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CITE DIRECTOR [] SECTION 01 OF 04.

TO: TEHRAN.

TO AMBASSADOR HEIMS.

FROM: CARY

1. COLBY ACCOMPANIED BY MAURY AND LYLE MILLER, OLC, ON THE HILL THIS MORNING WAITING TO FOLLOW APPEARANCE OF ST. GEORGE BEFORE SENATE ARMED SERVICES COMMITTEE. WILL ADVISE YOU OF WHAT TRANSPIRED IN SEPARATE CABLE. MEANWHILE, COLBY WISHES YOU TO HAVE TEXTS OF CORRESPONDENCE PERTAINING TO WATERGATE MATTER.

2. QUOTED BELOW IS TEXT OF COLBY RESPONSE TO LETTER FROM HOWARD BAKER (R., TENN.) ON ST. GEORGE COLUMN. (THRUST OF BAKER'S INCOMING LETTER COVERED IN PARA 1 OF COLBY RESPONSE.) LETTER DELIVERED TO BAKER'S OFFICE THIS MORNING, 16 NOVEMBER. "IN YOUR LETTER OF 8 NOVEMBER 1973 TO ME YOU REFERRED TO AN ARTICLE BY ANDREW ST. GEORGE IN THE NOVEMBER 1973 ISSUE OF HARPER'S MAGAZINE ENTITLED "THE COLD WAR COMES HOME." YOU ASKED FOR MY ASSESSMENT OF THE ACCURACY OF THE MATERIAL COVERED IN THE LAST CHAPTER HEADED "SUPPLANTING THE CIA." YOU ALSO REQUESTED ANSWERS TO SEVEN QUESTIONS WHICH WERE PROMPTED BY STATEMENTS IN THAT STORY. THE ANSWERS TO

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THOSE QUESTIONS ARE ENCLOSED. MR. ST. GEORGE'S STATEMENT THAT, IN THE EARLY FALL OF 1969, CIA MEMORANDA OF THE MOST ELABORATE AND AMBITIOUS SORT BEGAN TO RETURN FROM THE WHITE HOUSE WITH EVALUATIVE COMMENTS LIKE 'CRAP' AND 'UTTER GARBAGE' SCRIBBLED ACROSS THEIR FACES IN DR. KISSINGER'S OWN HAND." IS FALSE. WHEN DR. KISSINGER CAME TO THE WHITE HOUSE HE HAD SOME CRITICISMS OF SPECIFIC CIA PAPERS AND OFTEN RETURNED THEM WITH SPECIFIC COMMENTS, REQUESTS FOR DEVELOPMENT OR CLARIFICATION, OR CHALLENGES TO THE THESES PRESENTED. HE ALSO WAS HIGHLY COMPLIMENTARY ON A NUMBER OF OTHER CIA PAPERS DURING THE SAME PERIOD. ALL OF THIS WAS READ HERE AS BEING PART OF THE NORMAL PROCESS OF ADJUSTMENT FROM ONE ADMINISTRATION TO ANOTHER. DR. KISSINGER HAS BEEN INTERESTED IN FIELD DATA BUT HE NEVER INDICATED THAT HE "... NO LONGER WANTED A FINISHED NIE (NATIONAL INTELLIGENCE ESTIMATE) ON SOME ESSENTIAL AREA OF CONFLICT... CIA PRODUCES INTELLIGENCE MEMORANDA, SOME OF WHICH ARE INTENDED FOR THE PRESIDENT. IT, IN CONJUNCTION WITH THE OTHER INTELLIGENCE AGENCIES, PRODUCES NATIONAL INTELLIGENCE ESTIMATES, SOME OF WHICH ALSO WOULD BE EXPECTED TO REACH THE PRESIDENT. BOTH SERIES ARE CONSIDERED HIGHLY IMPORTANT AND BOTH ARE PRODUCED USING ALL THE RESOURCES AVAILABLE TO THE INTELLIGENCE COMMUNITY. UNTIL RECENTLY,

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ESTIMATES WERE PREPARED BY A SEPARATE, ELITE OFFICE OF NATIONAL ESTIMATES. THIS HAS NOW BEEN DISSOLVED, BUT THE CONCEPT OF NATIONAL ESTIMATES HAS NOT CHANGED, HOWEVER, AND THEY ARE STILL BEING PRODUCED BY ESSENTIALLY THE SAME PROCEDURES AS IN PAST YEARS. BOTH MEMORANDA AND ESTIMATES HAVE REGULARLY BEEN REQUESTED BY AND PREPARED FOR DR. KISSINGER AND THE NSC STAFF THROUGHOUT THE NIXON ADMINISTRATIONS. MR. ST. GEORGE'S ACCOUNT OF THE NOTIFICATION TO FORMER CIA DIRECTOR RICHARD HELMS REGARDING THE WATERGATE BREAKIN IS UNTRUE. AS INDICATED IN THE ANSWER TO THE SECOND QUESTION, MR. HELMS HAS TESTIFIED BEFORE YOUR COMMITTEE THAT IT IS HIS RECOLLECTION THAT HE FIRST HEARD ABOUT THE WATERGATE BREAKIN BY READING ABOUT IT IN THE NEWSPAPERS AND HEARING ABOUT IT ON THE RADIO. AS FAR AS HIS KNOWLEDGE REGARDING THE POSSIBLE INVOLVEMENT OF FORMER STAFF EMPLOYEES HUNT AND MCCORD, HE HAS TESTIFIED THAT HE FIRST LEARNED OF THIS IN A TELEPHONE CALL FROM THE AGENCY'S DIRECTOR OF SECURITY, MR. HOWARD OSBORN, SOMETIME AROUND 2200 HOURS ON 17 JUNE 1972. I HAVE COMMUNICATED WITH MR. HELMS SINCE THE RECEIPT OF YOUR LETTER AND HE HAS AGAIN VERIFIED HIS RECOLLECTION OF THESE EVENTS AS I HAVE DESCRIBED THEM ABOVE. I TRUST THAT THE ABOVE INFORMATION AND THE ANSWERS TO YOUR QUESTIONS ARE RESPONSIVE

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TO YOUR INQUIRY, IF YOU FEEL THERE IS ANYTHING FURTHER I CAN DO, PLEASE DO NOT HESITATE TO LET ME KNOW." ANSWERS TO QUESTIONS RAISED IN SENATOR PAKER'S LETTER OF 8 NOVEMBER 1973 FOLLOWS:

QUESTION 1: WHEN WAS CIA FIRST INFORMED OF THE JUNE 17, 1972, WATERGATE BREAKIN? WHO ADVISED CIA AND WHO RECEIVED THE INFORMATION? WHO ADVISED THE CIA DIRECTOR OF SECURITY AND WHEN DID HE RECEIVE THIS INFORMATION?

ANSWER: IT IS UNDERSTOOD THAT ARRESTS IN CONNECTION WITH THE BREAKIN WERE MADE AT 0230 HOURS ON 17 JUNE 1972. THE EVENT WAS COVERED IN THE NEWS DURING THE DAY. OUR RECORDS FOR 17 JUNE 1972 INDICATE;

A. SOMETIME BEFORE 1718 HOURS THE WASHINGTON POST MADE AN ~~INQUIRY CONCERNING ONE~~ "EDWARD MARTIN, WHO WAS ARRESTED IN THE BREAKIN AND CLAIMED TO BE A FORMER CIA EMPLOYEE."

B. SOMETIME BEFORE 1830 HOURS THE SECRET SERVICE REQUESTED NAME CHECKS IN ALIAS ON THOSE ARRESTED IN THE BREAKIN.

C. AT APPROXIMATELY 2000 HOURS, MR. ARNOLD L. PARHAM, SPECIAL AGENT OF THE ALEXANDRIA FIELD OFFICE OF THE FEDERAL BUREAU OF INVESTIGATION, CALLED TO REQUEST A NAME TRACE ON "JAMES MARTIN" WHO HAD BEEN ARRESTED WHILE "DEMONSTRATING AT THE WATERGATE." THIS

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CALL WAS TAKEN BY A SECURITY DUTY OFFICER AND REFERRED TO THE RESPONSIBLE SENIOR SECURITY OFFICER FOR NIGHT CALLS.

D. AT APPROXIMATELY 2045 HOURS THE DEPUTY DIRECTOR OF SECURITY CALLED HOWARD J. OSBORN, DIRECTOR OF SECURITY, AND INFORMED HIM OF THE REQUEST FROM THE FBI AND THAT MR. JAMES W. MCCORD, JR., A FORMER STAFF EMPLOYEE OF THE SECURITY OFFICE, WAS BEING MENTIONED IN NEWS STORIES CONCERNING THE ARRESTS.

E. MR. OSBORN, WHO WAS ON OFFICIAL BUSINESS IN NEARBY VIRGINIA AT THE TIME, RETURNED TO THE CIA HEADQUARTERS BUILDING IN LANGLEY, VIRGINIA, AND AT APPROXIMATELY 2145 HOURS CALLED SPECIAL AGENT PARHAM, WHO PROVIDED THE NAMES OF ALL INDIVIDUALS ARRESTED INCLUDING MR. MCCORD, AND SAID A CHECK BEARING THE NAME OF E. HOWARD HUNT, ANOTHER FORMER STAFF EMPLOYEE HAD BEEN DISCOVERED IN THE WATERGATE HOTEL ROOMS USED BY THE PERSONS APPREHENDED. AT AROUND 2200 HOURS MR. OSBORN CALLED MR. HELMS ON THE POSSIBLE INVOLVEMENT OF FORMER STAFF EMPLOYEES HUNT AND MCCORD.

QUESTION 2: WHEN, WHERE AND BY WHOM WAS DIRECTOR HELMS ADVISED OF THE WATERGATE BREAKIN?

ANSWER: MR. HELMS TESTIFIED ON 2 AUGUST 1973 BEFORE THE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES; "IT IS MY

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IMPRESSION THAT I HEARD ABOUT IT, READ ABOUT IT IN THE NEWSPAPERS AND HEARD IT ON THE RADIO, BUT THIS IS NOT ANY LAPSE OF MEMORY. THIS IS JUST ONE OF THOSE THINGS THAT AT THIS FAR BACK IT IS HARD TO KNOW JUST EXACTLY WHO MIGHT HAVE TOLD ME OR HOW I MIGHT HAVE HEARD IT. CERTAINLY IT WAS BIG NEWS FROM THE MOMENT IT HAPPENED."

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AGENCY RECORDS INDICATE THAT AROUND 2200 HOURS ON 17 JUNE 1972, MR. OSBORN CALLED MR. HELMS ON THE POSSIBLE INVOLVEMENT OF FORMER STAFF EMPLOYEES HUNT AND MCCORD. MR. OSBORN HAD EARLIER CALLED SPECIAL AGENT PARHAM, WHO PROVIDED THE NAMES OF ALL INDIVIDUALS ARRESTED INCLUDING MR. MCCORD, AND SAID A CHECK BEARING THE NAME OF E. HOWARD HUNT, ANOTHER FORMER STAFF EMPLOYEE, HAD BEEN DISCOVERED IN THE WATERGATE HOTEL ROOMS USED BY THE PERSONS APPREHENDED.

QUESTION 3: WHEN, WHERE AND BY WHOM WAS THE DEPUTY DIRECTOR, GENERAL CUSHMAN NOTIFIED OF THE WATERGATE BREAKIN?

ANSWER: THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE AT THE TIME OF THE WATERGATE BREAKIN WAS LIEUTENANT GENERAL VERNON A. WALTERS. GENERAL WALTERS FIRST LEARNED OF THE WATERGATE BREAKIN THROUGH ANNOUNCEMENTS IN THE NEWS MEDIA. THE FIRST TIME HE WAS

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TOLD OF THE INVOLVEMENT OF FORMER CIA STAFF EMPLOYEES WAS IN A STATEMENT WHICH MR. HELMS MADE AT HIS MORNING MEETING ON 19 JUNE 1972.

QUESTION 4: PRIOR TO JUNE 17, 1972, DID CIA HAVE ANY INFORMATION OR REPORTS FROM ANY SOURCE THAT IN A WAY SUGGESTED OR REFERRED TO ANY DOMESTIC CLANDESTINE OPERATIONS THAT IN ANY WAY WAS CONNECTED WITH THOSE INDIVIDUALS WHO WERE ASSOCIATED WITH OR TOOK PART IN, BOTH WATERGATE BREAKINS AND/OR THE BREAKIN TO DR. FIELDING'S OFFICE?

ANSWER: IN HIS TESTIMONY BEFORE THE COMMITTEE ON 2 AUGUST 1973 FORMER CIA DIRECTOR RICHARD HELMS DISCUSSED THE ASSISTANCE WHICH THE AGENCY GAVE TO MR. HOWARD HUNT AND MR. GORDON LIDDY AT THE REQUEST OF THE WHITE HOUSE IN PROVIDING CERTAIN DISGUISE MATERIAL AND ALIAS DOCUMENTS. IN THAT TESTIMONY HE ALSO COVERED THE ASSISTANCE WHICH WAS GIVEN TO THE WHITE HOUSE STAFF IN THE PREPARATION OF A PSYCHOLOGICAL ASSESSMENT ON DANIEL ELLSBERG. THESE SUBJECTS ARE COVERED IN A NUMBER OF AFFIDAVITS AND OTHER DOCUMENTS WHICH HAVE BEEN SUBMITTED BY THE AGENCY FOR THE COMMITTEE'S RECORDS. ASIDE FROM THE ABOVE, THIS AGENCY HAD NO INFORMATION OR REPORTS PRIOR TO 17 JUNE 1972 WHICH MIGHT HAVE SUGGESTED OR REFERRED TO DOMESTIC CLANDESTINE OPERATIONS BY THOSE INDIVIDUALS ASSOCIATED

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WITH OR WHO TOOK PART IN THE WATERGATE BREAKIN OR THE BREAKIN OF DR. FIELDING'S OFFICE.

QUESTION 5: PRIOR TO JUNE 17, 1972, DID EUGENIO MARTINEZ ADVISE, HINT OR SUGGEST TO HIS CIA CASE OFFICER OR ANYONE ELSE IN CIA OR THE UNITED STATES GOVERNMENT, OF OPERATIONS OR PLANS TO CONDUCT CLANDESTINE ACTIVITIES AGAINST DOMESTIC TARGETS?

IN THIS CONNECTION DID MR. MARTINEZ MENTION IN ANY WAY WHAT HAS BECOME KNOWN AS THE WATERGATE BREAKINS OR THE BREAKIN OF ELLSBERG'S PSYCHIATRIST'S OFFICE?

ANSWER: MR. MARTINEZ IN LATE 1971 AND AGAIN IN MARCH 1972 BROUGHT MR. HUNT'S PRESENCE IN MIAMI TO THE ATTENTION OF ANY AGENCY FIELD REPRESENTATIVE, THE FIELD REPRESENTATIVE REPORTED THIS TO CIA HEADQUARTERS AND WAS ADVISED THAT HE SHOULD NOT CONCERN HIMSELF WITH THE TRAVEL OF MR. HUNT WHO WAS AN EMPLOYEE OF THE WHITE HOUSE UNDOUBTEDLY ON DOMESTIC WHITE HOUSE BUSINESS OF NO INTEREST TO CIA. MR. MARTINEZ MADE NO MENTION OF WHAT HAVE BECOME KNOWN AS THE WATERGATE AND ELLSBERG BREAKINS, NOR WAS THE AGENCY AWARE OF HIS PARTICIPATION IN ANY SECRET ARRANGEMENT OR RELATIONSHIP THAT MIGHT HAVE INVOLVED ANY DOMESTIC CLANDESTINE OPERATIONS.

THIS AGENCY HAS NO KNOWLEDGE OF ANY INFORMATION THAT

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MR. MARTINEZ MAY HAVE PROVIDED TO ANYONE ELSE IN THE UNITED STATES GOVERNMENT PRIOR TO JUNE 1972 ON THE SUBJECT OF CLANDESTINE ACTIVITIES AGAINST DOMESTIC TARGETS.

QUESTION 6: PRIOR TO JUNE 17, 1972, DID ANY OF THE OTHER INDIVIDUALS ASSOCIATED WITH THE WATERGATE BREAKINS ADVISE, HINT OR SUGGEST TO ANYONE CONNECTED WITH CIA OR THE UNITED STATES GOVERNMENT OPERATIONS OR PLANS TO CONDUCT CLANDESTINE ACTIVITIES AGAINST DOMESTIC TARGETS, INCLUDING BUT NOT LIMITED TO THE WATERGATE BREAKINS AND THE BREAKIN OF ELLSBERG'S PSYCHIATRIST'S OFFICE?

ANSWER: EXCEPT AS INDICATED IN THE ANSWER TO QUESTION NO. 4, NONE OF THE INDIVIDUALS ASSOCIATED WITH THE WATERGATE BREAKIN INDICATED IN ANY WAY TO ANYONE CONNECTED WITH CIA OPERATIONXUOR PLANS TO CONDUCT CLANDESTINE ACTIVITIES AGAINST DOMESTIC TARGETS PRIOR TO 17 JUNE 1972.

AGAIN, THIS AGENCY HAS NO KNOWLEDGE OF ANY INFORMATION WHICH MIGHT HAVE BEEN PROVIDED BY THESE INDIVIDUALS TO ANYONE ELSE IN THE UNITED STATES GOVERNMENT PRIOR TO 17 JUNE 1972 ON THE SUBJECT OF CLANDESTINE ACTIVITIES AGAINST DOMESTIC TARGETS.

QUESTION 7: ON OR AFTER JUNE 17, 1972, DID ANY OF THE INDIVIDUALS ASSOCIATED WITH THESE BREAKINS IN ANY WAY COMMUNICATE WITH ANY

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INDIVIDUAL ASSOCIATED WITH CIA TO DISCUSS THE WATERGATE BREAKINS OR THE ELLSBERG PSYCHIATRIST OFFICE BREAKIN, OTHER THAN MR. MCCORD WHO WROTE LETTERS TO CIA WHICH ARE PART OF THE WATERGATE HEARING RECORD?

ANSWER: ON 10 JULY 1972 AN OFFICER OF A COMMERCIAL CONCERN COMMUNICATED TO AN EMPLOYEE OF CIA INFORMATION WHICH HAD COME TO HIS ATTENTION CONCERNING THE "WATERGATE FIVE." THE RELATIONSHIP OF THIS INFORMANT AND HIS COMPANY TO THE AGENCY WAS AND IS CLASSIFIED.

SINCE THIS INFORMATION WAS HEARSAY, CONTAINED A REPETITION OF THEN CURRENT PUBLISHED SPECULATION, AND INDICATED THAT THE INFORMANT HAD APPEARED BEFORE THE GRAND JURY ON THE MATTER, NO ACTION WAS TAKEN. THE EMPLOYEE'S HAND-WRITTEN MEMORANDUM FOR THE RECORD ON THIS MATTER IS CONTAINED IN SENSITIVE MATERIAL WHICH AGENCY OFFICERS HAVE MADE AVAILABLE FOR REVIEW, BUT NOT RETENTION, BY THE STAFFS OF THE FOUR CIA SUBCOMMITTEES AS WELL AS THE STAFFS OF THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES AND THE FEDERAL PROSECUTOR. ASIDE FROM THIS, THE AGENCY HAD NO COMMUNICATION OF THE TYPE REFERRED TO IN THIS QUESTION.

3. QUOTED BELOW IS LETTER DATED OCTOBER 29, 1973, COLBY RECEIVED FROM FULBRIGHT AND ANSWER WHICH COLBY PROPOSES TO SEND HIM:

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WHEN MR. HELMS APPEARED BEFORE THE FOREIGN RELATIONS COMMITTEE
FEBRUARY 7, 1973 (UNDER OATH) IN CONNECTION WITH HIS NOMINATION
TO BE AMBASSADOR TO IRAN, HE WAS QUESTIONED IN SOME DETAIL ABOUT
PRIOR ASSOCIATIONS WITH THE CENTRAL INTELLIGENCE AGENCY ON THE
PART OF THE WATERGATE DEFENDANTS. THE FOLLOWING EXCHANGE TOOK
PLACE: "THE CHAIRMAN, AND FRANK STURGIS, WAS HE AN EMPLOYEE?
"MR. HELMS. NEVER. "THE CHAIRMAN, IN ANY CAPACITY? MR. HELMS.
I AM SURE OF THAT." IN AN AFFIDAVIT FILED WITH THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT OF COLUMBIA OCTOBER 10, 1973,
SUPPORTING HIS MOTION FOR LEAVE TO WITHDRAW HIS GUILTY PLEA,
MR. STURGIS SAYS: "I HAD ALSO BEEN ACTIVE IN THE BAY OF PIGS
OPERATION AND CONTINUED CLANDESTINELY WORKING FOR THE LIBERATION
OF CUBA THEREAFTER," AND AGAIN: "I HAD KNOWN OF MR. MARTINEZ SINCE
THE BAY OF PIGS INVASION AND KNEW THAT HE HAD BEEN ENGAGED IN
CLANDESTINE INCURSIONS INTO CUBA FOR MANY YEARS FOLLOWING THE BAY OF
PIGS INVASION. I WAS DOING SIMILAR WORK THOUGH MR. MARTINEZ WAS
WORKING FOR A DIFFERENT SECTOR THAN I WAS. IT WAS MY BELIEF BASED
UPON MY OWN OBSERVATIONS DURING THE YEARS FOLLOWING THE BAY OF PIGS
INVASION THAT MR. MARTINEZ WAS WORKING FOR AND BEING DIRECTLY
FINANCED BY THE CENTRAL INTELLIGENCE AGENCY AS OPPOSED TO MY OWN

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SITUATION WHICH INVOLVED THE AGENCY'S KNOWLEDGE AND APPROVAL OF MY OPERATIONS AND THEIR INDIRECT FINANCING OF THEM." WITH RESPECT TO MR. MARTINEZ, MR. HEINS TESTIFIED AS FOLLOWS FEBRUARY 7:

"MR. MARTINEZ WAS NEVER AN EMPLOYEE OF THE CENTRAL INTELLIGENCE AGENCY. HE WAS ON A RETAINER OF \$100 A MONTH AT THAT TIME; SEEN OCCASIONALLY BY A REPRESENTATIVE OF THE AGENCY, AND HIS ROLE WAS SIMPLY TO IDENTIFY TO US FROM THOSE LEGAL AND ILLEGAL IMMIGRANTS FROM CUBA THOSE INDIVIDUALS WHO HE THOUGHT MIGHT BE OF INTEREST FOR INFORMATIONAL PURPOSES. HE SIMPLY WAS TO IDENTIFY HIM AND WE TOOK IT FROM THERE, AND IT WAS A VERY LOOSE KIND OF ARRANGEMENT IN WHICH HE REPORTED IN FROM TIME TO TIME. AND IT IS INDEED TRUE THAT AS SOON AS IT WAS FOUND OUT HE WAS INVOLVED IN THE WATERGATE THING WE SIMPLY TURNED HIM OFF AND HAVE NOT TALKED TO HIM SINCE."

MR. HEINS REPEATED THE SUBSTANCE OF THIS TESTIMONY ON PAGES 58-59 OF THE TRANSCRIPT. I WOULD APPRECIATE YOUR CLEARING UP THESE DISCREPANCIES. SPECIFICALLY--

WAS STURGIS ACTIVE IN THE BAY OF PIGS OPERATION? DID HE CONTINUE CLANDESTINELY WORKING FOR THE LIBERATION OF CUBA THEREAFTER, EITHER ON BEHALF OF THE CIA OR WITH ITS KNOWLEDGE, APPROVAL, OR ACQUIESCENCE? IF SO, WHAT WERE HIS ACTIVITIES?

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WAS MARTINEZ ENGAGED IN CLANDESTINE INCURSIONS INTO CUBA FOR MANY YEARS FOLLOWING THE BAY OF PIGS INVASION? WERE THESE MADE ON BEHALF OF THE CIA OR WITH ITS KNOWLEDGE, APPROVAL, OR ACQUIESCENCE?

WHAT DOES STURGIS MEAN WHEN HE SAYS, "I WAS DOING SIMILAR WORK THOUGH MR. MARTINEZ WAS WORKING FOR A DIFFERENT SECTOR THAN I WAS"?

WHAT DOES STURGIS MEAN WHEN HE REFERS TO "MY OWN SITUATION WHICH INVOLVED THE AGENCY'S KNOWLEDGE AND APPROVAL OF MY OPERATIONS AND THEIR INDIRECT FINANCING OF THEM"? (THIS COMPLETES FULLERIGHT 29 OCTOBER 1973 MEMO). FOLLOWING IS COLBY'S PROPOSED ANSWER:

THIS IS IN RESPONSE TO YOUR LETTER OF 29 OCTOBER 1973 REQUESTING CERTAIN INFORMATION CONCERNING MR. FRANK STURGIS AND MR. EUGENIO R. MARTINEZ, YOUR QUESTIONS AND THE ANSWERS THERETO FOLLOW:

QUESTION: WAS STURGIS ACTIVE IN THE BAY OF PIGS OPERATION?

ANSWER: WE HAVE NO EVIDENCE THAT MR. STURGIS OFFICIALLY PARTICIPATED IN THE BAY OF PIGS INVASION. ANY ACTIVITIES CONCERNING THE BAY OF PIGS INVASION IN WHICH MR. STURGIS MAY HAVE BEEN ENGAGED WERE NOT DIRECTLY CONNECTED WITH OR AUTHORIZED BY THE CIA NOR WAS CIA KNOWLEDGEABLE OF ANY SUCH ACTIVITIES. HOWEVER, HE MAY HAVE

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BEEN ENGAGED THROUGH ONE OF THE GROUPS WHICH WAS SUPPORTED BY CIA.

QUESTION: DID HE CONTINUE CLANDESTINELY WORKING FOR THE LIBERATION OF CUBA THEREAFTER, EITHER ON BEHALF OF THE CIA OR WITH ITS KNOWLEDGE, APPROVAL, OR ACQUIESCENCE? IF SO, WHAT WERE HIS ACTIVITIES?

ANSWER: ANY ACTIVITIES IN WHICH MR. STURGIS MAY HAVE BEEN ENGAGED SUBSEQUENT TO THE BAY OF PIGS OPERATION WERE WITHOUT THE PRIOR KNOWLEDGE OR THE APPROVAL OR ACQUIESCENCE OF THIS AGENCY. OUR FILES REFLECT INFORMATION FROM THE FEDERAL BUREAU OF INVESTIGATION WHICH INDICATES THAT MR. STURGIS IS A SOLDIER OF FORTUNE WHO HAD PARTICIPATED IN CUBAN REVOLUTIONARY ACTIVITIES FOR A NUMBER OF YEARS. HOWEVER, THE AGENCY DID ENGAGE IN LIMITED ACTIVITIES CONCERNING CUBA AND HE MAY HAVE BEEN ENGAGED THROUGH ONE OF THE GROUPS SUPPORTED BY CIA IN THIS CONNECTION.

QUESTION: WAS MARTINEZ ENGAGED IN CLANDESTINE INCURSIONS INTO CUBA FOR MANY YEARS FOLLOWING THE BAY OF PIGS INVASION? WERE THESE MADE ON BEHALF OF THE CIA OR WITH ITS KNOWLEDGE, APPROVAL, OR ACQUIESCENCE?

ANSWER: MR. MARTINEZ WAS RECRUITED BY THE AGENCY IN JANUARY 1961 IN CONNECTION WITH CUBAN OPERATIONS. THE PROJECT TO WHICH HE WAS

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ASSIGNED WAS TERMINATED IN 1969. I WOULD BE GLAD TO BRIEF YOU ON THE DETAILS, IF YOU ARE INTERESTED. SUBSEQUENTLY, HE WAS HELD ON A PART-TIME RETAINER TO REPORT ON INDIVIDUALS COMING FROM CUBA TO THE MIAMI AREA WHOM HE THOUGHT COULD PROVIDE INFORMATION ON CUBA USEFUL TO THE UNITED STATES. THE LAST MEETING WITH MR. MARTINEZ OCCURRED ON 6 JUNE 1972, AND THE RELATIONSHIP WAS TERMINATED BY THE AGENCY AS A RESULT OF HIS INVOLVEMENT IN THE WATERGATE BREAKIN.

QUESTION: WHAT DOES STURGIS MEAN WHEN HE SAYS, "I WAS DOING SIMILAR WORK THOUGH MR. MARTINEZ WAS WORKING FOR A DIFFERENT SECTOR THAN I WAS"?

ANSWER: WE DO NOT KNOW WHAT STURGIS MEANS BY THIS STATEMENT. OUR FILES INDICATE THAT MR. STURGIS WAS FRIENDLY WITH MR. MARTINEZ, AND HE MAY HAVE BEEN AWARE THAT MR. MARTINEZ WAS IN SOME WAY ASSOCIATED WITH CIA. HOWEVER, MR. STURGIS WAS NOT DIRECTLY ENGAGED IN ANY ACTIVITY SPONSORED, APPROVED OR FUNDED BY CIA (SEE ABOVE).

QUESTION: WHAT DOES STURGIS MEAN WHEN HE REFERS TO "MY OWN SITUATION WHICH INVOLVED THE AGENCY'S KNOWLEDGE AND APPROVAL OF MY OPERATIONS AND THEIR INDIRECT FINANCING OF THEM"?

ANSWER: WE DO NOT KNOW WHAT MR. STURGIS MEANS BY THIS STATEMENT. MR. STURGIS WAS NOT INVOLVED IN ANY OPERATION DIRECTLY

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SPONSORED, APPROVED OR FUNDED BY CIA (SEE ABOVE).

WHILE IT IS TRUE THAT MR. MARTINEZ HAD AN "AGENT" RELATIONSHIP WITH THIS AGENCY PRIOR TO THE TIME THAT HE WAS PUT ON A PART-TIME RETAINER, HE WAS NEVER AN "EMPLOYEE" OF THIS AGENCY AND WAS NEVER UNDER THE TYPE OF SUPERVISION AND CONTROL NORMALLY ASSOCIATED WITH A "STAFF EMPLOYEE" RELATIONSHIP. FURTHER, PRIOR TO MR. HELMS' TESTIMONY BEFORE YOUR COMMITTEE ON 7 FEBRUARY 1973, THERE WAS SPECULATION IN THE PRESS THAT MR. MARTINEZ WAS AN ACTIVE EMPLOYEE OF THIS AGENCY AT THE TIME OF THE BREAKIN. THIS, OF COURSE, WAS NOT TRUE, AND IN EXPLAINING THE STATUS OF MR. MARTINEZ AT THE TIME OF THE BREAKIN, IT IS UNDERSTANDABLE THAT UPPERMOST IN MR. HELMS' MIND WOULD BE THE PART-TIME RETAINER STATUS WHICH MR. MARTINEZ HELD AT THE TIME OF THE BREAKIN. PLEASE LET ME KNOW IF THERE IS ANYTHING FURTHER YOU DESIRE IN THE ABOVE CONNECTION." E2 IMPDET.

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