Chapter 11

Special Operations Group— "Operation CHAOS"

Responding to Presidential requests to determine the extent of foreign influence on domestic dissidence, the CIA, upon the instruction of the Director of Central Intelligence, established within the Counterintelligence Staff a Special Operations Group in August 1967, to collect, coordinate, evaluate and report on foreign contacts with American dissidents.

The Group's activities, which later came to be known as Operation CHAOS, led the CIA to collect information on dissident Americans from its overseas stations and from the FBI.

Although the stated purpose of the Operation was to determine whether there were any foreign contacts with American dissident groups, it resulted in the accumulation of considerable material on domestic dissidents and their activities.

During six years, the Operation compiled some 13,000 different files, including files on 7,200 American citizens. The documents in these files and related materials included the names of more than 300,000 persons and organizations, which were entered into a computerized index.

This information was kept closely guarded within the CIA to prevent its use by anyone other than the personnel of the Special Operations Group. Utilizing this information, personnel of the Group prepared 3,500 memoranda for internal use; 3,000 memoranda for dissemination to the FBI; and 37 memoranda for distribution to high officials.

The Operation ultimately had a staff of 52, who were isolated from any substantial review even by the Counterintelligence Staff of which they were technically a part.

Beginning in late 1969, Operation CHAOS used a number of agents

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to collect intelligence abroad on any foreign connections with American dissident groups. In order to have sufficient "cover" for these agents, the Operation recruited persons from domestic dissident groups or recruited others and instructed them to associate with such groups in this country.

Most of these recruits were not directed to collect information domestically on American dissidents. On a number of occasions, however, such information was reported by the recruits while they were developing dissident credentials in the United States, and the information was retained in the files of the Operation. On three occasions, agents of the Operation were specifically used to collect domestic intelligence.

Part of the reason for these transgressions was inherent in the nature of the task assigned to the Group: to determine the extent of any foreign influence on domestic dissident activities. That task necessarily partook of both domestic and foreign aspects. The question could not be answered adequately without gathering information on the identities and relationships of the American citizens involved in the activities. Accordingly, any effort by the CIA in this area was bound, from the outset, to raise problems as to whether the Agency was looking into internal security matters and therefore exceeding its legislative authority.

The Presidential demands upon the CIA appear to have caused the Agency to forego, to some extent, the caution with which it might otherwise have approached the subject.

Two Presidents and their staffs made continuing and insistent requests of the CIA for detailed evaluation of possible foreign involvement in the domestic dissident scene. The Agency's repeated conclusion in its reports—that it could find no significant foreign connection with domestic disorder—led to further White House demands that the CIA account for any gaps in the Agency's investigation and that it remedy any lack of resources for gathering information.

The cumulative effect of these repeated demands was the addition of more and more resources, including agents, to Operation CHAOS—as the Agency attempted to support and to confirm the validity of its conclusion. These White House demands also seem to have encouraged top CIA management to stretch and, on some occasions, to exceed the legislative restrictions.

The excessive secrecy surrounding Operation CHAOS, its isolation within the CIA, and its removal from the normal chain of command prevented any effective supervision and review of its activities by officers not directly involved in the project.

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A. Origins of Operation CHAOS—August 1967

In the wake of racial violence and civil disturbances, President Johnson on July 2, 1967, formed the National Commission on Civil Disorders (the Kerner Commission) and directed it to investigate and make recommendations with respect to the origins of the disorders. At the same time, the President instructed all other departments and agencies of government to assist the Kerner Commission by supplying information to it.

On August 15, 1967, Thomas Karamessines, Deputy Director for Plans, issued a directive to the Chief of the Counterintelligence Staff instructing him to establish an operation for overseas coverage of subversive student activities and related matters. This memorandum relayed instructions from Director Richard Helms, who, according to Helms' testimony, acted in response to continuing, substantial pressure from the President to determine the extent of any foreign connections with domestic dissident events. Helms' testimony is corroborated by a contemporaneous FBI memorandum which states:

> The White House recently informed Richard Helms, Director, CIA, that the Agency should exert every possible effort to collect information concerning U.S. racial agitators who might travel abroad * * * because of the pressure placed upon Helms, a new desk has been created at the Agency for the explicit purpose of collecting information coming into the Agency and having any significant bearing on possible racial disturbances in the U.S.

The question of foreign involvement in domestic dissidence combined matters over which the FBI had jurisdiction (domestic disorder) and matters which were the concern of the CIA (possible foreign connection). The FBI, unlike the CIA, generally did not produce finished, evaluated intelligence. Apparently for these reasons, the President looked to the Director of Central Intelligence to produce a coordinated evaluation of intelligence bearing upon the question of dissidence.

When the Kerner Commission's Executive Director wrote to Helms on August 29, 1967, requesting CIA information on civil disorders. Helms offered to supply only information on foreign connections with domestic disorder. Ultimately, the CIA furnished 26 reports to the Kerner Commission, some of which related largely to domestic dissident activities.

B. Evolution of Operation CHAOS—The November 1967 Study

The officer selected to head what became the Special Operations Group was a person already involved in a counterintelligence effort

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in connection with an article in *Ramparts* magazine on CIA associations with American youth overseas. In connection with his research and analysis, the officer had organized the beginnings of a computer system for storage and retrieval of information on persons involved in the "New Left."

By October 1967, this officer had begun to establish his operation concerning foreign connections with the domestic dissident scene. In a memorandum for the record on October 31, 1967, he indicated that the CIA was to prepare a study on the "International Connections of the United States Peace Movement."

The CIA immediately set about collecting all the available government information on dissident groups. All field stations of the CIA clandestine service were polled for any information they had on the subject of the study. Every branch of the intelligence community was called upon to submit whatever information it had on the peace movement to the Special Operations Group for cataloging and storage. Most of the information was supplied by the FBI.

All information collected by the Special Operations Group was forwarded to the CIA Office of Current Intelligence, which completed the study by mid-November. Director Helms personally delivered the study to President Johnson on November 15, 1967, with a covering note stating that "this is the study on the United States Peace Movement you requested."

The study showed that there was little evidence of foreign involvement and no evidence of any significant foreign financial support of the peace activities within the United States. As a result of the information gathered for the study, however, the Special Operations Group gained an extensive amount of data for its later operations.

On November 20, 1967, a new study was launched by the CIA at the request of the Director of Central Intelligence. This study was titled "Demonstration Techniques." The scope of the study was world-wide, and it concentrated on antiwar demonstrations in the United States and abroad. The procedure used on the earlier study was also employed to gather information for this new project.

The CIA sent an updated version of the Peace Movement Study to the President on December 22, 1967, and on January 5, 1968, Director Helms delivered to the White House a paper entitled "Student Dissent and Its Techniques in the United States." Helms' covering letter to the President described the January 5 study as "part of our continuing examination of this general matter."

Again, the information bank of the Special Operations Group was increased by the intelligence gathered for these studies.

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C. Evolution of Operation CHAOS—Domestic Unrest in 1968

Continuing antiwar demonstrations in 1968 led to growing White House demands for greater coverage of such groups' activities abroad. As disorders occurred in Europe in the summer of 1968, the CIA, with concurrence from the FBI, sought to engage European liaison services in monitoring United States citizens overseas in order to produce evidence of foreign guidance, control or financial support.

In mid-1968, the CIA moved to consolidate its efforts concerning foreign connections with domestic dissidence and to restrict further the dissemination of the information used by the Special Operations Group. The Group was given a cryptonym, "CHAOS." The CIA sent cables to all its field stations in July 1968, directing that all information concerning dissident groups be sent through a single restricted channel on an "Eyes Only" basis to the Chief of Operation CHAOS. No other dissemination of the information was to occur.

Some time in 1968, Director Helms, in response to the President's continued concern about student revolutionary movements around the world, commissioned the preparation of a new analytic paper which was eventually entitled "Restless Youth." Like its predecessor, "Restless Youth" concluded that the motivations underlying student radicalism arose from social and political alienation at home and not from conspiratorial activity masterminded from abroad.

"Restless Youth" was produced in two versions. The first version contained a section on domestic involvements, again raising a question as to the propriety of the CIA's having prepared it. This version was delivered initially only to President Johnson and to Walt W. Rostow, the President's Special Assistant for National Security Affairs. Helms' covering memorandum, dated September 4, 1968, stated, "You will, of course, be aware of the peculiar sensitivity which attaches to the fact that CIA has prepared a report on student activities both here and abroad."

Another copy of the first version of "Restless Youth" was delivered on February 18, 1969, after the change in Administrations, to Henry A. Kissinger, then Assistant to President Nixon for National Security Affairs. Director Helms' covering memorandum of February 18 specifically pointed out the impropriety of the CIA's involvement in the study. It stated:

> In an effort to round-out our discussion of this subject, we have included a section on American students. This is an area not within the charter of this Agency, so I need not emphasize how extremely sensitive this makes the paper. Should anyone learn of its existence it would prove most embarrassing for all concerned.

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A second version of "Restless Youth" with the section on domestic activities deleted was later given a somewhat wider distribution in the intelligence community.

The CHAOS group did not participate in the initial drafting of the "Restless Youth" paper, although it did review the paper at some point before any of its versions were disseminated. Intelligence derived from the paper was, of course, available to the group.

E. The June 1969 White House Demands

On June 20, 1969, Tom Charles Huston, Staff Assistant to President Nixon, wrote to the CIA that the President had directed preparation of a report on foreign communist support of revolutionary protest movements in this country.

Huston suggested that previous reports indicated inadequacy of intelligence collection capabilities within the protest movement area. (Helms testified that this accurately reflected the President's attitude.) According to Huston's letter, the President wanted to know:

—What resources were presently targeted toward monitoring foreign communist support of revolutionary youth activities in this country;

—How effective the resources were;

—What gaps existed because of inadequate resources or low priority of attention: and,

—What steps could be taken to provide maximum possible coverage of the activities.

Huston said that he was particularly interested in the CIA's ability to collect information of this type. A ten-day deadline was set for the CIA's reply.

The Agency responded on June 30, 1969, with a report entitled, "Foreign Communist Support to Revolutionary Protest Movements in the United States." The report concluded that while the communists encouraged such movements through propaganda and exploitation of international conferences, there was very little evidence of communist funding and training of such movements and no evidence of communist direction and control.

The CIA's covering memorandum, which accompanied the June 30 report, pointed out that since the summer of 1967, the Agency had attempted to determine through its sources abroad what significant communist assistance or control was given to domestic revolutionary protests. It stated that close cooperation also existed with the FBI and that "new sources were being sought through independent means." The memorandum also said that the "Katzenbach guidelines" of 1967

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had inhibited access to persons who might have information on efforts by communist intelligence services to exploit revolutionary groups in the United States.[1]

E. CHAOS in Full-Scale Operation—Mid-1969

By mid-1969, Operation CHAOS took on the organizational form which would continue for the following three years. Its staff had increased to 36. (Eventually it totaled 52.) In June 1969, a Deputy Chief was assigned to the Operation to assist in administrative matters and to assume some of the responsibilities of handling the tightly-held communications. There was a further delegation of responsibility with the appointment of three branch chiefs in the operation.

The increase in size and activity of the Operation was accompanied by further isolation and protective measures. The group had already been physically located in a vaulted basement area, and tighter security measures were adopted in connection with communications of the Operation. These measures were extreme, even by normally strict CIA standards. An exclusive channel for communication with the FBI was also established which severely restricted dissemination both to and from the Bureau of CHAOS-related matters.

On September 6, 1969, Director Helms distributed an internal memorandum to the head of each of the directorates within CIA, instructing that support was to be given to the activities of Operation CHAOS. Both the distribution of the memorandum and the nature of the directives contained in it were most unusual. These served to underscore the importance of its substance.

Helms confirmed in the September 6 memorandum that the CHAOS group had the principal operational responsibilities for conducting the Agency's activities in the "radical milieu." Helms expected that each division of the Agency would cooperate "both in exploiting existing sources and in developing new ones, and that [the Special Operations Group] will have the necessary access to such sources and operational assets."

Helms further stated in the memorandum that he believed the CIA had "the proper approach in discharging this sensitive responsibility while strictly observing the statutory and *de facto* proscription on Agency domestic involvements."

The September 6 memorandum, prepared after discussions with

[1] In 1967 President Johnson appointed a committee including Nicholas Katzenbach, John Gardner, and Richard Helms to investigate charges that the CIA was funding the National Student Association. The charges were substantiated, and the Katzenbach Committee's recommendation that the government refrain from covert financial support of private educational organizations was adopted as government policy.

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the Chief of the Operation, among others, served at least three important functions: First, it confirmed, beyond question, the importance which Operation CHAOS had attained in terms of Agency objectives. Second, it replied to dissent which had been voiced within the CIA concerning the Operation. Third, it ensured that CHAOS would receive whatever support it needed, including personnel.

F. Agent Operations Relating to Operation CHAOS

Within a month after Helms' memorandum of September 6, an operations or "case" officer was assigned from another division to Operation CHAOS. The Operation thus gained the capacity to manage its own agents. A full understanding of the Operation's use of agents, however, requires some appreciation of similar proposals previously developed by other components of the CIA.

1. "Project 1"

In February 1968, the CIA's Office of Security and a division in its Plans Directorate jointly drafted a proposal for "Project 1," which was initially entitled "An Effort . . . in Acquiring Assets in the 'Peace' and 'Black Power' Movements in the United States." The project was to involve recruitment of agents who would penetrate some of the prominent dissident groups in the United States and report information on the communications, contacts, travel and plans of individuals or groups having a connection with a certain foreign area. The proposal was rejected by Director Helms in March 1968 on the ground that it "would appear to be" beyond the Agency's jurisdiction and would cause widespread criticism when it became public knowledge, as he believed it eventually would.

Shortly thereafter, the proposed Project was modified to include a prohibition against domestic penetration of dissident groups by agents recruited by CIA. Any contact with domestic groups would be incidental to the overall objective of gaining access overseas to information on foreign contacts and control.

This modification was consistent with Helms' instruction that the Agency was not to engage in domestic operational activity directed against dissident groups. The modified plan was approved by the Deputy Director of Plans, subject to conditions to ensure his tight supervision and control over its activities, but no evidence could be found that the project ever became operational.

The history of Project 1 clearly reflected the CIA's awareness that statutory limitations applied to the use of agents on the domestic

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dissident scene. "Penetration" of dissident groups in the United States to gain information on their domestic activities was prohibited.

2. *"Project 2"*

A second program, "Project 2," was initiated in late 1969 by the same office in the CIA's Plans Directorate which had developed Project 1. Under Project 2, individuals without existing dissident affiliation would be recruited and, after recruitment, would acquire the theory and jargon and make acquaintances in the "New Left" while attending school in the United States. Following this "reddening" or "sheepdipping" process (as one CIA officer described it), the agent would be sent to a foreign country on a specific intelligence mission.

Project 2 was approved on April 14, 1970, by the Assistant Deputy Director for Plans, who stated that no Project 2 agent was to be directed to acquire information concerning domestic dissident activities. Only if such information was acquired incidentally by the agents during the domestic "coloration" process would it be passed to Operation CHAOS for forwarding to the FBI.[2]

Renewals of Project 2 were approved annually during 1971–1973 by the Deputy Director for Plans. The Project was also reviewed and approved in the fall of 1973 by William E. Colby, by then Director of Central Intelligence. In granting his approval on September 5, 1973, Director Colby, in language which paraphrased the original Project 1 guidelines, stated that:

> Care will be taken that, during the training period of [Project 2] agents within the United States, they will not be operated by CIA against domestic targets.

During the period 1970–1974 a total of 23 agents were recruited for the project, of which 11 completed the prescribed development process in the United States. Each agent was met and debriefed on a regular schedule in this country by Project 2 case officers. The agents were told repeatedly of the limitations on their activities in the United States.

The Project 2 case officers used debriefing sessions as one method of assessing an agent's effectiveness in reporting facts precisely and accurately, obviously an essential skill to any intelligence agent. "Contact reports" were prepared after the sessions. Although the reports contained a substantial amount of information on agents' observations of domestic activities, no evidence was found that Project 2 itself opened any files based upon any of the information.

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[2] Prior to the April 14 approval of Project 2, Operation CHAOS personnel had requested that a proviso be added to the Project that Operation CHAOS would coordinate Project 2 recruits during the "coloration" process in the United States. The proviso was rejected.

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Copies of all contact reports with Project 2 agents, however, were provided to Operation CHAOS, and that Operation made a detailed review of the information contained in the reports. Information on both individuals and activities which was contained in the reports and which was deemed significant by CHAOS was incorporated into the raw data files of the operation and indexed into its computer system. Depending upon the nature of the information, it might eventually be furnished by Operation CHAOS to the FBI.

Thus, while Project 2 agents were not assigned collection missions in the United States, the tandem operation of CHAOS with Project 2 nevertheless did result in collection and dissemination by the CIA of a limited quantity of intelligence on domestic dissident activities. Director Helms testified that he was not aware of this collection and dissemination.

Furthermore, despite efforts by Project 2 case officers to have their agent trainees avoid taking an activist role in domestic dissident groups, that did occur upon occasion. One of the agents became an officer in such a group, and on at least one occasion the agent provided Project 2 with copies of minutes of the group's meetings.

A Project 2 agent also became involved as an adviser in a United States congressional campaign and, for a limited period, furnished reports to CHAOS of behind-the-scenes activities in the campaign.

3. CHAOS Agents

During the first two years of its existence, Operation CHAOS gathered the bulk of its information from reports issued by other governmental agencies or received from CIA field stations abroad.

By October 1969, this approach had changed almost completely. Operation CHAOS' new case officer was beginning to contact, recruit, and run agents directly for the operation. This reversal of approach appears to be attributable primarily to three factors:

—First, and most important, an increasing amount of White House pressure (for example, the June 20, 1969, letter from Tom Charles Huston, Staff Assistant to the President) was brought to bear on the CIA to provide more extensive and detailed reporting on the role of foreign connections with American dissident activities;

—Second, Operation CHAOS had been relatively unsuccessful in obtaining meaningful information through agents associated with other agencies;

—Third, the tempo of dissident activities had increased substantially in the United States.

The extent of CHAOS agent operations was limited to fewer than

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30 agents. Although records of the Operation indicate that reporting was received from over 100 other agent sources, those sources appear to have been directed abroad either by other governmental agencies or by other components of the CIA. The information which these sources reported to Operation CHAOS was simply a by-product of other missions.

Operation CHAOS personnel contacted a total of approximately 40 potential agents from October 1969 to July 1972, after which no new agent recruitments were made. (The case officer left the Operation on July 12, 1972.) Approximately one-half of these individuals were referred to the Operation by the FBI, and the remainder were developed through various CIA components.

All contact, briefing and debriefing reports prepared by the case officer concerning all potential and actual agents, from whatever source, became part of the records of the Operation. These reports, often highly detailed, were carefully reviewed by CHAOS personnel; all names, organizations and significant events were then indexed in the Operation's computer. Upon occasion, the information would be passed to the FBI.

The individuals referred to Operation CHAOS by the FBI were past or present FBI informants who either were interested in a foreign assignment or had planned a trip abroad. Eighteen of the referrals were recruited. Only one was used on more than one assignment. In each instance the Operation's case officer briefed the individual on the CHAOS "requirements" before his trip and debriefed him upon his return. After debriefing, the agents once again became the responsibility of the FBI.

In one instance, the FBI turned an individual over to Operation CHAOS for its continued use abroad. Before going overseas, that agent was met by the Operation's case officer on a number of occasions in the United States and did report for several months upon certain domestic contacts.

Seventeen agents were referred to Operation CHAOS by other CIA components. Ten were dropped by the Operation for various reasons after an initial assessment. Four were used for brief trips abroad, with reporting procedures which essentially paralleled those used for the FBI referrals.

The remaining three individuals had an entree into anti-war, radical left, or black militant groups before they were recruited by the Operation. They were used over an extended period abroad, and they were met and debriefed on numerous occasions in the United States.

One of the three agents travelled a substantial distance in late 1969 to participate in and report on major demonstrations then

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occurring in one area of the country. The CHAOS case officer met and questioned the agent at length concerning individuals and organizations involved in the demonstrations. Detailed contact reports were prepared after each debriefing session. The contact reports, in turn, provided the basis for 47 separate disseminations to the FBI, the bulk of which related solely to domestic matters and were disseminated under titles such as: "Plans for Future Anti-War Activities on the West Coast."

The second of these agents regularly provided detailed information on the activities and views of high-level leadership in another of the dissident groups within the United States. Although a substantial amount of this agent's reporting concerned the relationship of the dissident group with individuals and organizations abroad, information was also obtained and disseminated on the organization's purely domestic activities.

The third agent was formally recruited in April 1971, having been initially contacted by Operation CHAOS in October 1970. During the intervening months the CIA had asked the agent questions posed by the FBI concerning domestic dissident matters and furnished the responses to the Bureau.

Two days after the official recruitment, the agent was asked to travel to Washington, D.C. to work on an interim basis; the mission was to "get as close as possible" and perhaps become an assistant to certain prominent radical leaders who were coordinators of the imminent "May Day" demonstrations. The agent was to infiltrate any secret groups operating behind the scenes and report on their plans. The agent was also asked to report any information on planned violence toward government officials or buildings or foreign embassies.

This third agent travelled to Washington as requested, and was met two or three times a week by the CHAOS case officer. After each of these meetings, the case officer, in accordance with the standard procedure, prepared contact reports including all information obtained from the agent. These reports, many of which were typed late at night or over weekends, were passed immediately to the Chief of Operation CHAOS. And when the information obtained from the agent was significant, it was immediately passed by the Chief to an FBI representative, generally orally.

The Operation's use of these three agents was contrary to guidelines established after Director Helms rejected the initial proposal for Project 1 in March 1968. Helms testified that he was not aware of the domestic use of these agents.

The Commission found no evidence that any of the agents or CIA officers involved with any of the dissident operations em-

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ployed or directed the domestic use of any personal or electronic surveillance, wiretaps or unauthorized entries against any dissident group or individual. Any reporting by CHAOS agents in the United States was based upon information gained as a result of their personal observations and acquaintances.

G. Collection, Indexing, and Filing of Information by Operation CHAOS

The volume of information passing through the CHAOS group by mid-1969 was great. As Director Helms pointed out in his September 6, 1969, memorandum to the Directorates, the Operation's main problem was a backlog of undigested raw information which required analysis and indexing.

Not only was the Agency receiving FBI reports on antiwar activities, but with the rise of international conferences against the war, and student and radical travel abroad, information flowed in from the Agency's overseas stations as well.

The Operation had gathered all the information it could from the Agency's central registry. According to the Chief of the Operation, that information for the most part consisted of raw data gathered on individuals by the FBI which had not been analyzed by the Agency because the information contained nothing of foreign intelligence value.

CHAOS also availed itself of the information gained through the CIA's New York mail intercept. The Operation supplied a watch list of United States citizens to be monitored by the staff of the mail intercept. The number of mail items intercepted and sent to CHAOS during its operation were sufficient in number to have filled two drawers in a filing cabinet. All of these items were letters or similar material between the United States and the Soviet Union.

In addition, Operation CHAOS received materials from an international communications activity of another agency of the government. The Operation furnished a watch list of names to the other agency and received a total of approximately 1100 pages of materials overall. The program to furnish the Operation with these materials was not terminated until CHAOS went out of existence. All such materials were returned to the originating agency by the CIA in November 1974 because a review of the materials had apparently raised a question as to the legality of their being held by CIA. The materials concerned for the most part anti-war activities, travel to international peace conferences and movements of members of various dissident

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groups. The communications passed between the United States and foreign countries. None was purely domestic.

During one period, Operation CHAOS also appears to have received copies of booking slips for calls made between points in the United States and abroad. The slips did not record the substance of the calls, but rather showed the identities of the caller and the receiver, and the date and time of the call. The slips also indicated whether the call went through.

Most of the officers assigned to the Operation were analysts who read the materials received by it and extracted names and other information for indexing in the computer system used by the Operation and for inclusion in the Operation's many files. It appears that, because of the great volume of materials received by Operation CHAOS and the time pressures on the Operation, little judgment could be, or was, exercised in this process. The absense of such judgment led, in turn, to the inclusion of a substantial amount of data in the records of the Operation having little, if anything, bearing upon its foreign intelligence objective.

The names of all persons mentioned in intelligence source reports received by Operation CHAOS were computer-indexed. The computer printout on a person or organization or subject would contain references to all documents, files or communications traffic where the name appeared. Eventually, approximately 300,000 names of American citizens and organizations were thus stored in the CHAOS computer system.

The computerized information was streamed or categorized on a "need to know" basis, progressing from the least sensitive to the most sensitive. A special computer "password" was required in order to gain access to each stream. (This multistream characteristic of the computer index caused it to be dubbed the "Hydra" system.) The computer system was used much like a library card index to locate intelligence reports stored in the CHAOS library of files.

The files, like the computer index, were also divided into different levels of security. A "201," or personality, file would be opened on an individual when enough information had been collected to warrant a file or when the individual was of interest to another government agency that looked to the CIA for information. The regular 201 file generally contained information such as place of birth, family, occupation and organizational affiliation. In addition, a "sensitive" file might also be maintained on that same person. The sensitive file generally encompassed matters which were potentially embarrassing to the Agency or matters obtained from sources or by methods which the

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Agency sought to protect. Operation CHAOS also maintained nearly 1000 "subject" files on numerous organizations.[3]

Random samplings of the Operation's files show that in great part, the files consisted of undigested FBI reports or overt materials such as new clippings on the particular subject.

An extreme example of the extent to which collection could go once a file was opened is contained in the Grove Press, Inc., file. The file apparently was opened because the company had published a book by Kim Philby, the British intelligence officer who turned out to be a Soviet agent. The name Grove Press was thus listed as having intelligence interest, and the CHAOS analysts collected all available information on the company. Grove Press, in its business endeavors, had also produced the sex-oriented motion picture, "I Am Curious Yellow" and so the Operation's analysts dutifully clipped and filmed cinema critics' commentaries upon the film.

From among the 300,000 names in the CHAOS computer index, a total of approximately 7,200 separate personality files were developed on citizens of the United States.

In addition, information of on-going intelligence value was digested in summary memoranda for the internal use of the Operation. Nearly 3,500 such memoranda were developed during the history of CHAOS.

Over 3,000 memoranda on digested information were disseminated, where appropriate, to the FBI. A total of 37 highly sensitive memoranda originated by Operation CHAOS were sent over the signature of the Director of Central Intelligence to the White House, to the Secretary of State, to the Director of the FBI or to the Secret Service.

H. Preparation of Reports for Interagency Groups

Commencing in mid-1970, Operation CHAOS produced reports for the interagency groups discussed in the previous chapter. One such

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[3] The organizations, to name a few, included:
Students for a Democratic Society (SDS);
Young Communist Workers Liberation League (YCWLL);
National Mobilization Committee to End the War in Vietnam;
Women's Strike for Peace;
Freedomways Magazine and Freedomways Associated, Inc.;
American Indian Movement (AIM);
Student Non-Violent Coordinating Committee (SNCC);
Draft Resistance Groups (U.S.);
Cross World Books and Periodicals, Inc.;
U.S. Committee to Aid the National Liberation Front of South Vietnam;
Grove Press, Inc.;
Nation of Islam;
Youth International Party (YIP);
Women's Liberation Movement;
Black Panther Party (BPP);
Venceremos Brigade;
Clergy and Laymen Concerned About Vietnam.

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report was prepared by the Operation in June 1970. Unlike the June 1969 study, which was limited to CIA sources, the 1970 study took into account all available intelligence sources. In the 1970 analysis, entitled, "Definition of Existing Internal Security Threat—Foreign," the Agency concluded that there was no evidence, based on available information and sources, that foreign governments and intelligence services controlled domestic dissident movements or were then capable of directing the groups. The June 1970 Report was expanded and republished in January 1971. It reached the same conclusions.

I. Relationship of Operation CHAOS to Other CIA Components

Substantial measures were taken from the inception of Operation CHAOS to ensure that it was highly compartmented. Knowledge of its activities was restricted to those individuals who had a definite "need to know" of it.

The two or three week formal training period for the operation's agents was subject to heavy insulation. According to a memorandum in July 1971, such training was to be carried out with "extreme caution" and the number of people who knew of the training was to be kept to "an absolute minimum." The Office of Training was instructed to return all communications relating to training of CHAOS agents to the Operation.

The Operation was isolated or compartmented even within the Counterintelligence Staff which, itself, was already a highly compartmented component of the CIA. The Operation was physically removed from the Counterintelligence Staff. Knowledge within the Counterintelligence Staff of proposed CHAOS operations was restricted to the Chief of the Staff and his immediate assistants.

The Counterintelligence Chief was technically responsible in the chain of command for Operation CHAOS, and requests for budgeting and agent recruitment had to be approved through his office. But the available evidence indicates that the Chief of Counterintelligence had little connection with the actual operations of CHAOS. According to a CIA memorandum in May 1969, Director Helms specifically instructed the Chief of the Operation to refrain from disclosing part of his activities to the Counterintelligence Chief.

The Counterintelligence and the CHAOS Chiefs both agree that, because of the compartmentation and secrecy of CHAOS, the actual supervisory responsibility for the Operation was vested in the Director of Central Intelligence. This was particularly so beginning in mid-

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1969. In fact, the Chief of CHAOS, later in history of his Operation, sought unsuccessfully to have his office attached directly to that of the Director.

Director Helms testified that he could recall no specific directions he gave to the CHAOS Group Chief to report directly to him. To the contrary, Helms said, he expected the Chief to report to the Chief of Counterintelligence, who in turn would report to the Deputy Director for Plans and then to the Director.

The sensitivity of the Operation was deemed so great that, during one field survey in November 1972 even the staff of the CIA's Inspector General was precluded from reviewing CHAOS files or discussing its specific operations. (This incident, however, led to a review of the Operation by the CIA Executive Director—Comptroller in December 1972.)

On another occasion, an inspection team from the Office of Management and Budget was intentionally not informed of the Operation's activity during an OMB survey of CIA field operations.

There is no indication that the CIA's General Counsel was ever consulted about the propriety of Operation CHAOS activities.

It further appears that, unlike most programs within the CIA clandestine service, Operation CHAOS was not subjected to an annual review and approval procedure. Nor does there appear to have been any formal review of the Operation's annual budget. Such review as occurred seems to have been limited to requests for authority to assess or recruit an American citizen as an agent.

The result of the compartmentation, secrecy and isolation which did occur seems clear now. The Operation was not effectively supervised and reviewed by anyone in the CIA who was not operationally involved in it.

Witnesses testified consistently that the extreme secrecy and security measures of Operation CHAOS derived from two considerations: First, the Operation sought to protect the privacy of the American citizens whose names appeared in its files by restricting access to those names as severely as possible. Second, CHAOS personnel were concerned that the operation would be misunderstood by others within the CIA if they learned only bits of information concerning it without being briefed on the entire project.

It is safe to say that the CIA's top leadership wished to avoid even the appearance of participation in internal security matters and were cognizant that the Operation, at least in part, was close to being a proscribed activity and would generate adverse public reaction if revealed.

Despite the substantial efforts to maintain the secrecy of Operation CHAOS, over six hundred persons within the CIA were formally

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briefed on the Operation. A considerable number of CIA officers had to know of the Operation in order to handle its cable traffic abroad.

Enough information concerning CHAOS was known within the CIA so that a middle level management group of 14 officers (organized to discuss and develop possible solutions to various CIA problems) was in a position to write two memoranda in 1971 raising questions as to the propriety of the project. Although only one of the authors had been briefed on CHAOS activities, several others in the group apparently had enough knowledge of it to concur in the preparation of the memoranda.

Opposition to, or at least skepticism about, the CHAOS activities was also expressed by senior officers in the field and at headquarters. Some area division chiefs were unwilling to share the authority for collection of intelligence from their areas with the Operation and were reluctant to turn over the information for exclusive handling and processing by the Operation. When CHAOS undertook the placement of agents in the field, some operations people resented this intrusion by a staff organization into their jurisdiction.

In addition, some of the negativism toward CHAOS was expressed on philosophic grounds. One witness, for example, described the attitude of his division toward the Operation as "total negativeness." A May 1971 memorandum confirms that this division wanted "nothing to do" with CHAOS. This was principally because the division personnel thought that the domestic activities of the Operation were more properly the function of the FBI. As a result, this division supplied the Operation with only a single lead to a potential agent, and its personnel has little to do with the on-going CHAOS activities.

Apparently the feelings against Operation CHAOS were strong enough that Director Helms' September 6, 1969 memorandum was required to support the Operation. That memorandum, sent to all deputy directors in the CIA, assured them that the Operation was within the statutory authority of the Agency, and directed their support.

Director Helms' attitude toward the views of some CIA officers toward Operation CHAOS was further summarized in a memorandum for the record on December 5, 1972, which stated:

> CHAOS is a legitimate counterintelligence function of the Agency and cannot be stopped simply because some members of the organization do not like this activity.

J. Winding Down Operation CHAOS

By 1972, with the ending of the American involvement in the Vietnam War and the subsequent lower level of protest activities at

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home, the activities of Operation CHAOS began to lag. The communications traffic decreased, and official apprehension about foreign influence also abated. By mid-1972, the Special Operations Group began to shift its attention to other foreign intelligence matters.

At the end of August 1973, William E. Colby, the new CIA Director, in memoranda dealing with various "questionable" activities by the Agency, ordered all its directorates to take specific action to ensure that CIA activities remained within the Agency's legislative authority. In one such memorandum, the Director stated that Operation CHAOS was to be "restricted to the collection abroad of information on foreign activities related to domestic matters. Further, the CIA will focus clearly on the foreign organizations and individuals involved and only incidentally on their American contacts."

The Colby memorandum also specified that the CIA was not to be directly engaged in surveillance or other action against an American abroad and could act only as a communications channel between the FBI and foreign services, thus altering the policy in this regard set in 1968 and reaffirmed in 1969 by Director Helms.

By August 1973, when the foregoing Colby memorandum was written, the paper trail left by Operation CHAOS included somewhere in the area of 13,000 files on subjects and individuals (including approximately 7,200 personality or "201" files);[4] over 11,000 memoranda, reports and letters from the FBI; over 3,000 disseminations to the FBI; and almost 3,500 memoranda for internal use by the Operation. In addition, the CHAOS group had generated, or caused the generation of, over 12,000 cables of various types, as well as a handful of memoranda to high-level government officials.

On top of this veritable mountain of material was a computer system containing an index of over 300,000 names and organizations which, with few exceptions, were of United States citizens and organizations apparently unconnected with espionage.

K. Operation CHAOS Terminated

On March 15, 1974, the Agency terminated Operation CHAOS. Directions were issued to all CIA field stations that, as a matter of future policy, when information was uncovered as a byproduct of a foreign intelligence activity indicating that a United States citizen abroad was suspect for security or counterintelligence reasons, the information was to be reported to the FBI.

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[4] A CIA statistical evaluation of the files indicates that nearly 65 percent of them were opened to handle FBI information or FBI requests.

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According to the CHAOS termination cable, no unilateral action against the suspect was to be taken by the CIA without the specific direction of the Deputy Director for Operations and only after receipt of a written request from the FBI and with the knowledge of the Director of Central Intelligence.

The files and computerized index are still intact and are being held by the Agency pending completion of the current investigations. According to the group chief who is custodian of the files, many of the files have little, if any, value to ongoing intelligence operations. The CIA has made an examination of each of the CHAOS personality files and has categorized those portions which should be eliminated. Final disposition of those files, as noted, awaits the completion of the current investigations.

Conclusions

Some domestic activities of Operation CHAOS unlawfully exceeded the CIA's statutory authority, even though the declared mission of gathering intelligence abroad as to foreign influence on domestic dissident activities was proper.

Most significantly, the Operation became a repository for large quantities of information on the domestic activities of American citizens. This information was derived principally from FBI reports or from overt sources and not from clandestine collection by the CIA. Much of the information was not directly related to the question of the existence of foreign connections with domestic dissidence.

It was probably necessary for the CIA to accumulate an information base on domestic dissident activities in order to assess fairly whether the activities had foreign connections. The FBI would collect information but would not evaluate it. But the accumulation of domestic data in the Operation exceeded what was reasonably required to make such an assessment and was thus improper.

The use of agents of the Operation on three occasions to gather information within the United States on strictly domestic matters was beyond the CIA's authority. In addition the intelligence dissemination and those portions of a major study prepared by the Agency which dealt with purely domestic matters were improper.

The isolation of Operation CHAOS within the CIA and its independence from supervision by the regular chain of command within the clandestine service made it possible for the activities of the Operation to stray over the bounds of the Agency's authority without the knowledge of senior officials. The absence of any regular review of these activities prevented timely correction of such missteps as did occur.

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Recommendation (5)

a. Presidents should refrain from directing the CIA to perform what are essentially internal security tasks.

b. The CIA should resist any efforts, whatever their origin, to involve it again in such improper activities.

c. The Agency should guard against allowing any component (like the Special Operations Group) to become so self-contained and isolated from top leadership that regular supervision and review are lost.

d. The files of the CHAOS project which have no foreign intelligence value should be destroyed by the Agency at the conclusion of the current congressional investigations, or as soon thereafter as permitted by law.

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