLY. It was approximately \$287, and that included the front office overhead.

Mr. SOURWINE. Now these two computations, are they on the same basis?

Mr. REILLY. They were not done by me. They were done by our budget people. I have to assume that they were.

\* \* \* \* \*

The State Department's estimates were made by its own people—in the Financial Internal Audit Staff. This was in July 1961.\*

Mr. Reilly admitted there had been no direct comparative study and said he did not know on what basis the Civil Service Commission developed its charge of \$350.

Another factor, Mr. Reilly said, was that the State Department handled "a fairly substantial" number of overseas inquiries for other agencies—for which it was not reimbursed—and that this work would continue even if the general investigative work were transferred to the Commission.

Other arguments by Mr. Reilly for continuing the Department's system were:<sup>2</sup> That State Department agents interviewed job applicants whereas the Commission did not; and that if the Commission's men did so, upon request, "I would still prefer to have my people do the interviewing."

The CSC does interview applicants in some circumstances, Mr. Otepka explained.

Mr. SOURWINE. What does the law say about the Civil Service Commission performing investigations?<sup>3</sup>

Mr. OTEPKA. There are both statutory and executive requirements governing personnel security investigations within the Department of State.

To begin with, Executive Order 10450 vests primary jurisdiction in the U.S. Civil Service Commission for the investigation of all persons who are in the competitive services.

By agreement with the Civil Service Commission, those agencies which have investigative facilities may be permitted by the Commission to conduct their own investigations. In the Department of State there is a statutory requirement governing the investigation for Foreign Service officer personnel, for example.

Mr. SOURWINE. What is that statutory requirement?

Mr. OTEPKA. That is the Foreign Service Act of 1946, as amended.

Mr. SOURWINE. That is the source of it, yes, but what is the requirement that that act fixes?

Mr. OTEPKA. The law states that the Secretary of State and the Board of Examiners for the Foreign Service shall prescribe tests of aptitude, fitness, loyalty, and attachment to the principles of the Constitution on the part of Foreign Service personnel.

Mr. SOURWINE. But it does not say who shall investigate or ascertain if the man meets those standards, does it?

Mr. OTEPKA. No, sir.

Mr. SOURWINE. If I understand correctly what you said, it would appear the main reason the State Department has its investigatory functions is because it has personnel performing them, isn't that right?

Mr. OTEPKA. Yes, because the——

Mr. SOURWINE. If it did not have any personnel to perform them, it would not be entitled to an exemption under the Executive order?

Mr. OTEPKA. That is right.

Mr. SOURWINE. And then the functions would be performed by the Civil Service Commission?

Mr. OTEPKA. It is conceivable that they would.

Mr. SOURWINE. So the State Department maintains personnel to perform these functions which it performs because it has personnel available to perform them. Isn't that kind of a ring-around-the-rosy?

\*Ibid., pt. 4, pp. 230-231.

<sup>2</sup> Ibid., pt. 4, pp. 181-183.

<sup>3</sup> Ibid., pt. 4, pp. 222-223.

Mr. OTEPKA. The State Department has traditionally had its own investigative personnel since—well, since 1945.

Mr. SOURWINE. That is right.

Mr. OTEPKA. They have personnel security functions and have other functions which relate to the responsibility of the Secretary of State to enforce certain laws.

Mr. SOURWINE. Is there any reason why the Secretary of State could not decide that the investigatory functions with respect to personnel security ought to be passed over to the Civil Service Commission in conformance with Executive Order 10450?

Mr. OTEPKA. I see no legal bar to the transferring of the investigations to the Civil Service Commission.

\* \* \* \* \*

Senator Olin D. Johnston, former chairman of the Senate Post Office and Civil Service Committee, brought out that Congress put investigating authority in the Civil Service Commission "to get it away from any department."<sup>4</sup>

And Otto Otepka, a witness at that hearing, [Mar. 11, 1963] conducted by Senator Johnston, also backed the idea of "detached" investigations:

Mr. SOURWINE. I believe, Mr. Chairman, that as far as the Civil Service Commission is concerned, you and Mr. Otepka would be the experts on that, but doesn't the Civil Service Commission perform security investigations for the great bulk of the Government right now?

Senator JOHNSTON. Oh, yes.

Mr. OTEPKA. That is correct, sir.

Mr. SOURWINE. They do not perform that for the Atomic Energy Commission, do they?

Mr. OTEPKA. Yes, sir; they run investigations for the Atomic Energy Commission.

Mr. SOURWINE. And if they run investigations for the Atomic Energy Commission, are they not competent to run investigations for the State Department?

Mr. OTEPKA. Mr. Sourwine, you are speaking to a Civil Service alumnus. I consider the Civil Service to be very competent.

Mr. SOURWINE. What I am trying to get at, you say there is a backlog because investigators are used for something else, such things as the protection of visiting dignitaries. Now, do you think when you have that situation, that you are actually meeting the standard of the Executive order with respect to your exemption, or is it your situation that you are actually short of investigators and ought to give at least a part of this work over to the Civil Service Commission?

Mr. OTEPKA. We certainly are in a situation where we could do more in meeting our commitments to provide adequate staffs for the Department, and under the present arrangement I don't think we are as efficient as we should be if there was an adequate investigative staff available to us to perform this function.

Mr. SOURWINE. In other words, your function of adequately staffing the Department with solid security could be better performed if the Civil Service Commission were conducting the investigation and you were evaluating?

Mr. OTEPKA. I would say, as an evaluator, and I am not trying to be evasive, Mr. Sourwine, it makes no difference to me who provides the investigation, whether it is the Civil Service Commission or the Department of State—

Senator JOHNSTON. Well, but there was a reason why we put it in the Civil Service Commission, it was to get it away from any department itself so that the Civil Service Commission would be under no obligation to any department and could give an unbiased investigation. Isn't that true?

Mr. OTEPKA. Yes, sir, and I think the Civil Service Commission could perform the job very adequately, if they were—

Mr. SOURWINE. The Senator has raised a very good point. There is nothing in the Foreign Service Act which says that Foreign Service officers have got to investigate Foreign Service officers or that it must be under the direction or supervision of Foreign Service officers, is there?

Mr. OTEPKA. No, there is not.

Mr. SOURWINE. Or even that the evaluation of Foreign Service officers must be made by Foreign Service officers?

<sup>4</sup> Ibid., pt. 4, pp. 223-226.

Mr. ОТЕРКА. No, sir.

Mr. SOURWINE. But as a matter of good security, when investigations and evaluations are made under an organizational setup which keeps them from being controlled or supervised by the service that is being investigated, wouldn't that be a good security practice?

Mr. ОТЕРКА. I think that you would have a better and more objective setup if the investigations were performed by someone who is detached from the Department of State.

\* \* \* \* \*

Further examination emphasized that the Civil Service Commission has many more field offices than the Department, handles many more personnel security investigations, thus posing the likelihood that costs per case should be less.

Despite the fact that there had been no comparative study of costs, as corroborated subsequently by the General Accounting Office report, the State Department, in a letter from Acting Assistant Secretary Lee, dated February 18, 1965, claimed a "saving of \$207,218" by not referring cases to the Civil Service Commission.

Mr. Lee argued that "the investigations conducted by the Department are tailored to its needs," and that the Department was convinced that its scope, thoroughness, and reporting of applicant investigations "are comparable with other investigative agencies."<sup>5</sup>

In a move to clear up the matter, Chairman Eastland subsequently asked the General Accounting Office to take a look.<sup>6</sup> Under date of August 10, 1965, he wrote to Joseph Campbell, Comptroller General of the United States, asking if he could determine if there was an accounting basis on which the personnel security investigations costs of the two agencies could be "fairly compared."

In a first reply, on September 7, 1965, Frank H. Weitzel, Acting Comptroller General of the United States, said preliminary inquiry indicated that the necessary cost data apparently could be obtained at the Civil Service Commission, but that the accounting system at the State Department "does not provide for the accumulation of cost data on personnel security investigations."

This was borne out. Mr. Weitzel wrote to Chairman Eastland on October 4, 1965. He said, in part:

We have obtained the best available cost data on making personnel security investigations from both the Civil Service Commission and the Department of State. However, as indicated in our interim reply to you of September 7, 1965, while the Civil Service Commission's accounting system produces the desired cost of data, \* \* \* the Department of State's system does not. Department costs for this particular type of investigation are merged in a much broader category of general investigation costs, and the costs of making this particular type of investigation can be derived at only by making certain estimates and prorrations which cannot be readily verified. We have concluded, therefore, that the unit costs of the two agencies are not established on a comparable basis and that an accounting basis on which to compare past costs cannot be established at this late date with any reasonable degree of accuracy."

Some additional segments of the report by Mr. Weitzel were as follows:

The average cost of conducting a full field background applicant-type investigation has been computed by the respective agencies to be as follows. We have not verified the computations of these amounts.

<sup>5</sup> Ibid., pt. 4, pp. 230-231.

<sup>6</sup> Ibid., pt. 16, pp. 1322-1323.

	Fiscal year 1964	Fiscal year 1965
Civil Service Commission.....	\$381.40	\$391.91
Department of State.....	325.40	269.70

\* \* \* \* \*

The Department of State accounting system does not provide for the accumulation of costs of full field personnel security investigations. Although the Department's accounting system does identify certain obligations applicable to the Division of Investigations, it does not identify all such obligations, nor does the system segregate obligations by type of investigation, e.g., full field, visa, passport, and others. Accordingly, Department of State costs of full field investigations can only be estimated.

The Department of State estimated costs cited above were not obtained from formal accounting records but were derived from various sources and for various periods of time. The most significant factor affecting the accuracy of the estimates is that the percentage of investigative costs applicable to full field applicant investigations was determined primarily by application of the results of a 1957 study of the time spent by individual investigators on each category of investigation. The time of investigators is no longer maintained by category of investigation. Other factors affecting the accuracy of the above-estimated costs per case are that salaries and employer contribution for retirement and insurance were obtained from informal accounting records; telephone, teletype, supplies, rent, and depreciation expense amounts were obtained from a 1960 study; accrued leave was omitted; certain overhead elements were not included; and the costs and hours invested in cases in process were not considered.

To make a meaningful comparison of costs of the Department of State and the Civil Service Commission personnel security investigations for a future period, it would be necessary for the Department of State to develop cost information on a basis similar to that used by the Civil Service Commission. This would require, among other things, the maintenance of time reports for each investigator showing the actual number of hours spent on each investigative function and type of investigation; computation of costs for such items as depreciation, accrued annual leave, and overhead; and consideration of costs associable with investigative cases in process at the beginning and the end of specific accounting periods.

\* \* \* \* \*

The fundamental principle of the present study is that the individual differences in the amount of work done by a person are not due to any inherent differences in the amount of work that he is capable of doing, but to the amount of work that he is actually doing. This is the principle of the present study, and it is the principle that has been followed in the present study.

The present study is a study of the individual differences in the amount of work done by a person. It is a study of the individual differences in the amount of work that a person is capable of doing, and it is a study of the individual differences in the amount of work that a person is actually doing. The present study is a study of the individual differences in the amount of work done by a person, and it is a study of the individual differences in the amount of work that a person is capable of doing, and it is a study of the individual differences in the amount of work that a person is actually doing.

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## INTELLIGENCE REPORTING FUNCTION—STATE DEPARTMENT

A review of a million-and-a-half words or more testimony taken in these hearings reflects hardly a scintilla of information derogatory to Otto Otepka's competence and experience.<sup>1</sup>

Transfer of the intelligence-reporting function from Mr. Otepka's authority could hardly have been predicated, therefore, upon any attribution of incompetence to him.

That such functions are an integral part of the security structure must be apparent even on the surface. When the function transferred away from Otepka's supervision is defined, it becomes apparent that tinkering with the performance of it, let alone transferring it from skilled hands, makes for an alarming situation. Before the transfer, it was Otepka's responsibility to receive from the intelligence agencies of the U.S. Government, and more specically, from the Federal Bureau of Investigation (which supplied the bulk of the data received) and the Central Intelligence Agency, intelligence reports of a security type.<sup>2</sup>

The testimony further reflects that the security intelligence reports had an impact on the administration of the personnel security program.<sup>3</sup>

What happened? The intelligence-reporting function in its entirety was transferred (Feb. 18, 1963) out of the Office of Security.<sup>4</sup> The reports that previously had been reviewed by qualified personnel in the Office of Security went out to a separate bureau in the Department. The tasks of determining contents of the reports, and what area in the Department had an interest in the subject-matter, the followup with respect to appropriate action, were all lifted, with experienced and qualified officers, for a reason that even at this late date in the subcommittee's appraisals must be murky if the element of reprisal is rejected.

With regard to the consequences: "\* \* \* the Office of Security would be deprived of immediate and firsthand knowledge of data appearing in intelligence reports which are useful in the administration of our personnel security cases."<sup>5</sup> In that connection, data which was of primary interest to other bureaus had been sent to them without delay under the system as it prevailed prior to transfer.

The Department itself must have entertained the conviction that the personnel under direction of Mr. Otepka were qualified and experienced (as supervised) because, oddly enough, the personnel were transferred with the function! The personnel fed back to Mr. Otepka, Chief of the Division of Evaluations of the Office of Security,

<sup>1</sup> The subcommittee, over the signature of its chairman, Oct. 31, 1963, declared, "Without attempting to pass upon these charges, we want to express our confidence in Mr. Otepka's integrity, capability, and professional skill."

<sup>2</sup> Testimony of Otto Otepka, Mar. 6, 1963, State Department Security hearings, pt. 4, 1965, p. 193.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

<sup>5</sup> *Id.*, p. 194.

the very work that formerly had been directly under his supervision.<sup>6</sup> At least Mr. Otepka presumed that it was fed back "but not seeing the totality of intelligence," the witness couldn't say.

There could be no dispute, under that circumstance, with the witness' opinion that the Office of Security would be deprived of immediate and firsthand knowledge of data appearing in intelligence reports which are useful in the administration of personnel security cases. "Now I do not mean to say that this information will not be available to us, but it will mean now that we have to depend on other bureaus to offer that information to us if they see fit to do so after reviewing the contents."<sup>7</sup>

The transfer was announced in a foreign affairs manual, January 15, 1963, but it "did not affect the Office of Security in any way because of the fact that it was canceled and superseded by another circular."<sup>8</sup> The second foreign affairs manual in this connection was dated February 4, 1963, and was entitled, "Reassignment of Certain Liaison Functions Affecting Investigations and Security."<sup>9</sup>

The functions described in the circulars, by virtue of the superseding paper, were split up between the Bureau of Intelligence and Research and the Office of the Deputy Under Secretary for Administration.

When asked by the chief counsel of the subcommittee whether the State Department now has "two different agencies within the Department, both outside the Office of Security and both outside SCA which are performing some or all of these liaison functions with the Federal Bureau of Investigation", Mr. Otepka replied that no part of that function is under the Office of Security.<sup>10</sup>

The consequence here is marked: "The Office of Security, in its long experience in evaluating, has had the know-how and long years of experience in dealing with our counterpart in the Federal Bureau of Investigation who, as I said, were the primary disseminators of most of this information to us, and I think we have had a successful period of coordination and cooperation. I, in my own mind, feel that, by transferring these functions into another bureau where the Office of Security is actually cut off from dealing with representatives of these agencies in areas of interest, that this will have some deleterious effect—in the long run—on our personnel security program. That is my opinion."<sup>11</sup>

An editorial pause is suggested at this point in the recital of facts. The information and evidence adduced, above, supply incontrovertible support of the subcommittee's basic contention that the issue is its right to secure testimony disclosing protection (or lack of it) anent our internal security, and the means established for the purpose.<sup>12</sup>

As stated in a letter of the chairman under date of October 31, 1963, to Dean Rusk, Secretary of State:

A committee of the Senate has a right to the testimony of any official or employee of our Government respecting any question of security or possible wrongdoing in any department or agency, if the subject-matter of the committee's inquiry falls within its jurisdiction.

Had the State Department itself recognized a problem in internal security, with particular reference to the matter of intelligence func-

<sup>6</sup> Id., p. 195.

<sup>7</sup> Testimony of Otto Otepka, Mar. 6, 1963, State Department Security hearings, pt. 4, p. 194.

<sup>8</sup> Id., p. 196.

<sup>9</sup> Id., p. 197.

<sup>10</sup> Id., pp. 198, 199.

<sup>11</sup> Id., pp. 200, 201.

<sup>12</sup> As reported by the press, "While the lengthy record is being built around the case of Otepka, the proceedings also reflect a general dissatisfaction of some subcommittee members with the whole security system of the Department." Washington Post, Nov. 21, 1965.

tions of the Office of Security, later transferred elsewhere? The answer from Mr. Otepka, Chief of the Division of Evaluations, Office of Security:

"\* \* \* there certainly was a problem back in October 1960 when I was asked to undertake a study by the Administrator of the Bureau of Security and Consular Affairs to effect a correlation of intelligence and security, and this was undertaken formally in about May 1961 and it continued only for a short period of time, when the reorganization caused a change in the various functions to be performed in the Office of Security."<sup>13</sup>

#### THE ROUTING IS CHANGED

The intelligence reporting function had been under the jurisdiction of the Office of Security since sometime in 1948, until February 18, 1963, when the files, records, and personnel were transferred to the Bureau of Intelligence and Research. But if the records were to be moved over to the Office of Investigation, the subcommittee was informed, nobody there "[could] cull this information and relate it to the Office of Security."<sup>14</sup>

Thus the problem and situation came in and out of official gaze and attention with resulting confusion (the testimony indicated) on the part of personnel, certainly on the part of the Chief of the Division of Evaluations, Office of Security, and most assuredly to one studying the vacillation.

An important ingredient, manifestly, of intelligence reporting functions is that embracing the FBI. "Generally, the FBI, as you know, handles all its information to us by a liaison officer," testified William J. Crockett, Deputy Under Secretary for Administration.

Mr. Crockett continued:

It (the information) is personally delivered. \* \* \* after I assumed my present position, it was personally delivered to me by the liaison officer. Much of the information had to do with FBI interests or FBI surveillance of individuals.<sup>15</sup>

The witness added that the information was always passed to the Office of Security for its handling.

But the official's attention was directed to the testimony of John Reilly, at one time Deputy Assistant Secretary of State for Security Affairs, who, in turn, had examined the testimony of Mr. Otepka, March 6, 1963, *supra*. Asked as to Mr. Otepka's version of the FBI liaison, Mr. Reilly had stated:

Well to sum it up, that is Mr. Otepka's opinion. I don't agree with it.

In essence, in response to the chief counsel's question, Mr. Reilly testified that the Bureau (FBI) decides where it is going to take its information, "based on guidelines furnished by us." Mr. Reilly, further questioned, stated that the FBI did such "within the agreed ground rules."

Mr. Reilly was further asked, "And you allow them to do this?" His answer was, "Yes."<sup>16</sup>

Mr. Crockett's attention was further directed to a letter from J. Edgar Hoover, Director of the Federal Bureau of Investigation, which set forth the detail of the liaison and concluded with:

<sup>13</sup> Testimony of Otto F. Otepka, Mar. 11, 1963, State Department Security hearings, pt. 4, p. 207.

<sup>14</sup> *Ibid.*

<sup>15</sup> Testimony of William J. Crockett, Deputy Under Secretary of State for Administration, Jan. 28, 1964, State Department Security hearings, pt. 11, p. 769.

<sup>16</sup> *Ibid.*, pp. 771, 772. Mr. Reilly had iterated the thought as the questioning continued, finally concluding (as to whether the information is "routine,") "The Bureau makes that determination."

After this initial dissemination is made, the internal responsibility of bringing our memorandums and reports to the attention of appropriate State Department officials is, of course, *a matter for that Department's personnel*. [Emphasis added.]

The witness stated, "I personally don't see the conflict, but if you say there is one, there perhaps is one." He added, "I do know that the information from the Bureau on personnel security matters comes to my office and therefore in the Office of Security. The larger issue, what you might call intelligence, does go to the other area."<sup>17</sup>

#### A JOB IS LEFT UNFINISHED

Mr. Otepka testified August 12, 1963, with respect to the FBI and intelligence reporting function:

I have been aware, of course, for a long time that so-called intelligence data, that is, that information which came to us from intelligence agencies such as the FBI and the CIA, domestic subversion, sabotage, espionage, and the like, had not been fully correlated with our security files, and I was given a specific assignment to undertake this correlation in November 1960 and unfortunately that undertaking was abandoned or suspended with the reduction in force that took place beginning in November 1961. That job is undone. I have—I did uncover many examples of lack of correlation of intelligence data—with respect to employees of the Department of State—with the security files on those employees.

With regard to the time that would have been required for the purpose, the witness declared,

We had estimated, sir, that, assuming we had good files, assuming that we first put our files in good order and had good personnel working in the file room, that this job of proper correlation which, of course, would have also consisted of a review from the top on down of the file of every officer of the Department, that we could have accomplished this thing within 2 years, using five or six officers.<sup>18</sup>

With such duties and programs, including correlation, associated with the State Department's security officers, the subcommittee became deeply interested in why the function was transferred. The work of the Office of Security comprehended 26,205 intelligence reports received in fiscal 1961. The job was monumental and, of course, remains such both in sensitivity and volume.

The question of why the function was transferred was answered by John F. Reilly, May 21, 1963:

First, the greater bulk, not all but the greater bulk of these reports had no direct bearing on matters within the purview of the Office of Security. They were substantive intelligence reports of a political nature which this unit, which is still an intact unit—the same personnel, are handling these matters—undertook to get to the various geographic bureaus and officials of the Department who had a direct interest in the contents of these reports.

Mr. Reilly contended that the transfer away of the unit to the Intelligence and Research Office had not affected Security's getting the reports in which his office had an interest.<sup>19</sup> It is the Bureau of Intelligence and Research that now supervises the intelligence-reporting function. But since personnel formerly supervised by Mr. Otepka was transferred with the function, Mr. Reilly was able to testify that "These are the same personnel who have been handling it in Security for many years."

<sup>17</sup> Ibid., pp. 771, 772.

<sup>18</sup> Testimony of Otto F. Otepka, Chief, Division of Evaluations, Department of State, Aug. 12, 1963, State Department Security hearings, pt. 13, p. 1006. (Senator Scott asked at this point whether the program could have been accomplished within 1 year and was answered affirmatively "I think with seven good evaluators, we could have accomplished that entire review in 1 year.")

<sup>19</sup> State Department Security hearings 1963-65, pt. 16, p. 1275.

The testimony of the then Deputy Assistant Secretary of State for Security Affairs continued:

Mr. SOURWINE. You transferred the personnel with the function?

Mr. REILLY. Yes; the files still remain as of now with our files and maintained by our file people.

Mr. SOURWINE. What division of Security was this under before it was transferred out?

Mr. REILLY. It was in the Executive Office immediately before its transfer.

Later, Senator Dodd, reflecting the curiosity of the subcommittee as to the animus or motivation for the transfer asked:

What was the significance of this transfer? I don't quite follow that.<sup>20</sup>

The testimony continues:

Mr. SOURWINE. Well, perhaps it would be helpful if Mr. Reilly would tell us just what this function covers.

Mr. REILLY. Well, as I stated earlier, it covers the reception and dissemination to interested parties within the Department of State of intelligence information received from the FBI, from CIA. These individuals in the unit have long experience in reading a report and recognizing which geographic or whether it is the Office of Security or whether it is visa or passport, would be interested, and they immediately disseminate a copy of it to that party for whatever action that area deems appropriate.

Senator DODD. This unit gleans from the reports the information that it thinks would be of interest to the——

Mr. REILLY. No. It sends the actual reports, Mr. Chairman.

Senator DODD. Sends the actual——

Mr. REILLY. Yes. So there is no digressing on their part. No chance for them to miss the significance of something.

Senator DODD. I see.

Mr. SOURWINE. Our information is that this function was transferred on February 18, 1963. Do you know if that is correct?

Mr. REILLY. If the date is important, I can verify the actual date of transfer. I think it was *postponed for operational reasons*.

Mr. SOURWINE. I am only interested peripherally. The item has been moved out of Security but it was still in the Office of Security budget when the appearance was made before the House committee in February and March of this year.

Mr. REILLY. Yes. Of course——

Mr. SOURWINE. They weren't told about it having been transferred.

Mr. REILLY. No. Mr. Rooney has been told about it.

Senator DODD. Why was it transferred again? What was the reason?

Mr. REILLY. Well, it was felt on high levels in the Department, as a result of the Cuban crisis, that since Intelligence and Research has the overall intelligence responsibilities for the Department, even greater speed could be achieved in disseminating these reports to the end user and to make certain that it didn't go to a desk officer when the Secretary or the Under Secretary should have seen the particular thing.

Mr. SOURWINE. You have the same people handling it who were handling it before. You just moved them and the function into the new office. What difference——

Mr. REILLY. But they have a *new supervisor* from the Bureau of Intelligence and Research who is working with them, making them on a daily basis, aware of the interest and needs.

Mr. SOURWINE. I see. You think that is more effective than having it under your Executive Office?

Mr. REILLY. *Only time can tell on that*. In that connection, there was a recommendation in this committee's report that indicated there should be greater response to this. There should be some system to make sure that these reports get promptly to the attention of action officers. And this is an attempt to carry that out. [Emphasis added.]<sup>21</sup>

<sup>20</sup> Id., p. 1276. See also pt. 19, pp. 1588 and 1589.

<sup>21</sup> Id., pp. 1276, 1277.

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## REORGANIZATION OF DOMESTIC FIELD OPERATIONS

In the name of efficiency and simplicity the State Department reorganized its Domestic Field Operations effective September 1, 1964. It sounded plausible as outlined to the subcommittee.

But, coming at a later hour in the disputes over the Otepka case and his insistence on keeping records of personnel performance, this new reorganization raised some questions as to why it was ordered.

For instance, in dramatically reducing the number of supervisory field offices and in its plan for the destruction of some field office records and the transfer of others to files in Washington, the whole scheme caused some concern in the Internal Security Subcommittee.

Would it mean a downgrading of security, in the broad sense?

Would it mean a downgrading of the Office of Security and one of its component units?

Would it mean a downgrading of the importance of records as they are maintained and held available to the men in the field service?

Because of the lateness of this reorganization, as to the closing of this series of hearings, not all these questions could be properly explored at the moment. Time would be needed, of course, to test the efficacy of the structural changes.

But there still remained the question of why it was done right then, except that somebody had drawn up a chart. Testimony brought out that William J. Crockett, the Deputy Under Secretary of State for Administration, approved the plan as presented to him by G. Marvin Gentile, Deputy Assistant Secretary for Security, but that Mr. Crockett in describing it to the subcommittee was uncertain about a lot of the details, at first, at least.

Discussion (September 16, 1964) of the reorganization started this way:<sup>1</sup>

MR. SOURWINE. The committee, Mr. Crockett, understands that you have ordered or approved a reorganization of the Office of Security with respect to its domestic field operations. Can you tell us a little about this?

MR. CROCKETT. Well, the thing that we are trying for there is, again, to make our field operations more effective, and I will have to correct the numbers. But at one time, we had, I think, about 14 supervising security officers or agents in the field, all reporting into Washington. The present organizational concept is that this would be reduced to about six and they, in turn, would have officers in their regions reporting to them.

I think that the objective is to select officers capable of supervising others and capable of planning operations in an area, hopefully to get a better job done than we have had in the past, with perhaps a saving of some people that will be brought into the Washington security office.

I think this saves—I don't know how many—in the field operation that would be brought into Washington operation.

MR. SOURWINE. Haven't you had a very high standard, really, of performance and experience, and considerable buildup seniority, among the men who have been running your field offices?

MR. CROCKETT. With three or four exceptions, this is true.

<sup>1</sup> State Department Security hearings, pt. 19, p. 1571.

The effective date for the reorganization was September 1, 1964, Mr. Crockett said, but when he was asked just what would it do, he faltered over figures. He said as he understood it the plan would reduce the number of field supervisors from 14 to 6, but later checking showed it to be from 19 to 7. A portion of this:<sup>2</sup>

Mr. SOURWINE. How many resident agents do you have now?

Mr. CROCKETT. The Office of Security has provided for 7 field offices; 20 city locations have been designated for resident agent assignments. Personnel have been designated for incumbency at all 20 locations except Richmond, Va. Eighty-five special agent positions are assigned to the domestic field.

Mr. SOURWINE. Under this reorganization, is it correct that you are going to have one resident agent for each regional office city except Philadelphia, St. Louis, Denver, and Seattle, where he will also have a special agent assisting him?

Mr. CROCKETT. Mr. Sourwine, I am not acquainted with any of the facts of it or any of the details of it, and I would be glad, if you would give us the questions, to supply that.

Mr. SOURWINE. Who has been handling this—Mr. Gentile?

Mr. CROCKETT. Yes. He cleared with me the general concept of the reorganization and the concept that he thought that they could have a more effective field operation and perhaps save some people in the field that could be brought to the central office. Under this general concept, I approved it. But I don't know the specific details. But I will be glad to supply them.

Mr. SOURWINE. I wish you would. I have a number of questions that I am going to ask. It may be that you don't know the answers, but you can supply them when you correct the testimony, if you would?

Mr. CROCKETT. I would be delighted to.

Transfer of more direct control over the domestic field operations to Washington was indicated as further details were pointed up:<sup>3</sup>

Mr. SOURWINE. Do you know how work assignments for the field are now controlled?

Mr. CROCKETT. No, sir.

Mr. SOURWINE. It is our understanding that they are controlled by the 19 domestic field officers, the man in charge of each office controls the work assignments under him, under that office, and that under the reorganization, this is going to be much more greatly reduced and all the work assignments will be controlled under the investigative service of the Office of Security.

The fieldmen will have no control over the assignments.

If this is incorrect or any of the other statements I make in this area are incorrect, please indicate so.

Mr. CROCKETT. Work assignments in the field are directed from headquarters to the seven field offices under the present organization. This was the procedure followed under the prior organization structure.

#### WHAT BECOMES OF FIELD OFFICE RECORDS?

Mr. Crockett was asked what was being done with the field office records, the subcommittee's information being that they would all be destroyed.<sup>4</sup>

Mr. CROCKETT. I doubt that. But I will check. We will have to amplify what we mean by records, but certainly we would not want to destroy anything that would be material to our future cases or future problems. So I will check that one carefully.

(Mr. Crockett later furnished the following statement:)

"The reorganization did not change the retention of records in field offices."

As the subject was pursued, Mr. Crockett said the field agents would retain "only instruction files along with current work assignments" but that special agents were encouraged to retain confidential source and contact files.<sup>5</sup>

<sup>2</sup> Ibid., pt. 19, p. 1572-1573.

<sup>3</sup> State Department Security hearings, pt. 19, p. 1573.

<sup>4</sup> Ibid., pt. 19, p. 1573.

<sup>5</sup> Ibid., pt. 19, p. 1574.

Mr. SOURWINE. It is our understanding there was a specific directive that no administrative files will be maintained by resident agents, that they will retain only current work assignments and necessary instructions.

Mr. CROCKETT. The directive indicates that only instruction files will be retained along with current work assignments. All special agents were, of course, encouraged to retain confidential source and contact files.

In some respects the instructions were "clarified" to assure the retention of protective security index material, Mr. Crockett advised the subcommittee on May 4, 1965: <sup>6</sup>

Mr. SOURWINE. It is correct that an important part of the work of the field offices of the Office of Security is in connection with the protection of visiting dignitaries?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Is it true that to facilitate their work in this area, the field offices have maintained files of material relating to risks and hazards in their respective areas, points to be checked, proper precautionary measures, names of leaders and hotheads in certain minority and other groups, and other information which would be of value in doing a protective security job?

Mr. CROCKETT. Yes, in conjunction with other agencies.

Mr. SOURWINE. Is it true that much if not all of this information has been kept on index cards?

Mr. CROCKETT. I presume so, although there is no directive.

Mr. SOURWINE. Nothing in the instructions sent to the field with respect to the reorganization of field offices excepted any of this material from the general order for destruction of index cards?

Mr. CROCKETT. The instruction was clarified to assure that necessary index material would be retained. Further, that the destruction of index cards was to refer only to those control cards which related to duplicate investigative report copies, all originals of which are available in Washington headquarters.

Mr. SOURWINE. Was this material ordered destroyed?

Mr. CROCKETT. No. I believe the answer to your last question clarified the matter.

Mr. SOURWINE. Do you know if it has been destroyed?

Mr. CROCKETT. Not the information you refer to with regard to protection.

Mr. Crockett acknowledged (September 16, 1964) that some of the files in 12 of the field offices that were converted into resident agent's offices had been destroyed by burning. There also was some further information about the abortive use of the short form report of job applicants: <sup>7</sup>

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Mr. SOURWINE. Would you also include a statement as to what happened with regard to recent investigative files? <sup>8</sup>

Mr. CROCKETT. If this question relates to investigative files in the 12 field offices which are now designated as Resident Agents, those investigative file copies were destroyed by burning. The originals of those investigative reports are filed in the central repository at headquarters.

Mr. SOURWINE. What happens to reports and agents' notes which are required under these instructions to be forwarded to the appropriate special agent in charge? Is he going to integrate them and keep a file or destroy them and cull them or send some to Washington, or just what is the procedure?

Mr. CROCKETT. Investigative report copies and agents' notes are retained in the field office.

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Mr. SOURWINE. This new procedure certainly facilitates centralized control from Washington. Doesn't this reorganization in all its aspects diminish the ability of the Department to protect itself against unsuitable and undesirable persons who might want to insert themselves into Government jobs of some importance?

<sup>6</sup> State Department Security hearings, pt. 19, pp. 1584-1585.

<sup>7</sup> State Department Security hearings, pt. 19, p. 1582.

<sup>8</sup> Many of Mr. Crockett's answers were supplied long after the hearings, in correcting or amplifying his testimony.

Mr. CROCKETT. I don't see how, but we will talk about it in that regard.

Mr. SOURWINE. I think it would be helpful if you could include a statement with respect to what records have in the past been kept in field offices and whether all of these records are now to be destroyed, including investigative reports.

Mr. CROCKETT. In field offices, administrative records have been maintained for 2 years. Personnel investigative report copies are presently retained for a full calendar year. Short form reports with notes attached were originally scheduled for 5-year retention in the field offices. The Department now contemplates permanent retention in the central files at Washington after the 5-year period has elapsed.

Mr. SOURWINE. The letter of instructions of August 28 which has just been put in the record refers to destruction by burning and appears to make the exception of only current investigative assignments and any investigative files relating thereto, and all short form background investigative reports which were completed during the period between November 6, 1962, and January 13, 1964. It is difficult to accept this interpretation and yet, on the face of the instruction the only interpretation appears to be that all short form background investigative reports completed prior to November 6 are to be destroyed, and that all those completed subsequent to January 13, 1964, are to be destroyed.

Mr. CROCKETT. This is correct.

Mr. SOURWINE. So there must be something missing.

Mr. CROCKETT. No, I think the missing thing is that there wasn't such a thing as short form reports beyond those dates—before that date or after that date. This is something, as I understand it, that Mr. Reilly instituted, and in January we discontinued the short form security report. This is my understanding.

Mr. SOURWINE. This may well be the answer, though why order destruction of something nonexistent? I hadn't realized that the practice had been completely discontinued as early as January 13.

Mr. CROCKETT. That is correct. January 13, 1964.

Harry M. Hite, an evaluator in the Division of Evaluations, said the short form reports system had been ordered abandoned by Raymond W. Laugel, at the time Acting Deputy Assistant Secretary of State for Security Affairs. Testimony (March 5, 1964) included this:<sup>9</sup>

Mr. SOURWINE. You do feel that the preparation of these shortform reports for appointees in the Department is a bad practice?

Mr. HITE. Why, of course.

Mr. SOURWINE. And the abandonment of that practice is a move in the right direction?

Mr. HITE. It certainly is.

Mr. SOURWINE. Was it Mr. Laugel who ordered the abandonment of that practice?

Mr. HITE. Yes, sir; it was.

#### OTHER ASPECTS ARE EXAMINED

There were a number of aspects of the modification of the domestic field organization that caused concern. One was whether the resident agent would be forbidden to keep notes on his cases. Another was whether field reports would go forward to Washington unchanged. As to the latter, Mr. Crockett was not sure.<sup>10</sup>

Mr. SOURWINE. Is it true that the instructions forbid the keeping of notes by the resident agents with regard to cases and recommendations? Does this also apply to field agents?

Mr. CROCKETT. Investigative notes are not retained by resident agents but are retained with investigative report copies in the field office. The term "field agents" in the question evidently refers to special agents.

Mr. SOURWINE. Does the Department regard this as something that will have no effect on morale or does it consider the need so great that the loss of morale is a necessary evil?

<sup>9</sup> State Department Security hearings, pt. 19, p. 1617.

<sup>10</sup> Ibid., pt. 19, pp. 1581-1582.

Mr. CROCKETT. The Department has not ascertained adverse effects on morale.

Mr. SOURWINE. What has been done to provide any assurance that field reports will go forward in full and unchanged and including recommendations as they come in from the resident agents?

Mr. CROCKETT. The responsibility is assigned to the special agent in charge. The office has confidence in the integrity of its officers and operates in a manner comparable to other Federal investigative agencies. Recommendations may be furnished by resident agents through the special agent in charge as the established channel procedure.

Mr. SOURWINE. Is there, perhaps, actually some understanding or contemplation that the field reports will be summarized or paraphrased or otherwise changed or reduced before they come to Washington?

Mr. CROCKETT. I am not certain; but believe not.

Further examination brought out that the investigator out in the field would not see what happened to his report once it was out of his hand. He wouldn't know if it had been garbled by accident or by design. Here's the story:<sup>11</sup>

Mr. SOURWINE. Mr. Crockett, since the new procedure following reorganization of the domestic field offices at the Division of Investigations in the Office of Security, the investigator will never see his report on any investigation. How can the Division of Investigations in Washington be sure that the report reflects precisely what the investigator intended to convey?

Mr. CROCKETT. Under the reorganization, the reporting system is similar, is not exactly comparable, to the way investigative reports are prepared by other Federal investigative organizations. The review and approval required of the special agent in charge prior to submission of the report to Washington headquarters gives reasonable assurance of technical accuracy.

Mr. SOURWINE. If the report should be garbled in transcription or if any portions of it should be left out, there would not be any way the Office of Security would know about it; would there?

Mr. CROCKETT. It is repeated that the review given the report by the special agent in charge provides reasonable assurance as to technical accuracy. The resident agent is given the opportunity to review all of his reports during periodic visits to the supervising field office.

Mr. SOURWINE. If one of these reports should be altered or portions of it deleted inadvertently or otherwise after it reached Washington, there would be no way for the investigator to know about it, would there?

Mr. CROCKETT. I do not know, Mr. Sourwine.

Mr. SOURWINE. There would be no way for the field office to know about it?

Mr. CROCKETT. I don't know whether they get copies now or not. And since this discussion last fall they may have changed some of the procedures.

Mr. SOURWINE. If they have done so, will you make the record show it?

Mr. CROCKETT. The resident agents are not normally furnished copies of their reports.

Mr. SOURWINE. Will the field officers keep files of these investigator reports in the future?

Mr. CROCKETT. The seven field offices will retain file copies but not the resident agents.

Mr. SOURWINE. What is the significance of the limitation on stocks of forms to be retained by field officers of the Division of Investigations?

Mr. CROCKETT. This was solely a housekeeping function to promote economy and efficiency.

Mr. SOURWINE. Specifically, is this limitation an indication that these offices are to be closed in the foreseeable future?

Mr. CROCKETT. No, sir.

Mr. SOURWINE. There has been no consideration given to closing them?

Mr. CROCKETT. No, sir.

As a part of the downgrading of activities out in the domestic field, there was to be austerity in the housekeeping areas, too. Office space, for instance:<sup>12</sup>

<sup>11</sup> State Department Security hearings, pt. 19, pp. 1585-1586.

<sup>12</sup> State Department Security hearings, pt. 19, p. 1580.

Mr. SOURWINE. It appears these men are going to lose prestige, they are going to be deprived of substance they have been having, they are going to lose all control over the work they do, they are going to lose all control over the reports they file, even to the point of checking whether they were properly transcribed. They are going to lose all office equipment except dictating machines, and including typewriters.

To me it raises a question which I don't mean facetiously, does the Department mean to have these men work out of their homes? Are they going to have to work out of their hats, so to speak?

Mr. CROCKETT. I was wondering if we were asking that they work out of their homes, I don't know. We might. I don't see anything wrong with it, if it is. It might save some money. But I don't know whether it will or not.

Mr. SOURWINE. It would be something new in Government personnel.

Mr. CROCKETT. I doubt it. I would suspect they will work out of the Federal buildings in the cities, but we will see.

They will work in various strategic geographic locations in the United States.

(Mr. Crockett subsequently advised the committee on this point that:)

The resident agents will have office quarters in Federal buildings when available. If there is no office space in the Federal building or there is not a Federal building in the area, office space will be leased. Space for the resident agents is normally allocated as one room per agent."

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This was not to be the end of economies. Safes for storage of confidential files were to be limited, along with cuts in communication facilities:<sup>13</sup>

Mr. SOURWINE. Could you also provide for the record a figure on how many safes there are in the field offices now and what this will be reduced to when some field offices become resident agencies?

Mr. CROCKETT. Each field office has been provided an approved safe. Bar lock cabinets are provided to each field office on a basis of need.

Mr. SOURWINE. It appears from our examination of the records that there is only going to be one safe in each of the seven field offices and all other safes from the other offices, or where there was more than one to a field office, are going to be declared surplus, with the possible exception of the four cities where you will have an assistant to the field agent, a Special Agent in Charge, and they might have two safes. But all the rest of the safes will be declared surplus and sold through General Services Administration; that all the office furniture, except one desk per man and one chair per man, and maybe one typewriter per man, within the seven field offices is similarly to be declared surplus and sold.

Now, the instructions appear to comprehend discontinuance of all telegraphic printer (TWX) service to resident locations effective the first of October. This appears to mean that the resident agent will have lost all direct contact with Washington and will have lost all speedy contact with his field office. When TWX service to resident locations is discontinued, what facility will the resident agent have for direct contact with Washington and speedy contact with his field office?

Mr. CROCKETT. Telephones.

Mr. SOURWINE. Indicate whether these men have authority to telephone or telegraph if they consider it of importance or whether they could do so only on instructions in particular cases.

Mr. CROCKETT. They have authority to use telephones, if they consider it to be of importance, without prior instructions.

Mr. SOURWINE. These instructions appear to include removal of the telephone listings of field offices and field agents from local telephone directories. If that is what it appears to be, could you explain why this is being done?

Mr. CROCKETT. Telephone listings of resident agents were ordered removed solely because the stations will not be constantly attended. No removal was authorized for field offices.

Mr. SOURWINE. I can understand that perhaps an agency like the CIA might not want to have a listing wherever it has a man, but these men are not spies or secret agents, they are open investigators for the State Department. It certainly is true that if they don't have telephones and don't have listings, they will get very little voluntary information from anybody.

Mr. CROCKETT. That is right.

<sup>13</sup> Ibid., pt. 19, pp. 1583-1584.

Mr. Crockett insisted that Special Agents in Charge who were reassigned as Resident Agents had not been downgraded in the reorganization.<sup>14</sup>

Mr. SOURWINE. Yes, there may be something that I do not understand. But these men are being reduced, as I understand these documents——

Mr. CROCKETT. I don't think this is true.

Mr. SOURWINE (continuing). ——to simply a reporting function, nothing else, and they report only with respect to investigations they are told to make and they have no files to refer to. They make a field investigation within the scope of their instructions on each one and dictate the report and that is the end of the case. They never see it again, see the report or anything about it.

Mr. CROCKETT. I don't think they have that much at present, really in terms of seeing the case, but I am concerned about the index cards.

Mr. SOURWINE. Well, you have index cards at at least 12 field offices that have been ordered destroyed and we don't know what the scope of them is or what information there may be there.

Mr. CROCKETT. I understand.

Mr. SOURWINE. Could you tell us also, or indicate when you correct the testimony, sir, what kind of men are the special agents in charge of the 12 offices that are going to be reduced?

Mr. CROCKETT. They will be qualified men who will be resident agents under the reorganization.

Mr. SOURWINE. The best information we can get on it, and it is not detailed or comprehensive, appears to indicate that they are all experienced men, mostly with 20 years or more of experience. This reorganization is going to involve downgrading those men——

Mr. CROCKETT. I don't believe so. It is not my understanding.

Mr. SOURWINE. Will they have the same grade, as a resident agent, that they had as special agent in charge?

Mr. CROCKETT. Yes, I understood when it was discussed with me that there were no demotions in it at all, no downgradings. There will be some upgradings but no downgradings.

Mr. SOURWINE. Well, their duties are going to be greatly different. They will have no administrative duties.

Mr. CROCKETT. Yes, but Civil Service doesn't evaluate jobs on this kind of a basis. It is responsibility and not duties that are basic——

Mr. SOURWINE. Well, they will have fewer responsibilities.

Mr. CROCKETT. I am not sure of this.

Mr. SOURWINE. Well, they now supervise resident agents under them. When they become resident agents themselves, they won't supervise anybody. They won't even have a secretary or stenographer.

Mr. CROCKETT. In any event, I don't believe there is any downgrading, but we will see.

Further questioning revealed that there had been consideration of the transfer of investigative functions in personnel cases to the Civil Service Commission or some other agency but that this had been rejected several times.

As Mr. Crockett put it:<sup>15</sup>

Mr. CROCKETT. Yes; this has been up at various times for consideration. And, as a matter of fact, we made an agreement with the Civil Service Commission whereby they do investigations on certain clerical cases. But the decision has been made and remade and made again not to transfer these functions to the Civil Service Commission because of the other kinds of work our investigators are required to do vis-a-vis fraud investigations, other kinds of general investigations, and protective security functions.

Two State Department letters that controlled the whole maneuver were included in the hearings printed by the subcommittee.<sup>16</sup>

<sup>14</sup> State Department Security hearings, pt. 19, p. 1579.

<sup>15</sup> State Department Security hearings, pt. 19, p. 1586.

<sup>16</sup> State Department Security hearings, pt. 19, pp. 1575-1577. The status of officers in the field before and after the reorganization was obtained in pt. 19, p. 1580.

The record of the hearing included the following listing of the status of officers in the field before and after the reorganization:

*Status of officers in field before and after reorganization effected on Sept. 1, 1964*

Incumbent and location	Grade, prior Sept. 1, 1964	Present location	Present grade
Earl T. Clark, Atlanta, as special agent in charge.	GS-12.....	Resigned, Sept. 13, 1965, resident agent, Atlanta.	GS-13.
Charles Blakely, Cleveland, Ohio, as special agent in charge.	GS-13.....	Resident agent, Cleveland....	GS-13.
Glyn Brymer, Dallas, as acting special agent in charge.	GS-12.....	Resident agent, San Antonio..	GS-13.
Royal Kastens, Denver, as special agent in charge.	GS-13.....	Resident agent, Denver.....	GS-13.
John Ford, Detroit, as special agent in charge.	GS-12.....	Resident agent, New Haven..	GS-13.
John Richardson, Greensboro, as special agent in charge.	GS-13.....	Special agent in charge, Boston.	GS-14.
John Baldadian, New Orleans, as special agent in charge.	GS-12.....	Assistant special agent in charge, Miami.	GS-13.
John Finegan, Philadelphia, as special agent in charge.	GS-13.....	Resident agent, Philadelphia..	GS-13.
Lawrence Honis, Pittsburgh, acting special agent in charge.	GS-12.....	Resident agent, Pittsburgh...	GS-13.
Lewis Vandover, St. Louis, as special agent in charge.	GS-14 <sup>1</sup> .....	Resident agent, St. Louis.....	GS-13.
Gwynne Boucher, St. Paul, as special agent in charge.	GS-12.....	Resident agent, St. Paul.....	GS-12 (GS-13 being proposed).
Charles Bowles, Seattle, as special agent in charge.	GS-13.....	Resident agent, Seattle.....	GS-13.

<sup>1</sup> Incumbency only. Subject offered transfer at GS-14 level—elected to remain at St. Louis and voluntarily accepted grade reduction to GS-13. Will retain GS-14 salary for 2-year period under sec. 507 of the Classification Act of 1949 as amended.

## GUILT BY ASSOCIATION

### REPRISALS AGAINST OTEPKA'S FRIENDS

When State Department officials swung at Otto Otepka for revealing shortcomings in Department security practices, the blow also struck six of his associates.

The record shows this was no slip of the hand from the weapon. It was planned and when Mr. Otepka was cut down his so-called supporters almost immediately were given orders assigning them into new fields—away from Mr. Otepka. They had supported his position for tight security practices; several had indicated they would testify for him at Department hearings; some had been brought into the SY Office on his recommendation. None was charged with such violation of Department rules as were laid on the Otepka doorstep. But they forthwith were removed from association with Mr. Otepka—one later was ordered to go so far away as to El Paso, Tex.

In this sudden, dramatic staff shakeup, the Department told some of the transferees that they had talents needed in another project. It was a timely discovery that these particular men were needed elsewhere—in a project that had been allowed to drag for many months. It coincided with the move to get rid of Otepka.

It is, therefore, beyond reasonable belief that these things all happened by coincidence. The only logical conclusion is that when "Otepka supporters" were swept out of the Evaluation Division it was a part of the pattern to smash the Otepka influence and philosophy. And since no serious charges were placed against his "supporters" this suggests the use of "guilt by association"—a practice often bitterly denounced by pseudo-liberals, but just as frequently used by some of them when convenient.

All of this is supported by the record, pertinent portions of which are indicated below.

Edwin A. Burkhardt, one of those suddenly transferred, lists the others in his appeal:<sup>1</sup>

In September 1963 the Department of State served formal charges on Mr. Otepka. These charges alleged he engaged in conduct unbecoming an officer by furnishing classified information to the Senate of the United States. Allegations of violation of regulations of the Department were also included.

As mentioned previously herein, six persons, including myself, were reassigned to the Bureau of Inter-American Affairs. They are: Raymond A. Loughton, Harry M. Hite, John R. Norpel, Jr., and Frank V. Gardner. (Each of the foregoing persons, including myself, were originally hired on the recommendation of Mr. Otto F. Otepka.) Mr. Howard Shea, the other person reassigned, was previously assigned to the Division of Investigations. All six persons have been and continue to be staunch in their defense of Mr. Otepka, and have openly stated their strong beliefs of Mr. Otepka's innocence.

Confirmation of this list came from Harry M. Hite in his testimony on August 13, 1964,<sup>2</sup> and from testimony by John R. Norpel, on

<sup>1</sup> State Department Security hearings, pt. 17, p. 1350.

<sup>2</sup> Ibid., p. 1444.

July 24, 1964.<sup>3</sup> Mr. Burkhardt regarded his transfer as an effort to get him out of a position where he could be useful as a witness for Otepka in his hearings.<sup>4</sup> While the Department made great to-do about the need of the suddenly transferred evaluators, it was brought out in testimony by Mr. Hite that it was about 10 weeks after transfer before the men got papers giving them job descriptions or definite work assignments.

#### MR. CROCKETT OPPOSES THE APPEAL

The Deputy Under Secretary of State for Administration, Mr. Crockett, defended the Department's actions although he at first expressed surprise at what was going on.<sup>5</sup>

Mr. SOURWINE. Do you remember speaking with Senator Dodd on March 24, 1965, at which time you expressed surprise upon hearing that six employees of the Office of Security, who had been assigned to a special project in the Department's Bureau of Inter-American Affairs, had been taken out of their positions as personnel security officers and given entirely new positions which are not in the personnel security field? Was I present at the time?

Mr. CROCKETT. I don't know if you could say I expressed surprise; however, I was not aware that their job descriptions had been changed. I am not sure if you were present at this time. However, it is entirely possible that you were.

Mr. SOURWINE. You also expressed surprise, did you not, upon being told that these men had their security officer credentials taken from them?

Mr. CROCKETT. I believe I made the statement along the lines that I was not aware that the Security Office credentials had been taken away.

Mr. SOURWINE. Do you recall stating that if this had been done it was a mistake, and that you would see the mistake was corrected?

Mr. CROCKETT. I may have stated that I would look into the matter.

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Mr. SOURWINE. Did you ever do anything to correct this situation? As a matter of fact, when some of these men appealed from the transfer and protested being taken out of the security line, were they not informed by the Department, with your knowledge and consent, or by your direction, that the Department would fight their appeals?

Mr. CROCKETT. As I recall, I did look into the matter and discovered that the change in their special title was a technical one and that in the viewpoint of the Department would enhance their cover in the operation they were doing for us in their new assignment and therefore it was decided by the Department that it would be in the national interest to have the position titles changed. For this reason it was my decision to contest their appeal.

#### JOB ASSIGNMENTS DELAYED

While there was haste in the preliminary moves to break up what was regarded as the group of Otepka supporters, there was delay in perfecting their new job assignments.<sup>6</sup>

Mr. SOURWINE. At the time of your letter to Senator Hruska which has gone into the record, you stated you had spent 7 weeks in your new assignment but still had no job description and no definite work assignments.

Mr. HITE. That is correct; yes, sir.

Mr. SOURWINE. Is that true now?

Mr. HITE. No, sir. We have since received job descriptions—we received a job description in May. I think it was something like 10 weeks after our transfer.

Mr. SOURWINE. Now, does the file you furnished to the committee today include a copy of that job description?

<sup>3</sup> Ibid., p. 1382.

<sup>4</sup> Ibid., p. 1371.

<sup>5</sup> Ibid., pp. 1471-1472.

<sup>6</sup> Ibid., p. 1467.

Mr. HITE. Yes, sir; it does.

Mr. SOURWINE. Do you still have to spend a part of your time reading newspapers and magazines?

Mr. HITE. I do so and have not enough work to do.

Mr. Crockett, in testimony dated May 4, 1965, agreed that he had initiated the moves to transfer John Norpel and Howard Shea to the field service under the Office of Security, Division of Investigations.<sup>7</sup>

Mr. SOURWINE. What part did you play in the handling of the cases of John R. Norpel, Jr., and Howard J. Shea, who were transferred to the field under the Office of Security, Division of Investigations?

Mr. CROCKETT. Unfortunately, I have been involved with them from the very time they left the Office of Security.

Mr. SOURWINE. Did you, sir, initiate this move?

Mr. CROCKETT. Yes, sir.

Mr. SOURWINE. Who ordered that Norpel's office at the Department of State be cleaned out?

Mr. CROCKETT. What was the timing that you are referring to?

Mr. SOURWINE. This would have been within recent weeks, about the 1st of April.

Mr. CROCKETT. Then I ordered it, because he was no longer employed in the Department in Washington on the 1st of April. His place of employment was El Paso, Tex.

There was something of a pattern in the way the Department of State handled the transfers of the six so-called supporters of Mr. Otepka. The record as to notices, appeals, appeal denials, renewed appeals and recourse to the Civil Service Commission and the rebound from there runs to considerable depth, as seen in the hearings printed by the Internal Security Subcommittee. Only rather brief samples or excerpts are included here.

#### THE BURKHARDT CASE

Edwin A. Burkhardt was for 10 years a personnel security officer in the Office of Security until he was transferred to the Bureau of Inter-American Affairs. Mr. Burkhardt was a veteran of World War II. He served as a nose gunner in the Army Air Force in the bombing of Germany, was shot down over enemy territory, found underground help and traveled thousands of miles before he finally got back to America.

Mr. Burkhardt, who identified himself as one of the Otepka supporters, was one of the group of evaluation specialists brushed out of the way when Mr. Otepka was sidetracked. He appealed to the Civil Service Commission to block his transfer, which he charged amounted to a reduction in rank, that he had been downgraded. As he put it:<sup>8</sup>

I believe my reassignment was effected by the Department of State in a very unusual manner and this action has caused me to suffer a reduction in rank within the meaning of section 752 of the Federal Personnel Manual. As indicated, I have served as a specialist since 1955 in a position requiring experience in the security field in addition to specialized training. The position described on the form DS-1032 to which I have referred previously herein, is a general, unspecialized and nontechnical one. I also note I was given only 2 days' notice before the reassignment became effective, yet a period of 3 weeks has elapsed and I still have not received official information in writing regarding my new assignment.

I further believe I have been made the subject of a personnel action which results in a lowering of my relative standing in the Department of State. The

<sup>7</sup> Ibid., p. 1473.

<sup>8</sup> Ibid., p. 1351.

peculiar and mysterious manner in which my reassignment was handled created an atmosphere which produced unwarranted impressions and conjectural thoughts which are accepted by some as established facts. My removal from the Government security program has subjected me to scorn and ridicule and has caused embarrassment and anguish to my family.

To this Mr. Burkhardt added some thoughts about the "code of ethics" and belief that his transfer was a violation of the civil service merit system:<sup>9</sup>

I wholeheartedly believe in the "code of ethics" contained in a Department of State Circular 310 dated December 30, 1958 (H. Con. Res. 175 of the 85th Cong.). If this code is to survive it must be subscribed to by all civil service employees without fear of retaliation for telling the truth or recrimination for fulfilling a duty.

I request that the Civil Service Commission fully investigate this matter and direct my restoration to my former rightful position as personnel security specialist, GS-0080-12, in the Division of Evaluations, Office of Security.

I also believe my reassignment was processed in a manner diametrically opposed to the basic civil service merit system and that it was initiated just prior to the reorganization of the Office of Security in order to circumvent the reduction in force regulations of the Department of State and the Civil Service Commission, specifically section 1031.4(b), and section 1630 of the departmental regulations. In any event it appears my reassignment resulted in the redistribution of a function by deliberate management action to a position which was not established.

Mr. Burkhardt argued that the Inter-American Affairs (referred to as ARA) project to which he had been assigned, was one that had been rejected by the Office of Security, in 1952, on the ground that it was "political in nature and not related to personnel security."<sup>10</sup> He added that in January, 1964, high level officials of the State Department expressed doubt that the Office of Security was adequately staffed to carry out this project for the Bureau of Inter-American Affairs. He made the further point that there were several in the Evaluations Division who were familiar with the work but that they had not been assigned. These persons, he said, were Frederick W. Traband, Raymond P. Levy (now deceased), Joseph C. Sabin and Norman R. Doe. Mr. Burkhardt wondered why they had not been included in the ARA reassignment.

#### BURKHARDT WAS GIVEN NO CHOICE

Mr. Burkhardt had intended to make a career in security work. He started this with the Civil Service Commission in 1941 and had advanced to the position of case examiner when he moved to the State Department in 1954, as an evaluator in the Office of Security.

In his reassignment he was listed as an administrative officer. The harmful effect of this, he explained, was that he had been taken out of the "security officer series."<sup>11</sup> The importance of this was that he would lose his seniority in this series since security officers are rated against others in the same field, not against employees in different fields. He charged this was a violation of his rights.

He had "no choice" in the matter, Mr. Burkhardt said he had been informed by John W. Drew, Jr., a specialist in the Office of the Assistant Director of Officer Personnel. His reassignment, he was told, had been determined "at a high level." Furthermore, he was admonished that this subject was not to be discussed with anyone.

<sup>9</sup> Ibid., pp. 1351-1352.

<sup>10</sup> Ibid., p. 1351.

<sup>11</sup> Ibid., p. 1365.

Mr. Burkhardt lost his appeal, as to the reassignment, but the Civil Service Commission did rule with him, and against the State Department on two points:<sup>12</sup> that his position should be in the security evaluator series, rather than in the general administrative series; and that his title should be that of personnel security specialist rather than administrative officer.

Mr. Burkhardt told the subcommittee that he believed that the Civil Service Commission had tried to duck its responsibility in acting on his appeal. He protested that the first thing the commission had done when it received his appeal was to make copies, send one to the State Department and ask it for comment. The ensuing colloquy:<sup>13</sup>

Mr. SOURWINE. \* \* \* Don't you think that probably one of the first things the Civil Service Commission should do in connection with such an investigation is to look into the facts, and that part of that looking into the facts, would be to find out what the State Department, having knowledge of the matter, would say about it?

Mr. BURKHARDT. Yes, sir; but let me explain it this way.

If a man is accused of robbing a bank, and the FBI goes to the man accused and gives him all the facts, he is going to find an easier way of getting out than if they had not just sent my entire appeal over.

Mr. SOURWINE. It might surprise you to learn, but a man who is accused of robbing a bank is entitled to know all the facts that are held against him.

Senator McCLELLAN. I don't see anything wrong with having asked him. The question I can't understand is that it would seem to me like they would simply duck their responsibility. Is that what they did?

Mr. BURKHARDT. Well, I believe that this is sort of a touchy situation, and I am sure that if the Commission can duck it they will.

Senator McCLELLAN. Do you think they have tried to duck it?

Mr. BURKHARDT. Yes, sir; I do.

Mr. Burkhardt volunteered to testify for Mr. Otepka.

In his statement to the commission on April 7, 1964, he said:<sup>14</sup>

I have informed Mr. Otepka of my willingness to appear as a witness in his behalf, if and when he is given a hearing on the charges made by the Department of State. I will appear as a friendly witness for him. I previously informed the FBI that I was of the opinion the charges were a frameup, and as of this date, from the information coming to my attention through the news media and the release of the records of congressional hearings, I have no basis to change my opinion.

Blame for his reassignment was laid by Mr. Burkhardt at the door of Mr. Reilly, Mr. Belisle, and Mr. Laugel. He was picked, he said he believed, due to their "persuasion."

#### "MENTAL BALANCE" RAISED AGAIN

After the charges had been made against Mr. Otepka and the going got rougher, a pattern reappeared that had been used against the deposed chief evaluator. It suggested a lack of proper mental balance. A State Department official said that Mr. Burkhardt, a prospective witness, was subject to "emotional displays of temper" etc. This was put in writing attached to an efficiency rating belatedly given to Mr. Burkhardt.<sup>15</sup>

Mr. SOURWINE. Mr. Burkhardt, the committee has received information which would indicate that you feel that an effort has been made to discredit you or ruin your effectiveness as a possible witness, through the device of raising questions respecting your mental competence.

<sup>12</sup> Ibid., p. 1334.

<sup>13</sup> Ibid., p. 1376.

<sup>14</sup> Ibid., p. 1351.

<sup>15</sup> Ibid., pp. 1344, 1372-1373.

Is this the fact?

Mr. BURKHARDT. Well, I believe the last efficiency rating which I was given, which was 7 months late and received after I was assigned to this project was perhaps a step in this regard and I did have co-workers tell me that such statements have been made; yes.

Senator McCLELLAN. Let me get my bearings.

Off the record.

(Discussion off the record.)

Senator McCLELLAN. On the record.

Mr. SOURWINE. Mr. Burkhardt, what was there in this most recent performance rating which you consider in any way questions your mental capacity?

First, let me ask you, is this document, also this rating, included in your file that you have given us?

Mr. BURKHARDT. Yes, sir, it is.

Mr. SOURWINE. Now, tell us the answer to the question, "What is in it that you consider as raising a question of your mental capacity?"

Mr. BURKHARDT. It contains an attachment which is, in a way, a favorable performance rating, but then the statement was added:

"His immature, emotional displays of temper and cutting remarks to co-workers when obviously upset by transpiring events noticeably affected the serenity of the office and the ability of his coworkers to concentrate."

Mr. Burkhardt was asked if he knew what the writers of this efficiency report were talking about. In answering,<sup>16</sup> he recalled that Senator Dodd told the Senate that some men in the Department apparently had committed perjury. Mr. Burkhardt added that he could only guess at what the writers of his efficiency report were driving at but recalled that he had made a comment that day to some of his co-workers that "I would hate to have to interview applicants today, questioning their integrity, with the headlines that are in the newspapers this morning."

He disagreed, of course, with the derogatory portion of the efficiency report.

Testimony brought out that this particular efficiency report had been signed by Frederick W. Traband, at the time an assistant to Mr. Otepka. There was no signature by a second official as the reviewing officer, a departure from custom.<sup>17</sup>

There were other odd angles to this matter. Mr. Traband, it developed, had been the "supervisor" of Mr. Burkhardt for only several weeks.<sup>18</sup> Also, as Mr. Traband acknowledged<sup>19</sup> "the work he was doing was on a matter of special clearance for which I did not have a clearance." So that, it was said, Mr. Burkhardt was reporting directly to Mr. Belisle, Mr. Reilly's assistant, or to a section chief. Mr. Otepka made it clear that as chief of the Evaluations Division he had been exclusively the supervisor of Mr. Burkhardt during eight months of the reporting period. But he was not consulted on the writing of the belated report.<sup>20</sup>

Mr. Burkhardt told the Commission frankly that he believed his reassignment was made "because of my close association with, and support of, Otto F. Otepka."<sup>21</sup>

The record of his service, appeals and commendations is documented in the Internal Security hearings.<sup>22</sup>

With some differences in detail, basically the same story was told in the cases of other transferred "Otepka men,"<sup>23</sup> as they sometimes

<sup>16</sup> Ibid., p. 1373.

<sup>17</sup> Ibid., p. 1373.

<sup>18</sup> Ibid., p. 1374.

<sup>19</sup> Ibid., p. 1433.

<sup>20</sup> Ibid., pp. 1334-1335.

<sup>21</sup> Ibid., p. 1336.

<sup>22</sup> Ibid., pp. 1332-1336, 1340-1341, 1347, 1353-1354, 1355-1366.

<sup>23</sup> Ibid., appendix to pt. 17, p. A44.

were derisively termed. These included Harry M. Hite, John R. Norpel, Jr., and Raymond Loughton. They were identified as backers of the Otepka insistence upon following security rules, they got transfer orders following Otepka's removal from the Evaluation Division and they had to wait for their new job descriptions.

Mr. Hite, in testifying before the subcommittee August 13, 1964, explained that he had been taken out of the security officer series—and therefore had lost his seniority there—because he had been re-assigned as an administrative officer.<sup>24</sup> Like Mr. Burkhardt and others, he protested and appealed the decision.

Asked if he knew why he and the others had been transferred, he said it was because "I am a supporter of Mr. Otepka and believe, with him, in his advocacy of good personnel security practices".<sup>25</sup> He said it was his opinion that the same applied to the other five men.

He, too, appealed to the Civil Service Commission under the Veterans Preference Act. The result: "Well, the veterans appeals officer determined that, in the opinion of that Office, nothing had been done to us which would permit the Commission to take jurisdiction. That was their reply."<sup>26</sup> Mr. Hite added that the commission, while upholding the right of a department to transfer its employees out of an area or out of a division, also held that the men should not have been transferred out of their security evaluator series.

Mr. Hite brought out that the Department had posted a notice about the reorganization of the Office of Security, suggesting the need of security evaluators.<sup>27</sup> Mr. Hite, considering this field his lifework, applied for such assignment, though he had been transferred out of just such a job. He told the subcommittee this was not "awkward" for him but that it might be for the Department.

#### THE NORPEL CASE

John R. Norpel, personnel security specialist, outlined a similar story in testimony before the subcommittee. He was transferred to the field on the same day that Mr. Otepka was ousted. He termed his transfer as an act of "reprisal".<sup>28</sup>

Questions from Senator McClellan brought out that he had not known Mr. Otepka before he was assigned to the Division of Evaluations but, after service there, concluded that he was "very competent" and a "good public servant" and a man of "integrity, character, and devotion to the principles on which this country is built." He volunteered to testify for Mr. Otepka.

Mr. Norpel served for 10 years as a special agent of the Federal Bureau of Investigation (1951-1961) before going to the State Department as a personnel security evaluator.

In World War II he served with the Army in the South Pacific in the Infantry and then in Field Artillery. He was a warrant officer.

The Norpel case was presented in depth in the Internal Security Subcommittee publication of an Appendix to part 17 of the State Department Security hearings. One of the points he emphasized was that eventually being assigned to duty at El Paso, Tex., he had been

<sup>24</sup> Ibid., p. 1444.

<sup>25</sup> Ibid., p. 1444.

<sup>26</sup> Ibid., p. 1446.

<sup>27</sup> Ibid., p. 1468.

<sup>28</sup> Ibid., pp. 1379, 1388.

directed to duties "of a nature that I learned as a novice FBI agent."<sup>29</sup>  
 Another segment of his appeal includes the following:<sup>30</sup>

Toward the end of 1962 Mr. Reilly issued several directives which removed evaluative responsibilities from the Division of Evaluations and he delegated them to the Investigations Division and the Office of Security central file room. I shared with Mr. Otepka his open, honest dissent to these changes.

In April 1963, Mr. Otepka, who had testified earlier before the Internal Security Subcommittee learned that Mr. Reilly who followed him had not only given conflicting information but also had falsely accused Mr. Otepka of derelictions and attacked his personal character. Mr. Otepka asked for my assistance to refute Mr. Reilly's statements by compiling factual data regarding the evaluative services performed under Mr. Otepka.

Through personal observation and data furnished by a very reliable source, it became apparent by this time that Mr. Reilly had placed both Mr. Otepka and myself under surveillance and events indicated he was monitoring my telephone and room conversations with Mr. Otepka by clandestine means. I was invited to see Mr. Reilly in another office and he attempted to persuade me to disassociate myself from Mr. Otepka. He described Mr. Otepka to me as a "nut" and said he (Mr. Reilly) had been sent over to the Department "to do a job" and he was going to do it. Published testimony revealed Mr. Reilly meant to "get" Mr. Otepka.

On June 27, 1963, Mr. Otepka, again suddenly, was assigned by Mr. Reilly from his position as Chief of the Division of Evaluations to isolated quarters to "revise the Office of Security handbook" and "to prepare guidelines for evaluators." A written announcement to this effect relieved Mr. Otepka of his duties as Chief Evaluator and he was replaced by Mr. Belisle. No explanation was given to Mr. Otepka. After Mr. Otepka read his orders, Mr. Reilly immediately led a procession of six security officers to Mr. Otepka's office where all files under Mr. Otepka's custody were impounded and he was "locked out." To my amazement the files in my custody and Mr. Hughes' custody were also impounded without explanation to us. Mr. Reilly ordered Mr. Hughes and myself detailed as investigators to the Washington Field Office to assist in the reduction of a backlog.

I had worked under Mr. Otepka and Mr. Loughton, both professional evaluators of long-standing experience, and they found my services as an evaluator highly commendable. Yet I was now placed under the immediate supervision of Mr. Edward Denton, GS-12, one grade lower than mine, and the general supervision of Mr. Terence Shea, GS-13, over whom I had considerable seniority in the length of time in grade. Mr. Shea, who had me under surveillance, and Mr. Denton gave me only the most routine cases. In his "indoctrination" talks with me, Mr. Denton said I should not personally interview applicants under investigation until I had conducted several interviews in the presence of more experienced (though of a lower grade) investigators. Apparently Mr. Denton did not consider ex-FBI agents to be qualified interrogators.

I spent 7 months in the Washington Field Office, where I can honestly say I received no challenging or complex case whatsoever, while lesser skilled and lower grade investigators did. I was returned to the Division of Evaluations in late January 1964 after I complained to Mr. Thomas Ehrlich, formerly a member of the Legal Division, that my over-all talents were being wasted. Mr. Hughes, in the meantime, was reassigned as an investigator with permanent duty station Memphis, Tenn.

Although the workload in the Evaluations Division was heavy, I was retained there for only 1 month. On March 15, 1964, I was suddenly assigned to the Bureau of Inter-American Affairs (ARA) together with Messrs. Loughton, Hite, Gardner, Howard Shea, and Edwin Burkhardt.

<sup>29</sup> Ibid., appendix to pt. 17, p. A54.

<sup>30</sup> Ibid., appendix to pt. 17, p. A43.

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