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CITE DIRECTOR [REDACTED]

TO: IMMEDIATE TEHRAN.

EYES ONLY TO AMBASSADOR HELMS FROM COLBY

[REDACTED]

1. WASHINGTON POST ARTICLE OF 11 MARCH 1974 HAS CAPTION "HELMS SAYS BARKER FIRED FOR GAMBLING". LEAD PARAGRAPH STATES "THE CENTRAL INTELLIGENCE AGENCY FIRED CONVICTED WATERGATE BURGLAR BERNARD L. BARKER IN THE MID-1960'S BECAUSE HE WAS INVOLVED WITH 'GAMBLING AND CRIMINAL ELEMENTS,' ACCORDING TO FORMER CIA DIRECTOR RICHARD HELMS."

2. PARAGRAPHS 2 & 3 REVIEW WHO BARKER IS AND WHAT HE IS ACCUSED OF, I.E., WATERGATE BREAK-IN, BREAK-IN OF DR. FIELDING'S OFFICE, ETC.

3. REMAINDER OF ARTICLE AS FOLLOWS:

HELMS' TESTIMONY, GIVEN TO THE SENATE FOREIGN RELATIONS COMMITTEE BEHIND CLOSED DOORS ON FEB. 7, 1973, WAS MADE PUBLIC YESTERDAY. THE HEARINGS WERE HELD ON THE NOMINATION OF HELMS TO BE AMBASSADOR TO IRAN.

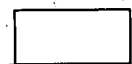
BARKER'S ATTORNEY, DANIEL F. SCHULTZ, PROMPTLY DENIED HELMS' IMPLICATION OF WHY BARKER WAS TERMINATED BY THE CIA. MR. HELMS' TESTIMONY IS INCONSISTENT WITH OFFICIAL INFORMATION WE HAVE RECEIVED FROM THE CIA. IT IS CATEGORICALLY DENIED BY MR. BARKER AND IS SIMPLY NOT TRUE, SCHULTZ SAID. MR. SCHULTZ'S STATEMENT OR BARKER APPEARED TO CONFLICT WITH HELMS' ACCOUNT OF HIS DEALINGS WITH THE CIA GIVEN IN SWORN TESTIMONY BEFORE THE SENATE WATERGATE COMMITTEE MAY 24, 1973, AND HELMS' STATEMENT AFTER HELMS TESTIFIED AT THE FOREIGN RELATIONS COMMITTEE.

HELMS TOLD THE COMMITTEE ABOUT BARKER:

"DURING THE BAY OF PIGS HE WAS ONE OF THE CUBAN DERIVATIVES WHO WAS INVOLVED IN THAT OPERATION AND IS IS MY RECOLLECTION THAT ALL LINES WITH HIM ON THE PART OF THE AGENCY

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WERE ELIMINATED SOME TIME IN THE MIDDLE '60S.

BARKER TESTIFYING TO THE WATERGATE COMMITTEE, SAID HE LEFT THE CIA IMMEDIATELY AFTER THE END OF THE BAY OF PIGS OPERATION IN APRIL, 1961, AND HAS NO FURTHER CONNECTION WITH IT UNTIL HUNT APPROACHED HIM 10 YEARS LATER TO SET UP THE BURGLARY TEAM.

CIA SPOKESMEN SAID IT WOULD BE 'DIFFICULT' TO FIND OUT EXACTLY WHEN BARKER LEFT THE AGENCY OR THE CIRCUMSTANCES." END OF ARTICLE.

4. ON 10 MARCH 1974, AT 2055 HOURS BERNARD BARKER CALLED THE SECURITY DUTY OFFICER AT THE AGNEC?. HE WAS VERY UPSET AND ANGRY AND PROCEEDED TO READ THEM THE FOREGOING STORY. HE STATED HE HAD NEVER BEEN INVOLVED WITH GAMBLERS OR CRIMINALS, THAT HE HAD TO ANSWER THIS CHARGE AGAINST HIM. HE ASKED IF HE WOULD BE BREAKING HIS OATH OF SECRECY IF HE SAID THAT HELMS WAS A LIAR. SDO REPLIED THAT BARKER'S CALL WOULD BE REPORTED AND GOT BARKER'S TELEPHONE NUMBER.

5. BARKER WAS CONTACTED BY JOHN WARNER'S OFFICE TODAY MERELY TO ACKNOWLEDGE HIS CALL AND TO ADVISE THE MATTER WAS BEING LOOKED INTO.

6. WARNER'S OFFICE HAS VERIFIED THAT YOU DID SO TESTIFY AS BARKER.

7. CAN YOU AT THIS POINT IDENTIFY WHERE YOU GOT YOUR INFORMATION ABOUT BARKER? AGENCY RECORDS REVIEWED HERE SHOW HIM AS A DEDICATED PERSON. UPON HIS TERMINATION FROM AGENCY EMPLOYMENT ON 31 JULY 1966 HE WAS GIVEN A TERMINAL PAYOUT OF \$4800.00 IN RECOGNITION OF HIS LENGTHY PERIOD OF LOYAL SERVICE TO THE AGENCY. TERMINATION WAS TO ALLOW HIM TO ACCEPT EMPLOYMENT WITH THE RAULAND CORPORATION, A SUBSIDIARY OF THE AMERICAN RADIO CORPORATION LOCATED IN CHICAGO, ILL., WHICH WE DID HELP HIM OBTAIN. AT THE TIME OF TERMINATION HIS CONTRACT INDICATES HE WAS RECEIVING \$500.00 PER MONTH.

8. COULD YOU POSSIBLY HAVE CONFUSED BERNARD BARKER WITH FRANK STURGIS (ALIAS FIORINI) WHO DID HAVE QUESTIONABLE BACKGROUND WHO WAS NEVER CONNECTED WITH, EMPLOYED BY OR USED BY

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THE AGENCY? WE OBVIOUSLY SHOULD HAVE CAUGHT THIS IN REVIEW OF TRANSCRIPT BEFORE PUBLICATION.

9. WOULD BE HELPFUL IF WE COULD INFORM BARKER AND HIS ATTORNEY, SCHULTZ, THAT "AGENCY RECORDS HAVE BEEN CONSULTED WHICH INDICATE THAT BARKER LEFT THE AGENCY IN COMPLETE GOOD GRACE AND THAT THE STATEMENT ATTRIBUTED TO HELMS CONCERNING BARKER IS INACCURATE. HELMS HAS AUTHORIZED US TO CONVEY HIS SINCEREST REGRETS FOR THIS ERROR." HOUSTON HAS BEEN CONSULTED AND AGREES THAT THIS WOULD BE A DESIRABLE APPROACH.

10. THERE WILL BE PRESS AND CONGRESSIONAL QUERIES. WE PROPOSE THAT WE GIVE THEM SUBSTANCE OF PROPOSED STATEMENT TO BARKER AND SCHULTZ.

11. PLEASE ADVISE IF YOU AGREE OR HAVE OTHER THOUGHTS AS TO ACTION TO BE TAKEN.

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