

HISTORY OF THE
S. I. S. DIVISION

ADMINISTRATIVE SECTION

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HISTORY OF THE SIS DIVISION

8/9/04

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PREFACE

The major objectives in preparing the history of the SIS Division are:

To provide a complete, useable handbook concerning our entire operations in the SIS field which could be used as a guide book in setting up a new SIS operation in the event it became necessary.

To provide readily available data which could be used to outline our operations or to present our accomplishments if needed for Congressional testimony or for any other similar hearing.

To outline in general the material contained in our files and to indicate its location in order that completely detailed data will be available on any phase of our SIS operation in the event such data becomes necessary for any reason. !

The history which follows is divided into five volumes which are described below:

Volume I contains a chronological record of the administrative development of the Bureau's SIS program including the Presidential Directives establishing the program, the development of coverage, the handling of finances, and the use of cover companies in the program as well as other administrative details.

Volumes II and III contain the history of the Bureau's major accomplishments in each individual country as well as a list of all personnel that operated in the individual countries. A bibliography is included for each country. A master list of SIS personnel is also included.

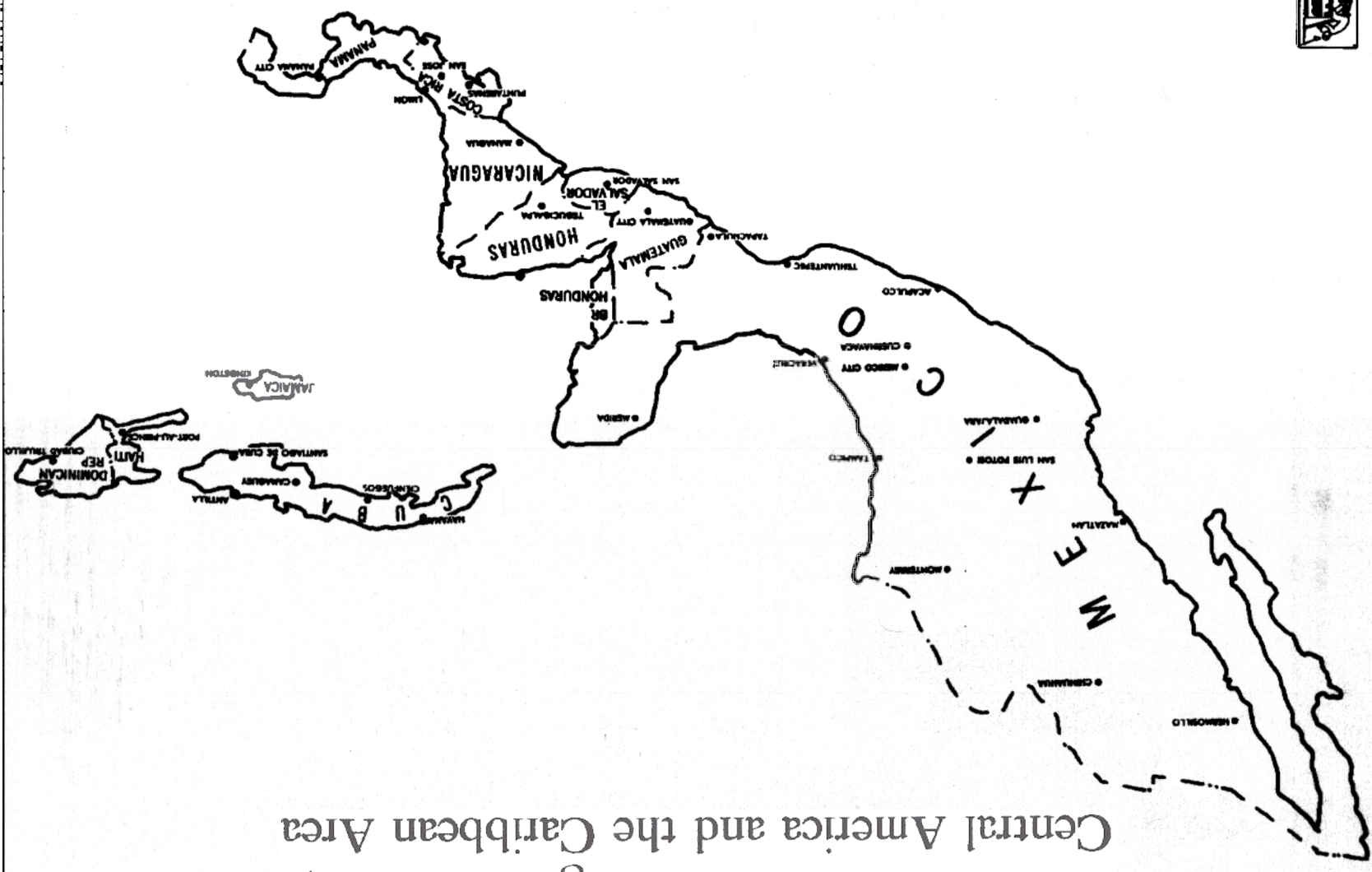
Volumes IV and V, which constitute an addendum to the history, contain copies of the SIS annual operations reports which in themselves are a history of SIS operations.

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I. HISTORICAL SUMMARY AND CRITIQUE

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Early in May, 1940, conversations took place between the Director of the Federal Bureau of Investigation and Assistant Secretary of State A. A. Berle with regard to the desirability of setting up a Special Intelligence Service under the auspices of the FBI to gather secret intelligence in connection with subversive activities throughout the Western Hemisphere, excluding Panama. These conversations resulted in further conferences and discussions between the Director of the FBI, Mr. Berle, and the respective heads of ONI and G-2. Following agreement among these officials with regard to the establishment of such a Service, its scope, jurisdiction, and activities, Mr. Berle undertook to obtain from the President of the United States a specific directive authorizing a Special Intelligence Service to operate in the Western Hemisphere to be established and operated by the Director of the Federal Bureau of Investigation. Mr. Berle succeeded in securing such a Presidential Directive and this was set forth in a memorandum signed by Mr. Berle, dated June 24, 1940, addressed to General Sherman Miles, Assistant Chief of Staff in charge of G-2, Admiral Walter S. Anderson, Director of ONI, and Mr. John Edgar Hoover, Director of the FBI.

The memorandum recorded that Mr. Berle had talked personally with the President in the presence of General Miles and had on this occasion requested specific advice as to the President's wishes concerning the formation of a unit for foreign intelligence work. The memorandum stated, "The President said that he wished the field to be divided. The FBI should be responsible for foreign intelligence work in the Western Hemisphere on the request of the State Department. The existing Military Intelligence and Naval Intelligence Branches should cover the rest of the world, as and when necessity arises." The memorandum continued that, "It was understood that the proposed additional foreign intelligence work should not supersede any existing work now being done and that the FBI might be called in by the State Department on special assignments outside the American Hemisphere under special circumstances....."

Based upon the above Presidential Directive and a specific request from the State Department (with full agreement on the part of the Military Intelligence Division of the War Department and the Office of Naval Intelligence), the Director instructed in June of 1940 that a Special Intelligence Service be established within the FBI for secret operations in the intelligence field in Latin America. The late Assistant Director P. E. Foxworth was appointed by the Director to be in charge of

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the Special Intelligence Service and its work. It was agreed among the officials of the interested agencies and departments of the Government that the FBI's Special Intelligence Service would operate throughout Latin America (with the exception of Panama which would remain under exclusive Army jurisdiction) for the purpose of obtaining all types of information including economic, industrial, financial and political that might be of interest to the various departments and agencies of the Federal Government. It was also agreed, however, that this Service would emphasize in its operations abroad the obtaining of data relating to the activities, identities, and the operations of individuals and corporations throughout the Western Hemisphere who were acting in a manner detrimental to the best interests of the United States in connection with the war then being waged in Europe or otherwise.

Under appropriate instructions from the Director, Mr. Foxworth proceeded immediately to establish an appropriate supervisory staff at the Seat of Government in Washington and the Special Intelligence Service, which will be hereinafter referred to as SIS immediately began recruiting and dispatching to foreign countries in Latin America FBI Agents for the purpose of carrying out the above-described mandate.

B. EARLY ORGANIZATION AND TECHNIQUES EMPLOYED

Immediately following the formation of SIS at the Seat of Government, the Director designated Special Agent J. E. Lawler, who was at that time Special Agent in Charge of the Richmond Field Division, as Number One Man under Mr. Foxworth. It was contemplated in the beginning that most of the assignments would be undercover and that FBI Agents proceeding to South America for investigative purposes would be able to utilize the pretext of representing some American commercial firm. It should be noted that no arrangements were perfected with the State Department or otherwise for the assignment of FBI Agents in American Embassies and Consulates abroad, it being contemplated that the entire arrangement could best be handled on the basis of undercover Agents being sent from Washington with suitable pretext, all of whom would report directly back to Washington the information obtained by them.

For the purpose of facilitating this type of operation, the Bureau established during August of 1940 offices at Room 4332, RCA Building, 30 Rockefeller Plaza, New York City, under the fictitious name "Importers and Exporters Service Company." The address was later moved to Room 3144, 30 Rockefeller Plaza, New York City. This fictitious firm was ostensibly engaging in the business of securing information for clients (also fictitious) as to the possibilities of foreign trade

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in Latin America either with regard to the importation or exportation of products to and from the United States. Through these arrangements, Agents were assigned for clandestine work in Latin America. The first Agents sent into Cuba were utilizing the cover of [redacted] partially owned and controlled by [redacted] of New York City, whose cooperation had been secured.

It was determined early that the fictitious firm, described above, would not serve effectively as a cover or pretext for actual operations in Latin America inasmuch as the company not actually being engaged in any legitimate business could not be expected to maintain the deception for any appreciable length of time should Agents traveling in Latin America actually begin contacting Latin American business interests under the pretext of their cover. The fictitious firm was continued solely as a cover or front for the New York Office in the RCA Building until June of 1941, at which time it was discontinued due to the fact that experience had shown the firm ruse to be more of a nuisance and detriment than an advantage. This was particularly true with regard to the embarrassment caused by a constant stream of salesmen, business investigators of various types, advertising solicitors, etc.

Following discontinuance of the use of the fictitious firm name, the Bureau continued to operate the office in the RCA Building in New York without any cover or front whatsoever for the purpose of handling all necessary arrangements in connection with assigning and maintaining appropriate covers to various undercover FBI Agents. It was determined that the office could be maintained much more efficiently and effectively without any spurious firm name on the door and without offering to anyone any explanation as to the identity, etc., of the occupants. The office was finally discontinued altogether in November, 1945, as an economy move in view of the then extreme uncertainty as to the Bureau's future in foreign intelligence work. Such remaining work as was necessary in connection with the operations of this office was handled directly from within the regular New York Field Division in the United States Court House, Foley Square, New York.

During the major portion of the time that the New York SIS Office in the RCA Building in New York was functioning under the spurious firm name of the "Importers and Exporters Service Company," no Agent was specifically assigned to the maintenance of this particular office although it was frequently visited by Agents and Officials of the Bureau from Washington. A clerical employee was, of course, on constant duty. For a short period in late 1940 and early 1941, Special Agent in Charge E. A. Soucy maintained more or less direct control of the New York SIS Office, he being succeeded during 1941 by former Special Agent [redacted] who continued in charge of this office until November, 1942, when the latter was succeeded by former Special Agent [redacted]

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Doyle continued in this capacity until his resignation in July, 1945. The office remained under the supervision, from that time until it closed, of Special Agent [redacted], who had for a number of years assisted former Special Agent [redacted] in the operation of the office and the handling of its cover arrangement work.

In September, 1940, the original group of Agents was dispatched to Latin America. Special Employee (later Special Agent) [redacted] was sent to Peru; Special Agent [redacted] to Uruguay; Special Agent [redacted] to Brazil; Special Agent [redacted] to Argentina; and Special Agent [redacted] to Venezuela. Special Agent [redacted] was already in Cuba at this time. Special Agent [redacted] of course, had been operating in Mexico for some time. This represented the first extensive coverage in Latin America.

Also in September, 1940, arrangements were perfected whereby the late Assistant Director P. E. Foxworth traveled throughout Latin America ostensibly as a member of an Economic Commission engaged in conducting a survey of Latin American conditions for the Coordinator of Commercial and Cultural Relations of Latin America, Mr. Nelson H. Rockefeller. During this trip, he contacted such representatives of SIS who had already been dispatched to Latin America for the purpose of consulting with them and facilitating their operations. He was enabled upon his return to furnish considerable reports as to conditions, etc. valuable from an intelligence point of view. He was also, of course, enabled to advise the Bureau with regard to certain changes and new procedures that proved advantageous in connection with future SIS operations in the Western Hemisphere. During his absence from Washington, Special Agent J. E. Lawler, his Number One Man, acted in charge of SIS until October of 1940, at which time Mr. Lawler was succeeded by former Special Agent in Charge Spencer J. Drayton, who continued in this capacity until Mr. Foxworth's return in February, 1941.

There were as of January 1, 1941, fourteen Bureau employees either stationed or traveling in Latin America on intelligence work in addition to Mr. Foxworth. The latter included former Special Agent in Charge [redacted] who had been spending the major portion of his time in Mexico since September, 1939, but who was formally assigned to Mexico City in September, 1940, with permission to use the facilities of the United States Embassy there, although he was not formally attached to the Embassy, with specific title, etc. until later. The above also included former Special Agent [redacted] who had been prior to the advent of SIS engaged in police training activities in Brazil and Bogota, Colombia, as an open, accredited representative of the Bureau. He was at the time of the formation of SIS engaged in conducting certain training in counter-intelligence activities for the Colombian Army and police organizations in Bogota, Colombia, and was in connection with his assignment submitting certain intelligence reports concerning conditions, etc. in Colombia.

In the beginning, Agents selected for these Latin American assignments were brought into Washington from the domestic field and furnished

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(brief training consisting of being as thoroughly briefed as was practicable with regard to the country to which they were being assigned and the work and information expected from them. Certain material was obtained for briefing purposes from the files of the Army, Navy, State Department and the Treasury Department. The Agents were also required to study available literature, etc. concerning the country to which they were proceeding. It was not as a rule possible to brief the Agents with regard to subversive activities and conditions of this kind for the reason that such information was not available in the United States. It should be remembered in passing that there had arisen in the United States considerable apprehension with regard to the extent of Nazi penetration and Nazi activities throughout Latin America. (This was true to a lesser extent with regard to Italian Fascist, Spanish Falangist, and Communist activities.) Much publicity had occurred, practically all of which was couched in alarmist phraseology without any specific or accurate information. The Bureau discovered upon undertaking the program that there was a complete absence of any accurate data or details concerning the true extent or nature of subversive activities, current or potential, in Latin America. It was, of course, true that the Bureau itself had accumulated certain specific leads and data requiring investigation from its handling of intelligence work in the United States. This was true with regard to espionage leads growing out of the Ducase and leads arising from prior FBI investigation of Nazi and Falangist activities in the United States. The Agents were thoroughly briefed, of course, concerning these matters insofar as information was available.

(In addition to the above-described briefing, insofar as was practicable Agents undertaking these foreign assignments were from the outset trained with the cooperation of the FBI Technical Laboratory in the use of secret inks and codes. Originally the Special Agents were furnished with a so-called X code designed for use in sending cablegrams and for transmittal of messages through the mail if necessary. The Agents quickly determined that the use of this code in cablegrams was not possible because the Latin American countries had laws requiring the registration of codes used over their communications facilities. There was then developed the so-called XY code designed to permit very brief messages to be concealed within the context of normal length cryptic letters.

(In the beginning, of course, efforts were made to secure the services of Special Agents who had some knowledge of the language of the country to which they were assigned; however, this not always being possible, some early language training was afforded the Agents by permitting them to study at commercial language schools (usually Berlitz) while undergoing training with their respective cover companies. In the beginning, Agents sent out undercover were furnished very little training as to their covers, this being due to the fact that the cover

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companies themselves were not inclined to undertake at this time long and sometimes expensive training programs for the individual Agents being assigned under the particular cover involved.

(A post office box located in New York City was assigned to each Agent as the address to which he would correspond by mail and furnish the intelligence information obtained by him. It should be noted, of course, that the United States was not at this time involved in war and some latitude was permitted with regard to the use of "double talk" and cryptic letters of the kind designed to convey a special meaning in the way of information despite the fact that no specific code was used. Some difficulty was experienced with these letters despite the fact that the United States and the various Latin American countries involved had no censorship regulations at the time, the difficulty being caused by the British, who were at war and who were maintaining a very close and active watch with regard to world-wide mail and other communications channels. In the event the British did obtain access to the contents of such a letter while same was transiting Trinidad or some other British controlled point, they would upon occasion become suspicious of the writer and undertake to determine the bona fides thereof.

As might be expected due to conditions and circumstances over which the Bureau had absolutely no control, the volume of intelligence information from each Agent was in the beginning and for some time thereafter quite small and of little real value. The Agents were, of course, more or less completely unfamiliar with the countries in which they were trying to operate and usually very deficient with regard to the use of the language thereof. The chance of worthwhile accomplishment in the way of local orientation and the establishment of worthwhile informants and sources of information naturally required considerable time. Meanwhile, of course, the Agent, who was usually alone in the particular country to which he had been assigned, was possessed of a very poor pretext for clandestine operations and the widening of his circle of acquaintances. He was possessed of a very poor, inadequate and extremely slow means of communication. (They were authorized to use cable but only in cases of extreme emergency due to the utter impracticability of a satisfactory code for commercial cable purposes.) The letter communication from the Agent to the Bureau frequently required weeks and even longer in the event the British or some other interested intelligence service delayed the mail for interception purposes. Even when a communication came through it contained only small isolated bits of uncorrelated and uncoordinated information. (The Y code ordinarily required approximately three large pages of close typing in the guise of a normal letter to encipher approximately one line of information). The secret ink was not much more satisfactory inasmuch as the Bureau (including the Technical Laboratory) was in an experimental stage with regard to the use of secret ink and proper reagents. Considerable experience with regard to actual use was required to attain any appreciable degree of improvement and perfection.

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The isolated and uncorrelated bits of information sent in by the various undercover representatives was when received at the Seat of Government transcribed into an appropriate letter and disseminated to the State Department, as well as to MID and ONI. These Agencies would ordinarily take no action with regard to such transmissions from the Bureau insofar as can be determined except invariably the State Department and frequently MID and ONI would distribute the information through their safe diplomatic means of communication to their respective representatives safely and comfortably established within the United States Diplomatic Mission in the country to which the information related and from whence it had emanated. The almost invariable result would be a diplomatic dispatch or cable reply from the particular diplomatic office involved denying and denouncing the authenticity of the original information supplied by the undercover Agent.

The Bureau learned through very difficult experience that virtually any information referred to a diplomatic officer of the State Department, the Army or the Navy in practically any foreign country for comment from Washington would invariably result in denunciations of the information, as well as its source, unless the particular diplomatic officer had previously received and reported from sources of his own similar information. The most unfortunate aspect of the matter resulted from the proclivity of these diplomatic officers to immediately attempt by their own investigative means to ascertain the identity of the clandestine source of the material in question. This, of course, resulted in active efforts on the part of the various Embassies in Latin America to uncover Bureau undercover Agents. This became increasingly embarrassing as the volume of material from each country increased inasmuch as the regularly constituted and authenticated diplomatic officers ordinarily considered these clandestine reports as being a reflection upon their own efforts in the intelligence field.

While it would be a serious mistake to attempt to defend the authenticity and accuracy of these early intelligence reports from undercover FBI representatives, (the pioneer Agents could in reality perform little except report rumors, etc. coming to their attention without any possibility of actual verification) the reports were at least as good as the ordinary transmissions from the United States diplomatic mission in the particular country involved, particularly in the specialized field of subversive activities.

From the beginning it was obvious there was needed much closer liaison and coordination between the FBI representatives serving

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abroad and the regular diplomatic missions assigned in the same countries. It was, however, impossible to effect this procedure until much later due to the extreme reluctance of the State Department and its Ambassadors abroad to have FBI Agents stationed in the respective Embassies and Consulates under diplomatic cover. It was obviously impossible to have FBI undercover operatives themselves maintain personal contact and liaison with the various Embassies and diplomatic missions abroad. This apparent need was brought to the attention of the Bureau by Mr. Foxworth upon his return from the above-described survey in Latin America.

On April 17, 1941, the Bureau attempted through a conference with Mr. Berle of the State Department to arrange the assignment of a limited number of Bureau SIS representatives under diplomatic cover in the United States Embassies and Consulates abroad. Mr. Berle advised frankly that he realized the need for this procedure and would attempt to arrange same. He was, however, frank in stating that he anticipated considerable objection and opposition from other quarters within the State Department, particularly the Foreign Service both in Washington and abroad.

Shortly following the return of Mr. Foxworth from the above-mentioned survey, he was assigned to be in charge of the National Defense Division (later renamed the Security Division), and SIS, as a part of this Division, was placed directly under the supervision of former Special Agent in Charge Spencer J. Drayton, who as indicated above had been acting for some months as Mr. Foxworth's Number One Man. Former Special Agent [redacted] was designated as Number One Man to Mr. Drayton. Shortly thereafter Mr. Spruille Braden, the then United States Ambassador to Colombia, took the initiative in requesting from the State Department the assignment of a Bureau Agent to the American Embassy in Bogota for the purpose of handling subversive activities investigations and the coordination of intelligence activities in Colombia during the emergency. This assignment which was effected in April, 1941, was in reality the forerunner of what eventually became the Bureau's "Legal Attache system," consisting of networks of Agents and employees in each country in Latin America operating under a Bureau Agent assigned in each United States Embassy with the title of "Legal Attache." This was a long time in coming, however, and in the beginning no effort was made to establish the Bureau Agent sent to Bogota, Colombia, for service in the Embassy as the administrative officer in charge of Bureau activities in the country of Colombia. He was instructed to render such assistance as might be possible and practicable to the undercover men, particularly in regard to the handling of their correspondence with the Bureau through the pouch.

During the spring and summer of 1941, the recruitment of Agents for service in Latin America was expanded considerably and pursuant to State Department approval, the Bureau started working toward a goal of having 250 Agents in Latin America by November of 1942. It should be noted that in addition to Bureau Agents, efforts had been made from the outset to employ special employees for the purpose of carrying on

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(intelligence work in Latin America. In the latter connection, efforts were, of course, made to employ individuals from other walks of life who had extensive experience in Latin America and knowledge as to the language. A number of such special employees were employed and furnished the necessary instruction and training with regard to the matter of forwarding communications, etc. to the Bureau through an appropriate drop box in New York City. Considerable information of value from an intelligence viewpoint was received from some of these special employees although as a general rule it was discovered that FBI Agents even with their limited knowledge of Latin America and their limited knowledge of the language involved still offered much more promise with regard to eventual success and efficiency in this type of operation than did special employees hired from other walks of life. It should not be overlooked, however, that some of the special employees became exceedingly adept and constituted extremely valuable SIS employees. A number of these remained with the Bureau in the SIS field serving in increasingly efficient capacities until the end of the war.

During the summer of 1941, Mr. Drayton was replaced by former Special Agent in Charge Frank Holloman as Chief of the SIS Division. It had by this time been discovered that the increased tempo with regard to the recruitment of Agents for service in Latin America would require formal language training on a somewhat wholesale basis inasmuch as the number of Bureau Agents in the domestic field with any reasonable degree of knowledge of either Spanish or Portuguese was quite limited. For this reason, a regular language training school was instituted by the Bureau, being taught by Special Agent [redacted] This school was in the very beginning conducted by SIS itself, but was during the fall of 1941 transferred under the jurisdiction of the Training Division in order that SIS training could be carried on on the same basis as other Bureau training.

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As of July 1, 1941, 26 Special Agents and Special Employees were assigned by the Bureau in Latin America or already underway to their assignments in Latin American countries. During the summer of 1941, it was also possible to secure the assignment of one FBI Agent under diplomatic cover in the United States Embassy in each of the following cities: Santiago, Chile; Rio de Janeiro, Brazil; and Caracas, Venezuela. During the same period, former Special Agent in Charge [redacted] who had been serving in Mexico in a somewhat informal capacity, was formally attached to the American Embassy under diplomatic cover. The titles used by these representatives stationed in Embassies abroad varied, some of them being known as Legal Attache, others as Civil Attache, and some just Attache. They were, in effect, serving in the same capacity as undercover representatives except that they were enjoying diplomatic cover and were required to assist the undercover Agents wherever practicable, particularly with regard to handling communications to and from the Bureau through the diplomatic pouch. In addition to the above, there was dispatched to Quito, Ecuador, during the summer of 1941, an FBI Agent assigned in the open for the purpose of working with

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the Ecuadorean Government and police officials in the field of subversive activities. Also, an Agent was assigned openly to Hamilton, Bermuda, for the purpose of maintaining appropriate liaison with British Intelligence and Security representatives in Bermuda where a large and very important British control point for censorship operations was being carried on at the time.

As might be expected, both the volume and quality of information from Bureau representatives in Latin America had begun to improve markedly. The first Agents sent out in 1940 had by this time begun to become reasonably well oriented and adjusted in Latin America; also, the few scattered Agents assigned in a total of five United States Embassies in Latin America were proving to be of tremendous assistance in connection with the entire SIS program. It will, of course, be realized that the Service was still far from efficient and was in fact still in a strict pioneering and experimental stage at the time of the Pearl Harbor Attack on December 7, 1941. Much of the information being obtained in Latin America, it was later determined, was at that time emanating from "professional informants" who were extremely plentiful and very active in all of the Latin American countries. These "professional informants" were individuals who had discovered through prior dealings with United States Embassy representatives and British representatives that they could earn money by furnishing information of an intelligence nature. Their information was never investigated or checked for accuracy, confirmation, etc. and ordinarily they were shrewd enough to realize quite early in the game that they could increase their earnings and the sale price of their information, the more startling its nature. Bureau Agents working under cover, as well as those working under diplomatic cover in the various Embassies, could not very well avoid coming in contact with these "professional informants." As a matter of fact, this type of individual in practically all of the Latin American countries had become so enthusiastic with regard to the money to be made from this sort of thing that they engaged in seeking out Americans and British on a somewhat wholesale basis always striving to enlist new clients and new customers for their thriving trade.

It required time and experience for Bureau Agents to be able to recognize and deal properly with these "professional informants." The information furnished by these sources was, of course, not always fictitious and, as a matter of fact, the information was frequently based upon considerable truth, although almost always colored and somewhat exaggerated. It was also upon occasion manufactured out of whole cloth and all kinds of forgeries, fraudulent enemy codes, etc. were being foisted off not only on Bureau representatives, but also on United States Military Attaches, United States Naval Attaches, and other allied intelligence representatives in Latin America, including the British, in return for substantial payments of money.

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C. LATER ORGANIZATION AND IMPROVEMENT OF TECHNIQUE

Under the stimulus provided by the United States' entry into the war, SIS coverage was speeded up immediately and the Bureau began immediately to strive for a goal of 500 Agents assigned in Latin America at the earliest possible moment. There was, of course, complete agreement from the State Department and other interested Government Departments and Agencies concerning this program. The recruitment of Agents from the Domestic Field was accelerated and the training program at the Seat of Government, under the auspices of the Training and Inspection Division, was stepping up in an effort to train and dispatch to Latin America for assignment all available Agents in the shortest possible period of time.

The New York SIS Office, then operating under the supervision of former Special Agent [REDACTED], accelerated its work with regard to obtaining covers for Agents and increased training with regard to the use of these covers.

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Immediately following Pearl Harbor, that is, on December 11, 1941, the Bureau dispatched seven additional Agents to Mexico for the purpose of covering vital points in that country such as Baja California and other danger points from the standpoint of possible enemy landing or subversive activities.

During the latter part of December, 1941, two Special Agents of the FBI were assigned indefinitely in a constant travel status throughout Latin America to act as special couriers and expeditors for the purpose of assisting Bureau representatives generally in the carrying on of intelligence work. These men were frequently referred to as SIS Traveling Inspectors, although they were not in reality inspectors and did not actually perform ordinary inspection duties. When these two representatives were initially assigned to the above-described duties, the Bureau did not have, properly speaking, any establishments whatsoever in Latin America susceptible to an ordinary Bureau inspection. One of the traveling couriers was assigned under-cover as a news reporter and the other one was assigned under the cover of a State Department courier.

Arrangements were perfected with the State Department for the use of their cable communications facilities in order that FBI Agents stationed in Embassies abroad could dispatch to the Bureau messages of sufficient length to set out important intelligence data coded in an "X" code developed by the FBI Technical Laboratory for cable use, the cables to be routed to the Bureau Through the State Department's Codes and Communications Section.

Also, the Supervisory Staff of the SIS Division at the Seat of Government was increased and the work with regard to

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supervising, coordinating, and disseminating SIS intelligence information to the State and other interested Government Departments was accelerated and improved upon.

At this time, the Bureau's SIS Monograph Project was launched at the Seat of Government, the object being to prepare a monograph on each of the Latin American countries which would contain all of the intelligence data obtained or obtainable by the Bureau, along with necessary background information concerning the country involved to make the monograph valuable not only for briefing purposes, but also as the information available with regard to subversive activities and other intelligence information in each of the Latin American countries.

Efforts were speeded up to obtain State Department assistance and cooperation in connection with the assignment of additional FBI Agents in United States Embassies and Consulates abroad; also efforts to set up and operate an FBI radio network in Latin America were intensified, approval being secured from the State Department and the Colombian Government (through the cooperation and good offices of United States Ambassador Spruille Braden) to establish a radio in the United States Embassy in Bogota, Colombia, for the transmission of intelligence and other information to the Bureau. Subsequently in April, 1942, this radio station was completed and began transmitting on regular schedules to the Bureau's master station located near Washington, D. C.

During April, 1942, former Special Agent in Charge Frank Holloman was succeeded as Chief of the SIS Division by C. H. Carson, who remained in this capacity until the final closing of the SIS Division and the cessation of its work on May 1, 1947.

Following the departure of Special Agent [redacted] previously mentioned, as the Assistant to the Chief of the SIS Division, Special Agent H. M. Clegg was named the Assistant Chief. Upon the departure of Clegg for assignment in Latin America in March, 1945, Special Agent [redacted] was made Assistant Chief and continued in this position until it was decided to terminate SIS operations.

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Former Special Agent [redacted] who had during February of 1942 departed on a personal tour of Latin America for the purpose of making brief visits to each country and surveying conditions therein in behalf of the Bureau's program, returned to Washington in April and was immediately assigned to the supervision of operations designed to strengthen and intensify FBI coverage in Latin America, particularly with regard to the use of better covers for the clandestine Agents and better cover training in order to permit them more freedom of action in obtaining intelligence data.

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During April of 1942, an FBI Agent was sent by the Bureau to Ottawa, Canada, for the purpose of serving in direct

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During May of 1942, the Bureau, following appropriate clearance from the State Department, began training and dispatching male stenographers to assist FBI Agents assigned in United States Embassies abroad. FBI Agents were dispatched at the same time to Port of Spain, Trinidad, and Kingston, Jamaica.

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An Agent was also dispatched to Havana, Cuba, at the request of the State Department for the purpose of assisting the Cuban police in connection with intelligence matters. It had been agreed that this Agent would enjoy the cooperation of the United States Embassy in Cuba to the extent of being enabled to utilize the diplomatic pouch for the transmission of correspondence to the Bureau.

During May, 1942, the Bureau finally succeeded in obtaining the necessary clearance for an FBI Agent to be stationed in the United States Embassy in Buenos Aires, Argentina, for the purpose of assisting in intelligence work. Additional radio stations were opened in May and June in Santiago, Chile, Rio de Janeiro, Brazil, and Quito, Ecuador. During July, 1942, we assigned Agents as Vice Consuls to seven Vice Consulates in Chile and shortly thereafter two Agents were assigned as Assistant Consuls in two Argentine cities.

Meanwhile approximately 25 Agents per month were being processed, trained, etc. and dispatched to Latin America in an undercover capacity. This intensification of the recruitment of Agents for service in Latin America, most of whom were still going down in an undercover capacity, necessitated a thorough canvass of the domestic field through the cooperation of the various Special Agents in Charge in quest of appropriate and qualified volunteers for these foreign assignments. While there was never any hard and fast Bureau rule with regard to the use of volunteers only on foreign assignments, efforts were at all times made to utilize volunteers if available. It had been found impracticable and unwise to permit Agents to be accompanied on SIS assignments by wives and families for which reason efforts were made to confine the assignments

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insofar as possible and practicable to the ranks of unmarried Agents. During this same period, the Bureau was striving to cope with enormous problems and responsibilities in the Domestic Field Service brought about by the sudden onset of war with such attendant problems as greatly increased work in the field of espionage, sabotage, alien enemy control, etc. Every effort was made, of course, in the recruitment of Agents for Foreign Service to avoid at this extremely critical and crucial period disrupting the Domestic Field and veteran Agents with key assignments in the Domestic Field Service were not ordinarily considered available for SIS assignment and, as a matter of fact, most of them did not even volunteer for such assignment for a number of reasons.

Due to the above and other reasons, the overwhelming majority of Agents recruited for SIS Service during this period were young and somewhat limited in FBI Domestic Field investigative experience. Virtually none of the Agents on these assignments had the benefit of any prior administrative and supervisory experience. Every effort was, of course, being made to dispatch the Agents to the areas in Latin America where their services were most needed. However, it was virtually impossible to determine such facts in Washington at the time; also, inasmuch as the overwhelming majority of the men being sent out were still going under cover, it was to some extent necessary to dispatch the Agents as rapidly as possible to those areas for which covers could be located. The primary need at this time was considered to be the matter of getting the Agents out on assignment, particularly inasmuch as it had been determined that an Agent could not be expected to produce any worthwhile information until after he had served on assignment for a number of months at the very minimum in order to learn local customs, the language, etc.

To illustrate the extremely rapid increase in our coverage during the early months following our entry into the war, it should be noted that as of July 1, 1942, a total of 152 FBI Special Agents and Special Employees, exclusive of all clerical personnel, including radio operators, were assigned abroad on the SIS program.

During this period of such rapid growth, despite an extreme paucity of information as to actual conditions with regard to the amount of necessary work, etc. in each of the various countries which would have permitted more careful and more accurate planning and assignment, it was probably inevitable that mistakes and errors would be made of such a nature as to cause future difficulty.

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While the quantity and quality of the intelligence flow from the Bureau coverage in Latin America continued to grow, certain basic difficulties and undesirable factors not only continued with the increase of coverage, but actually became much more acute. This was particularly true with regard to the complete lack of coordination within the SIS field as among the various Agents performing work abroad. Each Agent and employee was more or less working on direct assignment and charter from Washington without anything approaching adequate local supervision, coordination, and assistance. The Agents who had been assigned in the Embassies were doing the best that could be expected, but they could not keep in touch with the constantly increasing number of undercover men to any adequate extent and they, of course, had no authority for local supervision and coordination. The traveling couriers, frequently referred to as traveling inspectors, were extremely limited by the nature of their covers, transportation, etc. in maintaining contact with such a large number of Agents and employees scattered throughout the entire Western Hemisphere. The increased volume of intelligence information sent to Washington from our undercover representatives intensified the hostility of the local Embassies and Diplomatic officers toward these unknown suppliers of information to Washington, such information frequently being either completely unknown and unreported to the regular Diplomatic Missions or in some respects directly contrary to current reports being submitted by such Missions.

These conditions, of course, resulted in increased activity on the part of United States diplomatic officers (State, War and Navy) stationed abroad toward the end of uncovering, exposing, and embarrassing the Bureau's undercover Agents. Unfortunately this was frequently not very difficult to perform inasmuch as the Bureau's undercover representatives were in large measure young, healthy, intelligent, personable Americans of draft age and obvious military potentiality operating under weak and frequently illogical covers in the Latin American countries despite the fact that their country was at war. In the majority of instances, Bureau representatives were somewhat conspicuous due to circumstances over which they had absolutely no control and virtually all of them were at various times suspected.

Some of the undercover people in order to obtain the confidence of pro-Nazi individuals and thus obtain information from within pro-Nazi ranks were engaging in what appeared to local United States State Department, Military officials and Naval officials to be extremely questionable and suspicious activities and associations. Many of the men also became suspected by the British, some legitimately and others apparently solely due to the fact that the British suspected them of being Bureau representatives and desired to expose them by embarrassment and harassment.

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The Bureau had become so insistent with regard to the necessity and urgency of FBI Agents being stationed in Embassies and Consulates abroad under diplomatic cover that despite continued reluctance on the part of many diplomatic missions abroad by November of 1942 Bureau representatives were stationed in all United States Embassies throughout Latin America with the exception of Honduras and Panama. In the larger countries, a number of men had been so assigned, some in the Embassies and some in the various Consulates. Through the cooperation of Mr. Berle, clearance was obtained from the State Department for exclusive use of the title "Legal Attache" by FBI representatives in United States Embassies abroad with the sole exception of Mexico and Haiti in which countries the United States Ambassadors objected so strongly to the term "Legal Attache" that the Bureau consented to use in these two countries the term "Civil Attache."

The Bureau in July, 1942, decided after careful deliberation to establish in each United States Embassy throughout Latin America where we had representatives, an Office to have local jurisdiction and administrative supervision of the work for the entire country involved. These Offices were modeled, for all practicable purposes, as closely after FBI Domestic Field Offices as possible. The Legal Attache in each country was designated as being in charge of the Office and was charged with the responsibility for the administrative supervision under the Bureau's direction of all work performed in the particular country involved. Thus, the Legal Attache became in effect an FBI Special Agent in Charge. At the same time, the Bureau instituted the practice of transmitting all instructions, etc. of a general and uniform nature via the medium of "Memoranda to All Legal Attaches", which were numbered and prepared along the general lines of traditional Bureau Bulletins and traditional SAC Letters.

By the end of 1942 the Bureau had succeeded in establishing radio stations in the following foreign localities: Bogota, Colombia; Santiago, Chile; Quito, Ecuador; Rio de Janeiro, Brazil; Havana, Cuba; Lima, Peru; and Montevideo, Uruguay. Also, arrangements were being perfected as rapidly as possible to establish radios in additional countries. The FBI Technical Laboratory had devised for SIS use a special cipher code which was substituted for the old "X" code in all countries wherein we had Offices established having diplomatic immunity.

The Bureau had succeeded by this time in establishing Agents in many of the United States Consulates in South America, particularly in the larger and more important countries. These Agents became, under the above described procedure, virtual Resident Agents and their Offices in the respective Consulates were patterned as closely as possible and practicable after traditional Resident Agency Offices in the United States.

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At the same time, there was adopted and approved by the Bureau a uniform system of reporting by the SIS Offices involving the use of a standard and uniform report form especially designed for use by Legal Attaches. This report was fundamentally based very closely upon the traditional FBI Domestic Field report form, although, of course, certain changes had to be incorporated due to the peculiar nature of SIS work such as the fact that practically all information being reported originally emanated from confidential informants and the additional fact that virtually all information reported was transmitted to other Agencies of the United States Government for informative purposes.

Upon the establishment of Legal Attaches Offices in the various Embassies patterned closely after FBI Domestic Field Offices, the Bureau instituted the program of having each Legal Attache carefully coordinate his work within the United States Embassy. In this regard, the Legal Attache was required to keep the Ambassador informed personally and otherwise with regard to the intelligence data obtained and being reported upon. Coordination was also worked out with the local United States Military and Naval Attaches through a series of weekly conferences and also mutual distribution on a selective basis of reports and information obtained in the intelligence field. The Legal Attaches were instructed to be especially careful in keeping Military and Naval Attaches promptly advised of all information having special military or naval interest. In practically all of the Embassies, the United States Ambassadors, being particularly impressed with the value of the work being performed by the Office of the Legal Attache, in contrast with prior conditions locally, instructed that the Legal Attache would be the Embassy official designated as coordinator of intelligence information within the Embassy. Within a very short period of time, each Legal Attache became firmly established as the responsible American official with regard to clandestine intelligence matters, particularly in the field of subversive activities and matters related thereto.

The enlargement of the SIS Supervisory setup and organization at the Seat of Government had kept pace correspondingly with the increased coverage and organization in the Field. It never did become, however, necessary to build up an unduly top-heavy organization at the Seat of Government from the standpoint of numbers of personnel engaged, etc. The largest number of supervisors assigned to this project at the Seat of Government at any one time was twenty-four supervisors, which number was assigned only for a brief period during the very peak of SIS operations.

SIS files and indices, which had from the outset been established and maintained within the SIS Offices at the Seat of Government, were, during the winter of 1942-1943, transferred

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to the regular Bureau Files Division along with the necessary clerical personnel, etc. who had been engaged in working on the project in the SIS Offices.

From the viewpoint of an outside observer, the Bureau's SIS program after the above improvements had become an extremely efficient and capable organization. From a strictly FBI administrative viewpoint, however, it was still far below ordinary Bureau standards and in many respects just entering upon its most acute experimental and development stage. The mere issuance of instructions from Washington to the newly developed Legal Attaches, most of whom were extremely limited in investigative experience, virtually all being without any prior administrative or supervisory experience, did not by any means immediately solve the many problems and difficulties inherent in this type of work. As might be expected many mistakes were made by the newly fledged Legal Attaches due to lack of experience together with the fact that they were in many respects coping with an entire new and unexplored problem. It required time to properly synchronize and adjust the undercover Agent program in each country as an efficient and smoothly working part of each Legal Attache's Office. Problems with regard to the handling of conferences with these undercover men, the supervision of their work, safe means of communication whereby the undercover people could safely furnish their output promptly to the Legal Attache's Office, required time and considerable experimentation.

The Bureau was still attempting by every means possible to accelerate its total coverage throughout Latin America. Agents were being sent out at the rate of approximately twenty-five to thirty Agents per month and it was not possible or practicable for many reasons to coordinate this additional coverage carefully with the Office of the Legal Attache. It must, of course, be kept in mind that during the first few months following the establishment of the Legal Attache system very few of the Legal Attaches had any comprehensive picture themselves of the actual work within their own country. Many of them were quite new to the country at the time of being designated and much of the work was still largely unexplored and surveyed.

Some effort was made to solicit from each Legal Attache estimates as to the number of people needed by them, but these solicitations proved almost completely valueless and the Bureau continued to send undercover people out on more or less the same basis as before.

This state of affairs enormously complicated the problems of the newly designated Legal Attache who was already struggling with many difficulties. The overall result was, of course, that within

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a period of months, Agents were definitely overcrowded in some areas in so far as the work to be performed was concerned while other Offices were suffering from a lack of Agents. Every effort was being made to augment the Staff of each Legal Attache by sending Agents into the various countries assigned as Assistant Legal Attaches and assigned in Consulate Offices. There were serious limitations, however, as to the rapidity with which this phase of the program could be carried on due to a variety of reasons, including the necessity for clearance and approval from the State Department, and the particular Embassy involved for each such assignment. It was inevitable that many of these undercover people were not properly supervised, especially during the early days of the Legal Attache system and for a number of months subsequent thereto.

It should be mentioned in passing that early in January, 1943, the Bureau dispatched to Latin America, eighteen Special Agents from the Domestic Field especially qualified on plant survey work for the purpose of surveying throughout the entire hemisphere a total of 104 different companies, installations, ports and organizations with a total of 150 branch facilities, requiring physical survey. These surveys were conducted at the request of the State Department, War Department, Navy Department and the War Production Board. This project was eminently successful from the standpoint of the work accomplished and the results obtained. These eighteen Special Agents however were in all respects completely without prior training in foreign work and had no knowledge whatsoever with regard to the Spanish or Portuguese language. The Legal Attaches and their Staffs (still extremely meager in most countries) were required to furnish every assistance in the plant survey project in order to expedite it to the greatest possible extent. This, of course, resulted in many of the Legal Attaches neglecting vital portions of their normal work, particularly from an administrative viewpoint; that is, the constant supervising and assisting of the various undercover Agents still being sent into the countries as rapidly as possible.

Some Legal Attaches proved completely inadequate to their task and had to be replaced. A very few began to resign and enter the Armed Services. Morale throughout the Field Service in Latin America suffered to some extent especially during the Spring and Summer of 1943, following overwhelming allied victories in North Africa and Sicily. These victories, of course, did to some extent deplete the importance of intelligence work in Latin America or at least the urgency thereof due to the fact that danger from enemy

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invasion no longer existed. A much larger percentage of resignations began to occur from the undercover personnel and some of these Agents after short periods of assignment became thoroughly disgusted with local conditions and completely disillusioned when faced with something entirely different from the glamorous picture visioned by them before undertaking the assignment. A relatively small number either resigned or requested a transfer back to the Domestic Field, despite the fact that the Bureau had expended considerable sums of money in training and preparing them for the assignment, not to mention the important time element in training and preparing replacements which could not be expected to produce worthwhile results until they had been on assignment for a number of months. The Agents were, of course, subjected to all kinds of ridicule and embarrassing questions from large number of American Military and Naval personnel stationed throughout Latin America as to why they were not in uniform and were trying to sell soap, magazines or perform some other ostensibly unimportant and non-war connected job.

Due to the above and many other reasons and circumstances, all more or less completely out from under the Bureau's control, a considerable number of resignations and requested transfers from SIS took place during 1943 mostly as indicated above from undercover people. It should be kept in mind, however, that each resignation or request of transfer from SIS attracted especial attention due to the nature of the circumstances involved in order that an incorrect picture will not be presented. As a matter of fact, the percentage of resignations, plus requested transfers, was considerably lower than the actual percentage of resignations during the same period from the Bureau's Domestic Field Service. The fact, however, remains that a considerable number of resignations did occur in the one phase of the Service in which none should have occurred.

Meanwhile, expansion of the SIS Field coverage was continued at the same rate as previously until October 4, 1943, at which time, the Bureau ceased further SIS assignments except wherever special need might arise, such assignments to be personally approved by the Director. At the time of this particular order, the Bureau had a total of 583 employees assigned to SIS work, including a total of 94 employees assigned in various Divisions at the Seat of Government engaged on matters pertaining to SIS and also including a number of employees in New York City assigned more or less exclusively to SIS work and matters pertaining thereto. On this particular date, the Bureau had its largest total coverage consisting of Special Agents on foreign assignment, the total figure being 349. On the same date, the Bureau had assigned abroad 29 radio employees, 10 translators, cryptographers and photographers, 11 special employees and a total of 89 clerical employees, making a grand total of 488 Bureau employees on foreign assignment at the time.

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Shortly after this, on October 25, 1943, a letter was received by the Bureau from Mr. Berle of the State Department (the letter was actually prepared by one Daniel Hanley, a subordinate officer in Mr. Berle's Division of the State Department), which, in effect, indicated that the Bureau was duplicating work performed by the State Department and other Departments in connection with the investigation and reporting of political and economical matters. The Bureau replied by pointing out the facts and Mr. Berle admitted error and later withdrew the letter from the record. However, it had become quite apparent to the Bureau itself that a drastic reduction in SIS personnel was advisable inasmuch as the work had reached such a stage that the continued assignment of such a large number of Agents, particularly such a large proportion of undercover Agents, was no longer justified. Accordingly, during October, November and December of 1943, the Bureau recalled from assignment in Latin America Agents and other employees on a somewhat wholesale basis. A total of 136 Agents along with a number of other employees were recalled to the United States for reassignment in the Domestic Field during these months.

The State Department, as well as the various Embassies, became somewhat alarmed at these heavy withdrawals of personnel and began protesting such action. The State Department was joined by the various Ambassadors, etc. in requesting resumption by the Bureau of full-scale political and economic investigations and reporting abroad (this work having been temporarily discontinued as a result of the above described State Department letter). The Bureau complied with the request although withdrawals from Latin America continued steadily in so far as the state of the work indicated that the services of such employees could be spared. This withdrawal program was in fact extremely beneficial and advantageous to the overall efficiency of the SIS program. The Bureau was thus enabled to readjust its field coverage in foreign countries on a practical and sound basis depending entirely upon the actual personnel needs temporarily or permanently in each country and locality. Many of the Consular Offices were closed during this period inasmuch as justification for continuance of same had ceased to exist, and all in all the personnel was completely readjusted, the overwhelming majority of same being thereafter assigned in Embassies and Consulates with diplomatic cover supplemented in certain areas by strategically placed undercover representatives utilizing covers best adapted to the particular assignment on the basis of past experience.

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D. PEAK PERIOD OF OPERATIONS IN LATIN AMERICA

Brilliant results had been obtained in the field of investigative accomplishments abroad to such an extent that a clear-cut picture existed by October, 1943, with regard to the amount of pending and necessary work in each office and each area. The very large and extensive German espionage rings in Brazil had been completely eliminated. Espionage activity had been eliminated in Cuba. The large and extensive espionage clandestine radio rings in Chile had been completely investigated and virtually all of the people arrested. The major espionage subjects and rings in Argentina had been definitely identified and were being kept under more or less constant surveillance. The same situation existed in Paraguay, in Uruguay and Colombia. The principal subjects in the extensive Glog Case in Mexico had been identified and were being investigated via surveillances and other methods. The Alien Enemy Control Program whereby many dangerous enemy nationals were apprehended and either interned locally or (in most cases) sent to the United States for internment had been virtually completed in all except a few countries. Extensive and efficient informant networks had been established in each country to such an extent that any type of investigation could be conducted on a sound and efficient basis approaching FBI Domestic Field standards of efficiency.

The police liaison program, during 1943, had been extended to most of the major and important countries throughout Latin America. This program involved sending one or more FBI Agents into certain Latin America countries upon request by these countries through diplomatic channels for the purpose of furnishing instruction and assistance to the police and other Government officials interested in intelligence and criminal work. These so-called police liaison men were assigned openly as representatives of the FBI. They worked, however, in each instance under the jurisdiction of the Legal Attache and proved invaluable in connection with the Bureau's overall intelligence coverage and work. Through the police liaison arrangement it was possible and feasible to obtain almost any type of investigative assistance and information from the police in practically every country in Latin America with the exception of Argentina. (No formal police liaison arrangement existed in Mexico, although the same results were being obtained by means of having placed one of the ranking police officials on our informant pay rolls).

Extensive informant networks provided thorough coverage with regard to Latin American post office establishments; police departments; cable and radio offices; telephone companies and facilities;

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steamship lines; air lines; customs offices; government departments generally even including in many places the Presidential Palace; (we had at various times FBI Agents assigned as special advisers to the President in different countries).

In addition to the above, extensive informant coverage had been established among foreign Embassies in each country and also among local professional and business groups, refugee groups, etc. Due to the primary emphasis being placed upon German, Italian, and Japanese activities, especial efforts had been made to infiltrate these groups with informants and in some instances with undercover Agents. A number of double agents had been developed, maintaining direct contact with enemy espionage groups.

The plant survey program throughout Latin America had been completed with excellent results and in a number of countries, containing the more important installations from the standpoint of our strategic war interest, special so-called security liaison men had been assigned in the countries to maintain security liaison with local officials, etc. Agents so assigned also proved of inestimable value in strengthening the overall intelligence coverage and investigative network.

Radio stations had by this time been established in virtually all of the important Latin American countries with the exception of Mexico and Argentina.

Excellent work had been performed and was then being performed with regard to the smuggling of strategic materials by enemy groups endeavoring to smuggle same through the Iberian Peninsula into Germany. The most important work in connection with this enemy smuggling program arose in connection with industrial diamonds from Brazil and Venezuela, and platinum from Colombia and Venezuela. In May, 1944, a special squad of Agents was dispatched to Bogota, Colombia (a key point in connection with the platinum and diamond smuggling activities) at the request of United States Ambassador Arthur Bliss Lane, for the purpose of facilitating in every way the control of this dangerous problem. This special squad of Agents operated under the overall jurisdiction and supervision of the Legal Attache in Bogota, Colombia. It was enabled through working with the local customs officials, nine inspection and tax collecting officials, etc. to identify and eliminate so many of the important smugglers that the backbone of the practice in so far as it might affect strategic war aims was virtually broken within a few months. It should be noted that these Agents in cooperation with the American Embassy advised with local government officials in devising and preparing completely new laws and regulations designed to protect allied war interests in connection with the smuggling of such strategic materials.

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In connection with the establishment of a thorough and efficient informant network in each country, it had been necessary to deal with the very troublesome and dangerous "professional informant" problem described earlier. This was handled very effectively following the establishment of the Legal Attache system in November, 1942. The "professional informants", who were causing untold confusion, waste and harassment by the furnishing of inaccurate and frequently fictitious information concerning enemy activities, were identified, completely exposed and eliminated from the scene by the end of 1943. The most successful method of accomplishing this end proved to be as follows: The regular Attache or some other Agent, in some cases undercover representatives, would actually employ the troublesome informant, analyze his reports and check carefully through coordinative means within the Embassy to see if such informant or accomplices were furnishing the same information to other American officials within the Embassy. The accuracy of the information would be checked through actual investigative means frequently by keeping the suspected informant under constant surveillance by special so-called surveillance informants.

By these and other related means, such as telephone and the mail surveillance, bribery of the informant's mistress, etc., it was almost invariably possible to completely expose the spurious nature of the informant's data within a comparatively short period of time. Once exposed, they were appropriately denounced and with regard to the more troublesome ones neutralized with the assistance of the local police or internment authorities. Many of these "professional informants" were refugees of one kind or another.

Certain mistakes were made in various instances with regard to the development and subsequent handling of informants. The most serious error and the only one which tended to cause any serious difficulty, was the failure on the part of certain Bureau Agents, during the height of war-time activity, to properly and adequately insulate informants with cut-out safeguards. [This was particularly true in Argentina where the Agents were working under considerable difficulty inasmuch as they were themselves being surveilled, harassed and hampered by the Argentine Police and other authorities.] No

A number of informants in Argentina learned with considerable accuracy the identity of their principals, these being, of course, Bureau Agents. In most instances when this occurred, the Bureau Agents were operating undercover, however, there were actually some occasions when the informant was permitted to learn the identity of some Embassy or Consular Agent principal. A

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number of these informants were eventually arrested by the Argentine Police and tortured into making more or less complete confessions, including information possessed by them as to the true identity of their principals. Luckily there were no instances involving identification of the Federal Bureau of Investigation itself. In only one instance was an FBI Agent actually arrested and in this instance the Agent (assigned undercover) was enabled within a very few days to secure his release with the cooperation of the Embassy and, of course, immediately left Argentina, not being again assigned on SIS. This Agent was to some extent careless and was criticized therefor, however, his detection and apprehension involved excellent police work on the part of the Argentine Police. Once in difficulty, the Agent acted admirably in maintaining his cover, denying his guilt, and completely protecting the Bureau. The Argentine Police were not able to secure enough evidence, whereby he was released. Upon a number of occasions, however, it did become necessary for the Bureau to smuggle undercover Agents out of Argentina by means of a motor launch which was maintained on the Rio Plata in the Argentine Harbor for this and similar purposes. Certain informants were also smuggled out of Argentina in the same manner. The procedure involved placing undercover Agents or informants known or believed to be under suspicion on the part of the Argentine Police in the launch at night and take them thereby to Montevideo, Uruguay, which is located just across the river from Buenos Aires. As a precautionary safeguard, the practice was later adopted in Argentina of immediately smuggling out of the country any undercover Agent who had maintained contact with any informant known or believed to be under suspicion or surveillance on the part of the Argentine Police. The Office had a sufficient number of informants throughout the various police organizations whereby the Legal Attache was kept fully informed as to just which of our informants were suspected and being investigated at any particular time.

There was one minor difficulty in countries other than Argentina due to this same failure on the part of Agents to exercise extreme care in utilizing cut-outs in dealing with informants in order to prevent the informants from obtaining identifying data concerning his true principals.

Early in 1944, the Bureau sent Inspector Myron Gurnea on an inspection of all FBI Offices and installations in Latin America, subsequently followed by inspection visits on the part of Mr. Gurnea to FBI Offices and installations in foreign countries other than Latin America. Mr. Gurnea was assisted in these inspections by

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Special Agent Heber M. Clegg and [redacted] of the SIS Division.^{b7C} These inspections proved invaluable with regard to the making of necessary administrative changes in each Office to render same more efficient and more nearly in accordance with FBI Domestic Field Office procedure. The inspections were exceedingly thorough and covered every phase of SIS activities. Completely uniform procedures (with the exception of such slight local variations as proved unavoidable due to peculiar local circumstances, etc.) were placed into effect as a result of these inspections. A complete detailed manual of instructions was prepared at the Seat of Government based upon needs therefor revealed in the course of inspections. Such manual was furnished to each SIS Office.

A number of administrative changes were effected in the personnel assignments as a result of the inspection, two Legal Attaches having been replaced in this connection.

In addition to the value of the inspections from the standpoint of overhaul, unifying and streamlining administrative office procedure, personnel supervision procedure, etc. along the lines of FBI Domestic Field procedure, they also proved of incalculable assistance in helping morale and esprit de corps among SIS employees assigned in Latin America many of whom had not returned to the United States or had any appreciable contact with the Bureau or its officials since originally assigned to Latin America years before. These inspections, which included detailed interviews with each employee, as well as detailed advice, instructions, etc. to the employees, tended to emphasize to each of the employees, the Bureau's continued interest in them and their work.

It should be noted that travel restrictions, as well as circumstances in connection with the Bureau's overall work and responsibilities, had been such that travel to the United States and to Washington from SIS assignments had been limited and restricted to the greatest possible extent. While it had proved absolutely necessary in a number of instances to bring various employees back for individual conferences, etc., every effort had been made to minimize this travel to the greatest possible extent.

At the time of the inspections, the very apparent and pressing need for some regular program of detailed In-Service Training for Agents assigned abroad was established, and inasmuch as the prior reasons for strictly limiting and minimizing travel from Latin America to Washington no longer existed, there was instituted a program of In-Service Training schools for such Agents. These

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(schools were, of course, extremely valuable not only from the standpoint of pure instructional benefits, but also from the standpoint of morale and esprit de corps. The Director instructed that during the schools, each Legal Attache, and such other Agents that might desire, must meet and talk with the Director and engage in an interview with each Assistant to the Director and with each Assistant Director at the Seat of Government with regard to local problems and the work generally. This proved of inestimable value, and from this period forward, there was no difficulty whatsoever with regard to morale and esprit de corps. The Legal Attaches were enormously benefited from their talks with the Director, the Assistants to the Director and the various Assistant Directors. They were enabled to outline their problems, offer suggestions, and obtain advice and assistance. This program of In-Service Training Schools continued with increasingly beneficial results until late 1945 when they were discontinued due to the then extreme uncertainty of the Bureau's future in SIS work, it being deemed that due to this uncertainty they were no longer justified.

(Also, during the above described inspection program, it became necessary to dispatch female stenographers and employees to foreign SIS Offices due to the fact that male clerical employees were no longer available in sufficient numbers to handle the work. (Male clerical employees were not exempt from Selective Service Draft Regulations). The Administrative Division selected from a large number of volunteers the most efficient and experienced Bureau stenographers and clerical employees available for this assignment. The Training Division, assisted by the SIS Division, prepared a detailed course of instruction and training for these clerical employees pertaining not only to the clerical work that they would perform in the foreign offices, but also conditions generally, including such matters as health, social activities, clothing, security regulations, etc. Due to the experience and excellent quality of the female stenographers and clerical employees utilized on this project, the overall program was enormously benefited, particularly with regard to the performance of efficient administrative functions within each Office.

(It should be noted that during August, 1944, the Bureau finally succeeded in establishing an Office in the American Embassy in Honduras despite the continued objections and opposition of the United States Ambassador John D. Erwin and the First Secretary of Embassy, one John B. Faust. Also, during May, 1945, the Bureau,

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at the request of the Army and the State Department, established a liaison office in the American Embassy in Panama. This office was discontinued during the Summer of 1946, following almost continuous difficulty with Army authorities in the Panama Canal Zone and the Republic of Panama, concerning intolerable jurisdictional limitations and harassment.

Early in 1945, it had become possible for the Bureau to permit Agents assigned in Embassies and Consulates in Latin America to be accompanied on assignment by their wives and families. It was not possible and feasible for undercover men to be accompanied by their wives on assignment and this was not permitted at any time during the SIS program.

A considerable number of older and more experienced FBI Domestic Field Agents began to apply for SIS assignment following the last mentioned development. A number of these were furnished assignments and the overall result was generally beneficial. As a rule it was discovered that the older and more experienced domestic field Agent encountered much more difficulty in learning the language and adjusting themselves to local conditions abroad than was the case with regard to the younger men more recently graduated from colleges and universities. It is undoubtedly true, however, that SIS suffered to some extent from a lack of maturity and experience on the part of those assigned abroad from the time of its inception until the end.

Following the surrender of Japan and the cessation of hostilities in August, 1945, the Bureau began to experience extreme difficulty in obtaining any clear-cut decision with regard to the future of the SIS program in order that appropriate plans and preparations could be completed for the carrying on of this work. A period of extreme uncertainty and fluctuation ensued, which condition continued to an ever increasing extent until the final and irrevocable decision to close the Offices in July, 1946. During this period of uncertainty and fluctuation, the Bureau upon a number of occasions issued instructions of a drastic nature to SIS Field personnel designed to commence final closing of operations. These instructions would have to be changed within a period of several days due to conflicting instructions and decisions from the State Department and other interested Departments. Many of the more efficient personnel were recalled at various times during this period for a number of reasons and could not be replaced due to the uncertainty of the entire program.

The quality of the work continued excellent, and administratively SIS had definitely "come of age." Up until the final decision

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to close in July of 1946 (at which time certain preparations for final closing became necessary which had a crippling effect on efficiency, etc.), SIS Offices continued to perform extremely efficient work abroad. The Bureau commenced the operation of finally closing each SIS Office and turning over the work, jurisdiction, files, etc. to the

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It was decided prior to the closing of SIS Offices in Latin America to maintain future liaison assignments for the primary purpose of maintaining liaison with police and other Governmental authorities in the following countries: Mexico, Cuba and Brazil. Agents assigned for liaison purposes in those countries are attached to the United States Embassy therein with the title of Legal Attache.

E. FBI SIS WORK AND COVERAGE IN FOREIGN COUNTRIES
OTHER THAN LATIN AMERICA

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On October 19, 1942, at the special request of the Chief of Staff, United States Army, Washington, D. C., the Bureau dispatched a Special Agent under cover of being an Army Officer to Moscow, Russia, for the purpose of investigating alleged irregularities in connection with the administration and activities of lend-lease in Russia. This Agent continued on the assignment in question until June 4, 1943. The foregoing constitutes the first Bureau assignment in Europe since the formation of the SIS program. However, note should be taken of the fact that four FBI Agents had been loaned to the State Department for special courier work in various parts of Europe (primarily the Iberian Peninsula, the Balkans, Central Europe and Russia) in 1940 prior to the formation of SIS. The special courier assignments were continued until late 1941, when the Agents were withdrawn from Europe and absorbed into the Bureau's regular SIS program.

Late in 1942, arrangements were perfected whereby an FBI Agent was assigned in London, England, to maintain liaison with British Intelligence and Security officials as well as with various American Intelligence officials working in London and vicinity. This Agent is attached to the American Embassy in London, England, with the title of Legal Attache and the assignment has continued until date.

On January 2, 1943, the Bureau loaned three Special Agents to the State Department for the purpose of special undercover investigative work in the Embassy Code Room in Madrid, Spain; London, England; and, Stockholm, Sweden. It was intended that these assignments would be designed to obtain information concerning irregularities, etc. in the handling of code work at the above points dangerous from a standpoint of United States wartime security. These assignments resulted in extensive recommendations being made to the State Department for suggested changes in procedures, regulations and personnel in the Code Rooms in question.

On January 15, 1943, at the specific request of the War Department and the State Department, Assistant Director P. E. Foxworth and Special Agent Harold D. Haberfeld were dispatched to North Africa for the purpose of conducting a special investigation concerning alleged collaborationist activities in North Africa during the period of German occupation by an American citizen. These men died in the crash of an Army Transport Plane in the jungles of Dutch Guiana while en route to North Africa pursuant to the above described. They were replaced by two other Bureau Agents who completed the assignment and returned to the United States in August, 1943.

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In August, 1943, arrangements were perfected for the assignment of an FBI Agent in Lisbon, Portugal, for liaison purposes, and such assignment was consummated immediately. The Agent was attached to the American Embassy in Lisbon with the title of "Legal Attache" for the purpose of maintaining direct and continuous liaison with British and American Intelligence officials working in Portugal which was especially active and strategic at the time from the standpoint of intelligence directly affecting the Western Hemisphere. The Bureau Office in the Embassy in Lisbon was kept open until the summer of 1946, at which time it was closed and all Bureau personnel recalled to the United States, it having been determined that continuation of the assignment was not justified inasmuch as the strategical importance of Portugal in connection with intelligence matters had ceased.

Also, in August, 1943, a technical expert from the FBI Technical Laboratory was, at the request of the State Department, dispatched on a confidential mission to thoroughly survey and examine the American Embassies in Lisbon, Portugal and Madrid, Spain, for the purpose of insuring protection against technical surveillance, etc. of these Embassies and officers stationed therein. Subsequently, FBI technical experts were assigned to conduct similar surveys in practically all United States Embassies and Legations abroad, including those located in Latin America.

In October, 1943, a Special Agent of the FBI was assigned in Italy to work in direct liaison with the American Advanced Intelligence Group, stationed in Italy of American Force Headquarters. This liaison was maintained until some months following reestablishment by the American Government of an Embassy and Embassy personnel in Rome, Italy, following its liberation. An Office was subsequently established in the American Consulate General in the United States Embassy in Rome, Italy, for liaison purposes which Office continued until late 1946, it being closed and personnel recalled inasmuch as its continued maintenance was no longer justified.

During April of 1944, an FBI Agent was assigned in Madrid, Spain, for the purpose of maintaining liaison with British and American Intelligence officers working in Spain which was at that time of particular strategic importance in connection with intelligence matters affecting the security of the Western Hemisphere. This Agent was attached to the United States Embassy in Madrid with the title of Legal Attache and the assignment has continued to date.

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During September, 1944, two Special Agents of the FBI were assigned to Paris, France, for the purpose of maintaining direct and continuous liaison with Army Intelligence authorities assigned to Supreme Headquarters Allied Forces. Later in 1944, three additional Agents were assigned to the same project. The assignment was subsequently increased to include five additional Agents, including two Agents for assignment as Attaches in the American Embassy in Paris, France, following its reestablishment under United States Ambassador Jefferson Caffery. The Agents, assigned directly in liaison with United States Army Intelligence Forces in France, proceeded with SHAEF Intelligence Headquarters into Hamburg and Berlin, Germany, following the capitulation and occupation of the last named country. Two Agents were also assigned to the maintenance of direct liaison with American Intelligence authorities at General Clark's Headquarters in Vienna, Austria. Late in 1945, all FBI Agents and personnel assigned to the maintenance of direct liaison with Army authorities in France, Austria, and Germany, were recalled due to intolerable conditions imposed by Army Intelligence authorities with regard to the maintenance of such assignments.

Following the liberation of the Philippines in 1945, two Special Agents were dispatched to the Philippines for the purpose of maintaining direct and continuous liaison with American Intelligence officers of the United States Army at this point. Subsequently, two additional Agents were dispatched on this assignment and a Bureau inspector was sent over for the purpose of inspecting the Bureau's installation in the Philippines during August, 1945. Shortly thereafter the surrender of Japan and occupation thereof by American troops resulted in the Bureau inspector (T. E. Naughten), accompanied by two Special Agents, proceeding to Tokyo, along with American Army Intelligence Headquarters. Thereafter, the assignments were continued, both in the Philippines and Tokyo, Japan, following the return to the United States of Inspector Naughten, for liaison purposes. These assignments were finally simultaneously discontinued in August, 1946, due to the fact that the importance of the assignments to the Bureau had materially decreased in addition to the fact that it had been discovered virtually impossible to work harmoniously and cooperatively in liaison with Army Intelligence authorities abroad.

It will be noted from the foregoing that the Bureau is still maintaining liaison assignments in London, England, Paris, France, Madrid, Spain and Ottawa, Canada. These assignments in addition to those being maintained in a liaison capacity in Latin America constitute all foreign assignments at the present time.

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F. SIS FINANCES

Immediately upon the formation of the Bureau's SIS program, funds were provided from the President's confidential fund, separate and apart from the Bureau's regular appropriation. This, of course, permitted much greater secrecy with regard to the Bureau's SIS work inasmuch as the funds did not have to be accounted for by vouchers, etc. cleared through the General Accounting Office. However, the Bureau established its own SIS voucher system patterned as closely as possible and practicable after the regular Governmental voucher system and all funds expended in any way whatsoever were covered by salary, living and quarters allowance and expense vouchers.

Due to the nature of the appropriation and the nature of the clandestine work being performed, salaries were not ordinarily paid by Governmental check. The procedure was as follows: The Chief Clerk's Office obtained the necessary funds from the Treasury Department and these funds were deposited in the City Bank in Washington, D. C. in an account maintained under the names of Messrs. W. R. Glavin, D. M. Ladd and [REDACTED]. All withdrawals from this account were required to be supported by vouchers approved and signed by the above mentioned three officials. All checks drawn on the authority of such vouchers were required to be signed by at least two of the above described officials. Upon being sent on assignment, individual employees were advanced such funds as might be necessary to cover cost of transportation and other unusual and emergency expenses which might arise prior to the receipt of salary and expense reimbursements. These advances were if necessary permitted to continue until the termination of the SIS assignment, at which time final accountings were submitted and the advance accounts settled.

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Also, following the establishment of Legal Attache Offices, so-called Office Advance accounts were maintained and charged personally to the Legal Attache involved. These advances permitted the Legal Attache to draw funds for emergency expenditures of such a nature as would not permit delay encountered by awaiting reimbursement on expense vouchers, etc. These Office Advance accounts were likewise finally settled upon the closing of each Office.

A summary of appropriations and funds made available and expended by the Bureau on its SIS program is as follows:

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Immediately upon establishment of the SIS program, the Budget Bureau on July 2, 1940, made available from the President's confidential fund the sum of \$400,000.00. At the close of the fiscal year ending June 30, 1941, the sum of \$144,430.61 had been expended. Due to the available surplus then on hand, no additional funds were made available at the beginning of the fiscal year 1942. On October 8, 1941, the President signed a letter making another \$400,000.00 available to the Bureau for SIS work. During January, 1942, an additional \$100,000.00 was made available by the same means. Thus, a total of \$900,000.00 was made available from the President's fund to cover all expenses of the SIS program from July, 1940, to June 30, 1942. The extreme rapid expansion of SIS work following Pearl Harbor, however, necessitated the expenditure of an additional \$14,026.71, prior to June 30, 1942, so that a deficiency in the last mentioned amount existed. It was arranged for an additional \$1,900,000.00 to be made available to the Bureau for SIS work on June 19, 1942, which funds were earmarked for use during the fiscal year 1942 and fiscal year 1943. On December 23, 1943, the President allocated to the Bureau the additional sum of \$1,000,000.00 in funds to be expended during the fiscal year 1943, thus, making a total of \$2,900,000.00 made available for the fiscal year 1943, minus \$14,026.71 which as indicated above had been utilized to cover a deficiency incurred during the fiscal year 1942. On July 13, 1943, the President allocated to the Bureau the sum of \$5,450,000.00 to cover the expenses of SIS work during the fiscal year 1944. All of these funds were not expended and, for the purpose of providing funds for the fiscal year 1945, the Bureau of the Budget authorized the transfer of funds remaining unexpended from the fiscal year 1943 in the amount of \$75,305.11, together with unexpended funds remaining from the fiscal year 1944 in the amount of \$1,925,000.00 to the fiscal year, 1945. In addition, the President on July 22, 1944, allocated for SIS expenses during the fiscal year 1945, the additional sum of \$1,175,000.00, thus making a total of \$3,175,305.11 available to the Bureau for expenditure during the fiscal year 1945. It was provided in the allocation that \$5,000.00 of this sum could be expended in defraying the expenses of foreign police officials visiting the United States. For the fiscal year 1946, the Bureau estimated for SIS operations a total of \$4,000,000.00. The Budget Bureau was so informed and the State Department concurred in the request. However, on July 7, 1945, the Budget Bureau approved only \$1,325,000.00 for SIS operations and authorized in addition the carry-over of \$175,000.00 remaining from unexpended funds from the appropriation for the fiscal year 1945. It was indicated that this sum would cover SIS expenses for the first six months of the fiscal year 1946 and that at the end of such period a determination would be made as to whether the Administration desired continuance of the SIS program. Following considerable discussion, negotiation and uncertainty, the President finally, by letter dated December 4, 1945, allocated the sum of \$1,446,357.00 to cover SIS expenses during the remaining six months of the fiscal year 1946.

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The amount of \$3,000,000.00 was included in the Bureau's regular appropriation bill for 1947 for use in continuing SIS operations. This amount was not in any way whatsoever earmarked as to the manner in which it should be expended. At the beginning of the 1947 fiscal year, Bureau employees who had been previously removed from the regular Bureau rolls and paid by checks drawn on the special SIS bank account were returned to the regular Bureau rolls and salary checks to them were drawn from the regular Bureau appropriation. Expense checks and other confidential expenses were drawn from the same SIS bank account in [] which was replenished by the Chief Clerk's Office by use of blue slip vouchers b7D

The following table will reflect funds actually made available and actually expended on SIS operations from the time of its inception until June 30, 1947:

<u>Fiscal Year</u>		<u>Funds Available</u>	<u>Total Expenditure</u>
1941		\$ 400,000.00	\$ 144,430.61
1942	Carried fwd. from '41	\$ 225,569.39	
	Add'l appropriations	500,000.00	769,596.10
1943	Appropriations	2,900,000.00	
	Less '42 deficit	14,026.71	2,885,973.29
1944	Carried fwd. from '43	75,305.11	
	Add'l appropriations	5,450,000.00	3,525,000.00
1945	Carried fwd. from '43	75,305.11	
	Carried fwd. from '44	1,925,000.00	
	Add'l appropriations	1,175,000.00	3,000,305.11
1946	Carried fwd. from '45	175,000.00	
	Add'l appropriations	2,771,357.00	2,946,357.00
1947	Appropriations	3,000,000.00	
	Expenditure to June 30, 1947		1,989,172.89
		Total	\$15,185,529.89

G. JURISDICTIONAL DIFFICULTIES AND LACK OF COOPERATION

Jurisdictional difficulties and lack of proper cooperation, support and assistance from interested Government Departments and Agencies were experienced by the Bureau from the very inception of the SIS program. This was due in part at least to the very loose and somewhat confusing mandate set forth in the Presidential Directive, described hereinbefore.

Apparently General Sherman Miles, then Assistant Chief of Staff in charge of G-2, United States Army, was somewhat instrumental

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in securing such a loosely drawn and dubious outline of the Bureau's jurisdiction in the SIS field. General Miles was insistent from the beginning that Bureau work in the foreign intelligence field would not materially restrict or limit so-called traditional activities of Army and Navy Intelligence abroad, the latter being more or less included under the auspices of Military and Naval Attache activity.

It was necessary soon after the inception of the SIS program to draw up specific and detailed "delimitation agreements" for the purpose of delimiting by agreement between the three primary intelligence agencies operating in Latin America, namely, MID, ONI and FBI, the jurisdiction, responsibility and functions of each of the participating agencies. These delimitation agreements were changed from time to time although generally speaking they were based upon the general premise that the Bureau would assume responsibility for the investigation of clandestine intelligence generally with primary emphasis upon subversive activities, etc., and the Army and Navy would have responsibility and would confine their activities to matters of peculiar military or naval interest. The various delimitation agreements covering SIS jurisdiction were honored more by violation than observance especially on the part of the Army. Throughout the entire history of SIS, it was the general pattern of Army activity abroad that the Military Attache would to a large extent ignore the terms of the delimitation agreement applicable at the time and would invariably answer protests, etc. on the part of the Legal Attache to the effect that he was carrying out specific instructions from MID Headquarters in the United States and that Army interpretation of the delimitation agreement did not generally speaking delimit or restrict investigative activities on the part of the Military Attaches. Correspondingly, protests, discussion and negotiation with MID Headquarters officials in Washington throughout the entire SIS program with regard to obvious and flagrant violations of the delimitation agreement invariably resulted in such Headquarters officials of MID "passing the buck" to the Attaches and other officials in the field with the excuse that there had merely been a misunderstanding and misinterpretation of the terms of the delimitation agreement by the local Military Attache. As indicated above, this pattern was repeated so frequently and so persistently that there can be little, if any, doubt but that the local Military Attaches were, in effect, carrying out the instructions of MID Headquarters in Washington, D. C.

This naturally resulted in much local confusion, endless duplication and sometimes considerable embarrassment. It was only by the exercise of the utmost alertness and vigilance, together with prompt and vigorous protests in strong terms, that the Bureau was enabled to keep this situation within any reasonable degree of control.

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Soon after Pearl Harbor, there was established by MID in Miami, Florida, an intelligence organization known as the American Intelligence Command, under the direct supervision of Colonel William Herd. The American Intelligence Command issued instructions and orders by directive and otherwise to the various United States Military Attaches throughout the entire hemisphere. It also supervised certain undercover MID operations in Latin America. This organization was particularly objectionable and was responsible for a very large amount of the confusion, duplication and invasion of the Bureau's jurisdiction by MID in Latin America.

Protests, discussion and negotiation with MID Headquarters in Washington were never successful in satisfactorily settling this problem caused by the non-cooperation of Colonel Herd and the American Intelligence Command until the organization was transferred from Miami back to Washington and disbanded during 1944.

The greatest difficulty centered in Argentina where United States Military Attache, General John W. Lange, had established, prior to the advent of the Bureau's SIS, a somewhat comprehensive clandestine intelligence network of informants, etc. General Lange (undoubtedly with the complete support, and in pursuance of instructions by the American Intelligence Command) insisted upon completely ignoring the terms of the delimitation agreement. He proceeded to investigate subversive activities, German espionage, and other intelligence matters generally in Argentina on a wholesale basis until the time of his transfer from Argentina in 1945. This, of course, resulted in very great confusion, duplication, and, in many instances, embarrassment with regard to Bureau efforts in Argentina. It was the subject of much discussion, negotiation, etc. with MID Headquarters in Washington, D. C., with the usual result as indicated above. MID insisted that the violations were solely the fault of General Lange and he insisted that he was merely obeying instructions and orders from MID Headquarters in the United States.

It is not intended in any way to convey the impression that General Lange was the only non-cooperative Military Attache operating in Latin America. As indicated above, they all more or less followed the same general pattern, although some were much more cooperative and friendly on a personal basis than others. General Lange's activities were the most objectionable due to the fact that he was active, intelligent and able and did operate a far-flung intelligence network in Argentina on a very active basis which caused untold difficulty.

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The other Military Attaches throughout Latin America were somewhat prone to merely dabble in the investigation of intelligence matters in a somewhat ineffective and not too harmful manner.

Mention has been made previously of the difficulty experienced by the Bureau in trying to work in direct liaison with Army Intelligence attached to field forces in France, Germany and Austria. This difficulty was caused by certain intolerable restrictions, limitations, etc. prescribed for the activities of Bureau Agents assigned in liaison capacity by General Edwin L. Sibert, G-2, Chief, European Theater, attached to General Eisenhower's Headquarters. During September, 1945, when the Bureau had a total of 17 Agents, together with necessary clerical personnel, engaged extensively in liaison intelligence operations of vital importance to FBI responsibilities in connection with the intelligence and security work in the Western Hemisphere, General Sibert issued a recommendation that this force be reduced to a total of two Agents for the entire European Theater, these Agents to be confined to virtually no intelligence activities except maintenance of formal liaison at Headquarters. The Bureau, of course, withdrew all personnel from liaison with the Army except those Agents maintaining liaison with General MacArthur's Headquarters in the Pacific. The latter Agents were withdrawn during 1946, when it had become obvious that satisfactory liaison could not be maintained with Army Field Intelligence Forces.

Some difficulty by way of lack of cooperation was experienced with the United States Naval Attaches abroad, but this was of a very minor nature and was invariably satisfactorily adjusted. It should, of course, be noted in the latter connection that the United States Navy withdrew almost entirely from the intelligence picture in Latin America following important allied Naval and land victories in North Africa and the Mediterranean area late in 1942 and early in 1943. Thereafter, they maintained Naval Attaches only in the most important countries in Latin America and these enjoyed very small and limited staffs with very limited funds and other facilities for intelligence work.

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The lack of cooperation on the part of the State Department and its representatives experienced by the Bureau during the SIS program was largely centered in the State Department Foreign Career Service and the officials directly connected with the administration thereof.

The State Department Career Service was from the outset extremely suspicious of the Bureau and its SIS program. These people were anything except cooperative although as befits diplomats they

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ordinarily refrained from displaying open hostility. The Bureau's extreme difficulty in obtaining the privilege of operating in United States Embassies and Consulates throughout Latin America has been described in some detail above. This was caused in a large part by hostility and lack of cooperation on the part of the Foreign Career Service. It is true that once the FBI gained the privilege of operating in the Embassies and Consulates, the Agents were enabled through their good work and brilliant results to sell the Bureau and the SIS program to the Ambassadors and to a number of subordinate career officials. Generally speaking, however, the Career Service remained extremely suspicious and quite jealous of the Bureau's work in the foreign field and many career officials who openly voiced support and enthusiasm for the SIS program were probably in actuality hostile thereto.

The Bureau experienced great difficulty in securing proper facilities for our foreign operations, such as diplomatic passports, full diplomatic privileges and immunities in Embassies, Consulates etc. Many career officials seemed to take delight in withholding cooperation by way of furnishing obstruction and obstacles to the more efficient functioning of the SIS program. Some of the Ambassadors who supported the program exhibited undesirable tendencies to dominate the work of the Legal Attache within the Embassy and to "boss" it to an injurious extent. This was true of former United States Ambassador Spruille Braden, who at one time, while assigned in Havana, Cuba, undertook to personally control and supervise all informants used by Legal, Military and Naval Attaches.

United States Ambassador Messersmith, while assigned in Havana, Cuba, was extremely uncooperative and was later generally hostile and uncooperative when assigned as United States Ambassador to Mexico. During the latter stages of the SIS program, Ambassador Messersmith exhibited more enthusiasm for and cooperation with the SIS program. He was and probably still is, however, basically hostile to the Bureau and to the SIS program except in so far as he thinks it served his best advantage to exhibit friendliness and a spirit of cooperation.

Former United States Ambassador John D. Erwin, assigned in Honduras, was extremely hostile to the idea of the Bureau operating SIS activities in Honduras. He persisted in this attitude to such an extent that the Bureau was unable to establish a Legal Attache in the Embassy in Honduras until the Summer of 1944, at which time it was necessary for the Secretary of State to personally order Ambassador Erwin to accept such an assignment despite his continued hostility and objections.

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Efforts were made at various times by State Department officials and the Career Service to hamper the work of Bureau Agents in the field of political and economic intelligence. The Bureau at one time in 1943 instructed the cessation of this kind of work altogether whereupon the State Department withdrew its former objections and specifically requested that SIS work in this connection be resumed and continued.

To sum up the attitude of the State Department, it is believed accurate to state that much time, money and difficulty in establishing the SIS program on an efficient basis could have been completely avoided with proper cooperation from the Department as a whole (which the Bureau certainly had every right to expect), which cooperation was definitely not forthcoming. Such cooperation and assistance from the State Department and its representatives, as was later enjoyed by the Bureau, had to be won on an individual piecemeal basis after long delay, much expense and difficulty.

H. CRITIQUE

Detailed information with regard to the accomplishments of and results obtained by the Bureau's SIS program are set forth in detail, both summarily and by country in the main volume following this Special Supplement under the heading, "Accomplishments."

These statistical accomplishments and results speak for themselves and can without doubt be classed as brilliant. The FBI was instructed to set up the SIS program during the Summer of 1940 under extreme difficulties and without any precedent whatsoever to follow with regard to this type of work in foreign countries. As will be noted from the foregoing, the assistance and cooperation from the most interested Departments of the Government, which the Bureau had every right to expect, was not forthcoming on anything like a satisfactory basis. Despite these difficulties, the FBI did establish a foreign investigative organization operating as an integral part of the FBI which was in addition to being the only efficient investigative service operated by an Agency of the Government abroad to date a service which actually approached FBI standards in the United States with regard to overall efficiency and competence. The total cost which will be noted from the foregoing information concerning SIS finances was extremely insignificant when compared with Governmental expenditure in connection with this type of operation in other areas. The efficiency of the Service was such that any type of investigation desired could be conducted on a prompt and efficient basis and any type of information desired by any phase of

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the United States Government could be obtained promptly, efficiently and completely without embarrassment to the American Government. This success is undoubtedly attributable solely to the overall efficiency of the FBI and its administration.

Many mistakes were made, but they were corrected in accordance with overall FBI administrative procedure. Generally speaking, it can be stated that such mistakes that were made were attributable to a complete lack of prior experience by the FBI in foreign operations, the complete lack of any precedent for this type of operation, and other circumstances more or less completely removed from Bureau control.

Generally speaking, the mistakes and errors of major importance were inevitable when considered in the light of all circumstances applicable to the entire program. It might be profitable, however, to review these in summary fashion as a basis for possible consideration and study in connection with possible future operations of a similar character.

1. It was definitely a mistake to undertake the establishment of intelligence coverage solely on the basis of clandestine operations. Representation should have been set up in the beginning in the various Embassies and strategic Consulates with complete staffs organized along the lines of Bureau Domestic Field Offices. This coverage should then have been supplemented by strategically placed clandestine coverage following careful study on the part of Bureau Embassy representation as to the covers applicable and offering the greatest chances of success.

As previously indicated, the above fact was the lesson of experience and could probably have been learned in no other way. Also, at the time of the establishment of SIS, it was not possible, due to the attitude of the State Department, to establish the "Legal Attache System" as it later came to exist. It is very dubious if the State Department would have ever agreed to such operation except on an individual piecemeal basis following clandestine operations in each country and the difficulties experienced by all concerned in connection therewith.

It is even more dubious if the President would have ordered the necessary cooperation from the State Department in the beginning or if such orders even had they been forthcoming could have been successfully implemented at the time.

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2. Agents were briefed far too hurriedly and sent out on assignment far too rapidly for proper assimilation and adjustment into the program with resultant ill effects.

The above mistake was natural and probably inevitable under all of the circumstances involved. In the future, however, it is believed that in connection with any similar type of operation much greater care should be devoted to detailed briefing and training of the men utilized, together with a much more careful estimate as to the numbers actually needed for proper performance of the work. It is not believed that this mistake would have ensued if the Bureau had been able to establish competent representation with proper jurisdiction and authority in the various United States Embassies at the very beginning of the SIS program inasmuch as such Embassy representation could have supplied the Bureau with information needed in making proper estimates as to the amount of personnel needed in each area.

3. The Agents selected for SIS assignments were in the overwhelming majority of instances younger, and more inexperienced than was desirable.

This mistake was again probably inevitable due to a variety of circumstances as set forth above. The men were largely picked from volunteer ranks and it was the younger and more inexperienced Agents, most of whom were single, that volunteered. Also, the younger men seemed to possess more qualifications and facility with regard to language qualifications. Also, up until approximately 1944, the older and more experienced Agents were largely tied up on extremely urgent and vital Domestic Field work and were not being recommended by the Special Agents in Charge for SIS assignments.

Despite the many legitimate reasons for this occurrence, it is still believed that the Bureau should, in the event of similar operations in the future, give care and consideration to the matter of selecting a proper proportion of older and experienced men (preferably with prior administrative and executive experience) for assignment to work of this kind.

4. The Agents on SIS suffered from a lack of adequate supervision, administrative discipline and direct contact with the Bureau of the kind furnished by regular In-Service training, inspections, etc.

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Conditions applicable at the time were definitely responsible for this situation. Prior to the advent of the Legal Attache system, late in 1942, there was, of course, no local supervision whatsoever and virtually no direct contact with the Bureau. Later the Legal Attaches were usually young, inexperienced and especially in the beginning overburdened with a variety of problems of such pressing urgency to cause them to neglect proper administration and supervision of subordinate personnel.

Up until 1944, travel restrictions and limitations due to war conditions were such that In-Service training, etc. on the part of Agents assigned to SIS was virtually impossible. Similarly, it is doubted if it was practical on the basis of vital Domestic Field needs to assign regular Bureau inspectors to the program much earlier than occurred (early in 1944). The fact, however, remains that these advantages were sorely missed and undoubtedly cost SIS much in the way of efficiency as well as improper morale and esprit de corps.

5. Instructions furnished to Agents engaged on SIS with regard to local methods of operation were not altogether adequate particularly with regard to the developing and handling of informants.

This deficiency was due entirely to the lack of former Bureau experience or any established precedent in connection with the handling of foreign intelligence work.

Later in the SIS program, upon the institution of SIS In-Service Schools in 1944, adequate detailed instructions were furnished on the basis of past experience which had been gained more or less by trial and error.

6. The handling of cover work, that is, the selection of covers for various Agents in the various localities, together with adequate cover training for the Agent was extremely faulty and weak until comparatively late in the SIS program.

The above mistake was also due largely to lack of experience in foreign intelligence work, coupled with the further fact that the Bureau was completely uninformed with regard to conditions, commercial and otherwise in the various localities in Latin America. Under all of the circumstances applicable at the time it was probably inevitable that the Agents would be given the most likely sounding covers and dispatched to the most logically sounding areas for the exploitation of such covers. What was needed and later developed was adequate

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and competent surveys with regard to just which covers would prove adequate and logical from within the country to which the representative was being sent. Also, it was necessary to give consideration to the particular kind of work that the particular undercover Agent was going to perform in the country in order that his cover would permit this type of activity.

Following establishment of the Legal Attache system this problem was successfully adjusted. It is doubted if better results could have been logically expected earlier. It should also be noted for possible future reference that commercial covers generally in wartime are extremely weak and objectionable unless the employee to be assigned under same is somewhat elderly or otherwise obviously not good draft material.

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II. ORIGIN AND SCOPE OF SIS

A. ESTABLISHMENT

The earliest conversations with regard to the possibility of establishing an FBI Intelligence Service in Latin America for the purpose of obtaining and distributing information of a secret intelligence nature took place between the Director and the then Assistant Secretary of State A. A. Berle early in May, 1940. Mr. Berle, during such conversations, indicated to the Director that there was a need for such a Service to be conducted by the FBI and that Presidential approval therefor would be secured by Mr. Berle. Conversations and negotiations concerning this proposed Service continued until the scope of such discussions included the then Director of ONI, Admiral Walter S. Anderson, and the then Director of MID, General Sherman Miles. Considerable discussion with regard to this matter took place at the Inter-departmental Intelligence Conference attended by the Director, General Miles and Admiral Anderson, with their respective aides, on May 31, 1940, at which time it was agreed that efforts would be made to have Mr. Berle of the State Department clarify in specific detail the desires of the State Department concerning the establishment of a secret intelligence service as well as the scope and jurisdiction thereof. (66-8603-17) b7C

Prior to this time, the FBI had, upon request from the State Department, furnished, during 1939, an FBI Agent [redacted] to carry on certain police instructional and advisory work in Brazil and Colombia.

An enlarged Interdepartmental Intelligence Conference, attended by the Director, Admiral Anderson, General Miles and Mr. Berle of the State Department was held on June 3, 1940, at which time general agreement was reached that the FBI would establish a special intelligence service to obtain secret information throughout Latin America (excluding Panama) with the cooperation of the State, War and Navy Departments. The Conference designated a special committee to study the question and submit specific recommendations as to plans, etc. concerning the proposed intelligence service to be established by the FBI. This Committee consisted of Captain Bode of ONI, Colonel James Lester of MED, Selden Chapin of the State Department and Mr. E. A. Tamm of the Bureau. (66-8603-23)

During these discussions, it should be noted that the specific need for such a service to be established by the FBI was generally stated to be for the purpose of investigating subversive activities directed against the United States from foreign countries, it being indicated that the proposed service would probably function at least in its initial stages only in the Western Hemisphere. It should also

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be noted that particular apprehension was generally expressed concerning the danger of subversive activities and the need of investigation thereof in Mexico, the Caribbean Area and along the east coast of South America. This, of course, was due to the fact that the war in Europe had at that time reached such a stage as to particularly threaten those areas. It should also be kept in mind as a background for these discussions that a great deal of publicity had occurred within the United States concerning the Nazi infiltration of Latin America, particularly in Mexico, Central America and along the east coast of South America. This publicity, had since the beginning of the war in Europe, reached alarmist proportions and official Washington, along with the informed public in the United States was openly apprehensive with regard to the true extent of Nazi penetration and influence in the areas named above.

On June 12, 1940, the Director of the FBI addressed a memorandum to the Attorney General of the United States outlining past discussions and negotiations with regard to the establishment of a special intelligence service in foreign countries to function under the administration of the FBI; and that affirmative steps were awaiting the formulation of a specific and detailed program from the President for a determination as to matters of policy. (66-8603-34)

Continuing to press for the proposed program, Mr. Berle agreed to secure the approval of the State Department and of the President for the establishment of the Special Intelligence Service (66-8603-26). Mr. Berle indicated to Mr. E. A. Tamm (66-8603-27X) that the President approved the plan in a personal discussion with Mr. Berle, but that before moves were being made, he desired to secure written authorization.

E. PRESIDENTIAL DIRECTIVE

The Presidential Directive which Mr. Berle had been working for was first outlined in a memorandum under the signature of Mr. Berle, dated June 24, 1940 and addressed to General Miles, Admiral Anderson and Mr. Hoover. This memorandum recorded that Mr. Berle talked with the President by telephone in the presence of General Miles and requested advice as to the President's wishes as to the formation of a unit for foreign intelligence work. The memorandum stated, "the President said that he wished the field to be divided. The FBI should be responsible for foreign intelligence work in the Western Hemisphere on the request of the State Department. The existing Military Intelligence and Naval Intelligence Branches should cover the rest of the world, as and when necessity arises." This memorandum further stated that "it was understood that the proposed additional foreign intelligence work should not supersede any existing work now being done and that the FBI might be called in by the State Department on special assignments outside the American Hemisphere under special circumstances..." (64-5002-4,14,43; 66-8603-41X)

In accordance with this memorandum it was indicated to the Director of the FBI that some forty men would be designated for this assignment with the program that following appropriate special training they would take up duties in various Central and South American countries and insular possessions. (66-8603-29)

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C. COOPERATIVE FUNCTIONS WITH OTHER GOVERNMENTAL AGENCIES

In view of the jurisdictional limits and scope of activity imposed upon the SIS program of the Federal Bureau of Investigation, it was decided that, acting merely as a service organization, information after evaluation and correlation at Washington, D. C., would be disseminated to the following agencies in accordance with their particular interest in the particular information to be forwarded:

1. State Department - All material pertaining to Latin America
2. Navy Department - All material relating to the activities of foreign Naval Departments, Maritime information concerning espionage agents and their activities.
3. War Department - All material pertaining to the movement of troops in Latin America, espionage agents and their activities which pertain to military interest.
4. Office of the Coordinator of Inter-American Affairs - All material on matters pertaining to subversive political activities, enemy propaganda, data regarding commerce and individuals dealing commercially with sympathizers or subjects of Axis nations.
5. Office of the Coordinator of Information - All matters pertaining to Latin America which are related to enemy subjects and activities in Europe.
6. Treasury Department - Information regarding the movements of questionable or enemy funds and the individuals responsible therefor.
7. Maritime Commission - Maritime matters involving shipping and port commerce.
8. Board of Economic Warfare - Matters concerning strategic materials and commercial data.

In addition to the dissemination of information to specific governmental agencies, it was provided that data of urgent and vital interest would be provided for the information of the President as he desired and that further, upon requests of other governmental agencies, special investigations and services would be conducted and reported.

On July 2, 1940, the Interdepartmental Intelligence Conference was attended by the Director, Admiral Anderson, General Miles and Mr. Herbert Gaston, Assistant Secretary of the Treasury. At this meeting, Admiral Anderson, General Miles and Mr. Gaston agreed to furnish to the Bureau material from their respective files which might be of value to the FBI as background material for use in training Bureau Agents for foreign assignments. It was announced at this conference by the Director that Assistant Director P. E. Foxworth of the FBI had been designated in charge of the Bureau's Special Intelligence Service. (66-8603-30).

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D. DELIMITATION AGREEMENT

General Miles of MID expressed early concern with regard to the jurisdictional scope to be exercised by the Bureau's SIS Program. By letter dated July 23, 1940, addressed to the Director, he suggested that the Bureau's SIS Program be definitely limited in scope to the matter of subversive activities, particularly those that might be hostile to the United States, being carried on in foreign countries, by organizations having direct leads into the United States. It was further his opinion that the purpose of the SIS was primarily to supplement by undercover information the data which our accredited official agents in foreign countries could obtain.

On July 26, 1940, General Miles' memorandum on limiting the scope of the SIS was discussed and the question as to its operations placed before the conference. At this time General Miles reiterated an opinion of limiting the scope of SIS in contrast to Admiral Anderson who felt that restrictions should not be placed upon the interpretation of the President's Directive but that the service should be as liberal as possible so that its operators should report everything brought to their attention. The conclusion of the conference group was that the SIS should not be restricted in the scope of its operations but that in addition to obtaining social, financial, economic and political information, emphasis should be placed on obtaining information concerning subversive activities detrimental to the interests of the United States. At this time Mr. Hoover pointed out that he was willing at any time to waive direction of the operations of the SIS if the War and Navy Departments desired to take it over and operate it. (66-8603-43).

Notwithstanding the conclusion of the Conference Group, General Miles under date of October 12, 1940 again reiterated his feelings by letter to the Director as to the scope of the SIS and wished to make clear his point that it was his conception that the scope should be along subversive lines of activity or anti-American hostility as an underlying trend which the official representatives of the State, War and Navy Departments are not in a position to get. (64-5002-39).

In order to definitely and conclusively define the field, under date of February 3, 1941 an agreement as to the scope of operations of the Military Intelligence Division, the Office of Naval Intelligence and the Federal Bureau of Investigation in foreign and domestic intelligence was set up. This agreement signed by Brigadier General Sherman Miles for the War Department, Captain Alan G. Kirk, Director of ONI, and the Director noted that "III., the Federal Bureau of Investigation is engaged in the soliciting and obtaining of data relative to economic, political, industrial, financial and subversive conditions in the Latin Americas. These operations are carried on through Special Agents assigned to these countries, special employees and informants engaged to operate in the Latin Americas. In addition, the FBI, particularly in the New York area was engaged in contacting representatives of American business firms having interests or personnel in the Latin Americas for the purpose of developing sources, channels and flow of information through the representatives of these companies stationed in the Latin Americas." (66-8603-88X)

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For the purpose of supplementing this program, under date of February 7, 1941, the Director submitted a memorandum as to the investigative jurisdiction and responsibility of the FBI in the SIS field for the Attorney General's use in preparing a memorandum for approval by the President. (66-8603-91) This memorandum declared:

"Western Hemisphere Foreign Intelligence

- I. The Federal Bureau of Investigation shall be exclusively responsible for the collecting of information and data dealing with economic, industrial, financial, political and subversive activities in all countries of the Western Hemisphere excepting the Republic of Panama and the Panama Canal Zone.

The Federal Bureau of Investigation shall have exclusive jurisdiction for the maintenance of representatives in the Latin American Republics, other than the Republic of Panama.

The Federal Bureau of Investigation will have exclusive jurisdiction and sole responsibility for the establishment and maintenance of contacts with American firms having interests, facilities or personnel in the Latin American Republics, other than the Republic of Panama for the purpose of collecting data pertaining to economic, industrial, financial, political and subversive activities.

It shall be the responsibility of the Federal Bureau of Investigation to furnish to the various branches of the Federal Government such information as is obtained and is of interest to them. The War and Navy Departments and other governmental departments will call upon the Director of the Federal Bureau of Investigation for specific information in the categories enumerated from time to time as they may have need for such information.

- II. The provisions of Part I are not to be construed or interpreted as superseding, curtailing or limiting the established functions of the Military or Naval Attaches in any country in which they are or may be assigned nor will this clause place any restrictions upon the executive branches of the Federal Government in sending missions to such countries as may from time to time be necessary.."
(66-8603-91)

On March 3, 1941, the then Secretary of War, Henry Stimson, addressed to the Attorney General a memorandum suggesting that responsibility with regard to foreign intelligence work within the Western Hemisphere be placed upon the FBI without delimiting the operations of Military and Naval Intelligence in their specialized fields of operations. This set forth

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further the plan for a permanently assigned committee consisting of a field representative of the FBI, MID and ONI to operate as a pool of information relating to contacts, coverage and data to be obtained. (66-8603-97).

E. JURISDICTIONAL DIFFICULTIES

Under date of both March 12 and March 15, 1941, Mr. Hoover informed the Attorney General by memorandum that both MID and ONI were endeavoring to invade the SIS field and obtain jurisdiction over many matters which should be handled by the Bureau. (66-8603-97,102)

In view of the Director's opinion that to avoid duplication of effort in such a service one unit should have the sole responsibility, it was his belief that there should be a recommendation that SIS be removed from the FBI and that work be transferred to either MID or ONI and on March 25, 1941, the Director advised the conference that he would make this recommendation to the Attorney General and that the SIS be discontinued by the FBI and taken over by the Army and Navy. General Miles stated that he felt that such a step at this time would be unwise since the Army and Navy have no trained personnel to take over the work and that time is of the greatest importance. (66-8603-146)

In this connection it is noted that in the weekly conference of August 6, 1941, Captain Kirk stated that he was thoroughly and unalterably opposed to the proposition that the Navy take over completely and exclusively the covering of intelligence operations even in Mexico. (64-4104-30)

Dated May 15, 1941, a joint memorandum was prepared by the Federal Bureau of Investigation, the Military Intelligence Division of the War Department and the Office of Naval Intelligence outlining the extensiveness of the coordinated program of these agencies. Included in this memorandum, it was stated concerning the SIS that "the Federal Bureau of Investigation maintains undercover agents, informants, et cetera in all the Latin American countries. An extensive program of counter-intelligence utilizing the services of American business firms operating in the Latin Americas is in operation for the purpose of maintaining a constant study of the Axis operations, propaganda, et cetera, in these countries. Special Agents are also operating in undercover capacities abroad." (66-8603-190)

On May 20, 1941, Mr. Berle of the State Department, as a beginning movement to give SIS agents some official status, set forth three categories or situations in which representatives of the SIS Division would operate in the Latin American Republics. (64-5002-114) Briefly these three situations were outlined to be:

1. A situation in which an American Republic has asked for the services of an American expert to be maintained in

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connection with the United States mission in that country without concealment.

2. A situation in which the United States Diplomatic mission has asked for the services of such an expert for its own assistance.
3. A situation in which it is deemed desirable to have the expert to go directly to the country involved but without responsibility to the Diplomatic mission or any responsibility by same.

On June 4, 1941 the same Interdepartmental Intelligence Conference members in the interest of additional coverage discussed a proposal for the FBI to have a number of its agents specifically attached to Embassies in South American countries with diplomatic status to perform the functions of coordinating FBI intelligence activities in those countries. (66-8603-221)

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Director Hoover's opinion was requested by the conference whereupon Mr. E. A. Tamm stated that Mr. Hoover's opinion was that if Colonel Donovan was taking over SIS in the Eastern Hemisphere he should also take over SIS work in the Western Hemisphere. (66-8603-258).

This situation (66-4104-31,32; 66-8603-261) was discussed with Mr. Berle, General Miles and Captain Kirk, all of whom were of the same opinion and felt that the situation should be clarified. However relative to the Western Hemisphere, Mr. Berle stated that he was opposed to the transference of SIS coverage away from the Bureau.

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Mr. Berle advised that as far as the State Department was concerned the present situation with the FBI handling the Western Hemisphere had been working very satisfactorily. In addition General Miles and Captain Kirk advised that they would follow Mr. Hoover's recommendations and that they were satisfied with the present situation of coverage by the FBI. (68-603-261X; 64-4104-36)

On December 22, 1941 the Attorney General forwarded to the Director a proposed Directive for the President's signature to the heads

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of the governmental departments and agencies concerned in order to have established definite authority to curb future instances of this type as follows:

"In accordance with previous instructions the Federal Bureau of Investigation has set up a Special Intelligence Service covering the Western Hemisphere with agents in Mexico, Central America, South America, the Caribbean, and Canada. Close contact and liaison have been established with corresponding intelligence officials of these countries."

"In order to have all responsibility for this type of information in the Federal Bureau of Investigation in this field, I hereby approve this arrangement and request the heads of all governmental departments and agencies concerned with it to clear directly with the Federal Bureau of Investigation in connection with any such intelligence work contemplated within the sphere indicated." (66-8603-299)

The Director, after reviewing this proposal suggested that the following addition be made to the Directive, "The Director of the Federal Bureau of Investigation is authorized and instructed to convene meetings of the chiefs of the various corresponding intelligence services operating in the Western Hemisphere and to maintain liaison with all intelligence agencies operating in the Western Hemisphere". (64-5002-118) The Director believed that by this addition interlopers who might desire to superimpose an unnecessary structure upon existing relationships in intelligence work would thereby be completely estopped.

This memorandum was signed by the President on December 23, 1941 and was closely followed by a subsequent memorandum from the President dated December 30, 1941 in which latter, the President believed that the memorandum of December 23 interfered with work already being conducted by other agencies and requested that the Attorney General, the Undersecretary of State, [redacted] MTD and ONI straighten out the program by conference and to then advise him as to whatever was necessary by way of an amended Directive. (66-8603-328) b1 (S)

The Director's viewpoint as to this situation was as before that he felt that operations in Central and South America should be the responsibility of one agency which would have a clear field of operations. b1

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[redacted] (66-8603-328). A redrafted Directive signed by the President on December 16, 1942 set up in final form the scope of work and the responsibility for intelligence work in the Western Hemisphere in the Federal Bureau of Investigation as recommended by the Director. (66-5002-127)

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It was pointed out at the January 21, 1942, Interdepartmental Intelligence Conference when General Raymond E. Lee brought up the question as to what additional steps were to be followed by the FBI in relation to SIS work under this new Directive that the following five immediate steps were to be taken.

1. To call an Interdepartmental Intelligence Conference between the Canadian, British and Americans.
2. To follow this Conference with another for the Mexican, Central and Latin American officials.
3. To increase the Special Agent coverage to 250 agents.
4. To increase the number of radio transmitting stations in South America.
5. The addition of inspectors and couriers to facilitate the transmission of information.

It was also pointed out by Mr. E. A. Tamm at this meeting that a number of agents were presently instructing police schools in Central and South America and that this policy was intended to be continued and expanded. (66-8603-344)

At the January 28, 1942, meeting a "feeler" plan was again brought up by General Miles as to the question of Caribbean defense command in coordination with the undercover system of SIS for Central and South America to tie in with the Army headquarters in Panama under the immediate jurisdiction of General Andrews. Mr. Hoover expressed his feelings to the effect that MID was presently receiving everything in the line of general intelligence from the economic, political, financial and subversive field standpoint under the present system; and to put the Bureau to obtaining combat intelligence and information under General Andrews would be an invasion of a military or naval problem. As a result of this, it was his desire that the division of jurisdiction with the Panama Canal Zone be kept separate and as a consequence, Mr. Hoover did not feel that the SIS could establish this. (66-8603-342)

However, in order to cover this point, under date of February 25, 1942 a new agreement was signed by the MID, ONI and FBI for the coordinating of SIS operations in the Western Hemisphere with particular reference to the Canal Zone problem by inference. This agreement (64-5002-131) merely reiterated the previous Directives by endeavoring to set out the particular fact that close cooperation among the headquarters of the three agencies in all fields was a mutually recognized necessity. It further defined the responsibility for the obtainance of information of particular interest to Military and Naval agencies in times of stress where the information was of a nature closely allied with combat intelligence.

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([REDACTED] (64-4104-167) The Bureau offered to take over the maintenance of this coverage from the Office of Naval Intelligence should that Office so desire, or as an alternative, to completely abstain from coverage in Mexico provided that the Office of Naval Intelligence would take entire responsibility for that area. This was generally protested by ONI and the situation was finally allowed to remain in the status that existed previously. (64-4104-197,204)

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[REDACTED] (64-4104-233,25) In response to the protest of Mr. Hoover as to the inability of the Bureau to operate under this system, Mr. E. A. Tamm took the matter up with Mr. Fletcher Warren of the State Department and Mr. Berle in which this policy was informally modified to exclude the Bureau's activities in SIS.

At the August 19, 1942 meeting of the Interdepartmental Intelligence officers, Major General George V. Strong, Assistant Chief of Staff in charge of the Military Intelligence Division of the War Department discussed an Army program for extending the intelligence activities in Latin America supposedly in matters of military interest solely under the name of the "American Intelligence Command" with general offices set up at Miami, Florida. (64-4104-247) Information as to this point was forwarded by memorandum to the Attorney General with again the Director's recommendation that SIS work and responsibility be placed with the Army who seemed to be once more endeavoring to invade the FBI field contrary to the Presidential Directive.

Once again, in order to cover a prospective jurisdictional conflict on who was to have the responsibility for handling matters such as these, the Interdepartmental Intelligence Conference Committee requested a report from a subcommittee appointed to draft an agreement relative to the SIS program. The purpose was to further strengthen the cooperation between the various intelligence agencies by the issuance of a joint Directive under the delimitation agreement.

[REDACTED] (62-66727-498) (S) [REDACTED]

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for Special Intelligence operations in the Western Hemisphere in accordance with the Presidential instruction of June 24, 1940, and January 16, 1942, and previous instruction referred to therein, and in harmony with the 'Agreement for Coordination of the Federal Bureau of Investigation, Office of Naval Intelligence and the Military Intelligence Division,' do hereby agree that this agreement supplements all previous delimitation agreements concerning intelligence operations outside of the United States, agree upon the assignment of responsibility, as given in paragraphs II, III, IV, for intelligence coverage in Mexico, Central America, (with the exception of the Republic of Panama), South America, the Carribbean, and Canada. Responsibility assigned to one organization in a given field carries with it the obligation to provide by the most expeditious means possible consistent with requisite security to the other subscribing agencies all pertinent information received in that field, but it does not imply that the responsible agency alone is interested in, or that it only will work in, that field. Close cooperation among the headquarters of the three agencies in all fields is a mutually recognized necessity.

It will also be necessary that close cooperation and coordination exist between the representatives of each of the three agencies assigned at each American embassy or legation in Latin America. Such cooperation should include direct continuous liaison between the legal, military, and naval attaches for a free exchange of intelligence and other information of mutual interest. In view of the fact that these operations envisage intelligence activities of an investigative nature in sovereign foreign countries, it is agreed that the three interested agencies will maintain proper coordination with the American Ambassador or Minister involved, to the end that all American intelligence activities and the American war program in any particular country will not be embarrassed or jeopardized by uncoordinated action. In order for such proper coordination to exist, it is necessary that the legal attache be apprised of the identity and activities of all FBI undercover operatives in each particular country involved; further, that all of the investigative activity and information developed by the FBI undercover operatives be thoroughly coordinated through the legal attache. It is likewise necessary that the identities and operations of any undercover operatives of the American Intelligence Command be known at all times to the military attache in the particular country involved, and that all activities and information developed by such undercover operatives be coordinated through the military attache in each country involved. The above provisions will apply in exact manner with regard to the naval attache in each country involved. It is agreed that neither the legal, military nor naval attache will be called upon to divulge the identity of any undercover operative to any individual or official except in case of most urgent military or diplomatic necessity. It is agreed that any

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question relative to any undercover operative or suspected undercover operative should be immediately discussed with the appropriate attache of the particular agency involved prior to any other action. In the event proper adjustment cannot be effected by other means, any question concerning an undercover operative or suspect in the latter connection should be adjusted between the headquarters of the three agencies involved.

"II. MDD will be responsible for:

1. A continuation of the work normally outlined for and executed by military attaches.
2. The collection of military information needed by the military forces. To this end, authority to maintain such personnel as the War Department deems necessary for the performance of such duties is recognized.
3. All matters of an intelligence nature, including espionage, sabotage, and subversive activities, involving United States Army personnel.
4. Procurement of information concerning espionage, sabotage, or other subversive activities, on or within United States military areas and/or those other areas controlled, directed, operated or of interest to the United States Military establishment.
5. Furnishing such cooperation and assistance to either of the other two agencies as might be practical and feasible under the circumstances, upon specific request from the particular agency involved. This specific request would include a specific request from the appropriate attache of the particular agency involved.

"III. ONI will be responsible for:

1. A continuation of the work normally outlined for and executed by Naval Attaches.
2. The collection of information needed by the naval forces. To this end, authority to maintain such personnel as the Navy Department deems necessary for the performance of such duties is recognized.
3. All matters of an intelligence nature, including espionage, sabotage, and subversive activities, involving United States Navy personnel.

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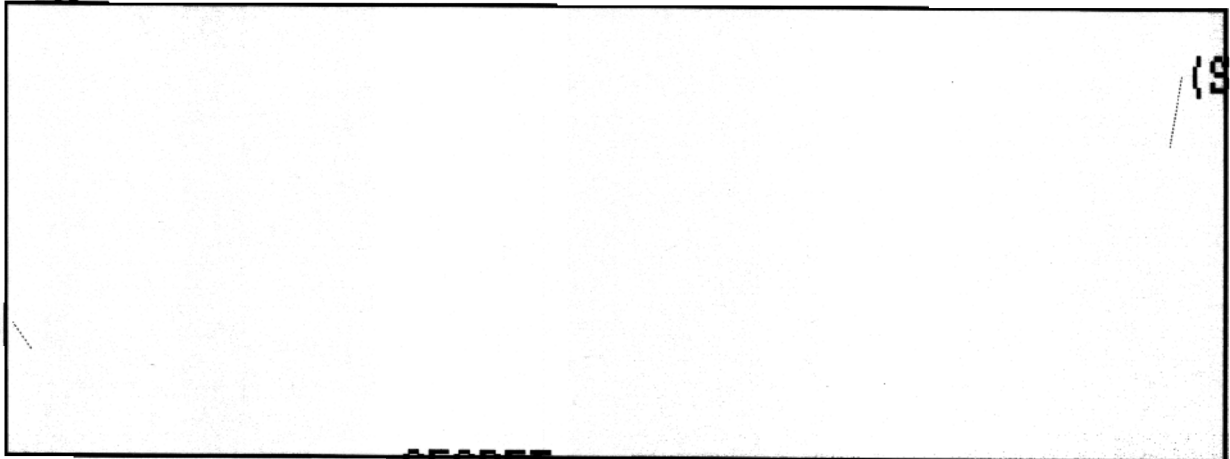
4. Procurement of information concerning espionage, sabotage, or other subversive activities, on or within United States naval bases and/or those other places of naval interest to the national effort.
5. Furnishing such cooperation and assistance to either of the other two agencies as might be practical and feasible under the circumstances, upon specific request from the appropriate attache of the particular agency involved.

*IV. FBI will be responsible for:

1. The obtaining of the Western Hemisphere, including Mexico, Central America (with the exception of the Republic of Panama), South America, the Caribbean, and Canada, of economic, political, industrial, financial and subversive information, also information concerning movements, organizations, and individuals whose activities are prejudicial to the interests of the United States, by reason of espionage, sabotage, or otherwise.
2. The Federal Bureau of Investigation will be responsible for the furnishing to the Military and Naval services of all pertinent information obtained.
3. Conducting surveys in the nature of plant surveys with respect to plants and other facilities vital to the production, manufacture, and transportation of strategic materials for use in behalf of the United Nations' war effort. The latter will include the matter of furnishing technical advisers and instructors to the local governments, industries, and officials, with regard to plant surveys and plant protection matters.

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munitions of war, and other supplies susceptible to military use; unusual assemblies and actions of individuals, organizations or communities; demonstrations of undue friendliness or hostility; undue interest in individuals, organizations, or communities; or other information indicating preparations for or carrying on of open or surreptitious military operations.

3. In periods of predominant military interest, the Assistant Chief of Staff in charge of Military Intelligence (Director of Naval Intelligence) will advise the Director of Naval Intelligence (Assistant Chief of Staff in charge of Military Intelligence) and the Director of the Federal Bureau of Investigation of the nature of information desired from those two services and shall advise the two named Directors of any coverage desired beyond the normal coverage of those agencies. The Director of Naval Intelligence (Assistant Chief of Staff in charge of Military Intelligence) and the Federal Bureau of Investigation will undertake to perform the additional tasks requested in so far as it is practical and possible within the limitations of the facilities available. They will advise the Assistant Chief of Staff in charge of Military Intelligence (Director of Naval Intelligence) of the additional assistance, if any, which they will be able to render, and it will then be the responsibility of Military Intelligence (Office of Naval Intelligence) to take the necessary steps under its own direction to satisfy its own requirements.

(Signed) Gen. Strong

Major General George V. Strong,
Assistant Chief of Staff,
G-2, War Department

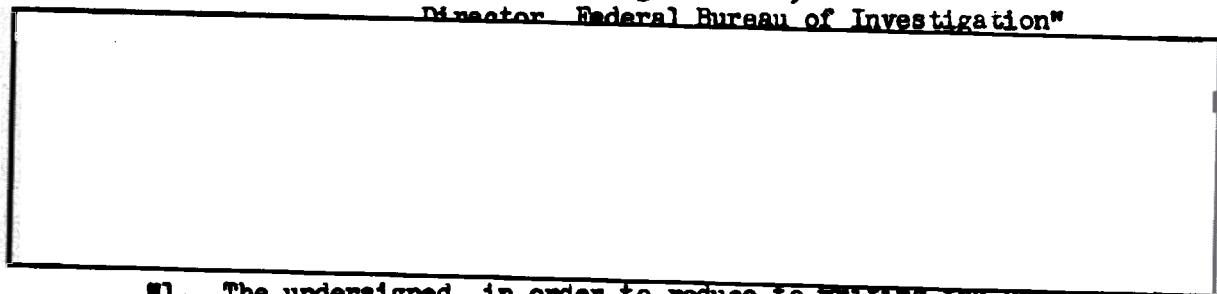
(Signed) H. C. Train

Rear Admiral H. C. Train,
Director, Office of Naval Intelligence

(Signed) J. Edgar Hoover

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Hon. J. Edgar Hoover,
Director, Federal Bureau of Investigation"



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*1. The undersigned, in order to reduce to writing the basic

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principles regarding the operation of a network to locate clandestine radio stations in Latin American countries, agree upon the assignment of responsibility as described in paragraphs 2 and 3 below:

2. MID will be responsible for:

a. The establishment of a network to locate clandestine radio stations in various Latin American countries by lending direction-finding and communication equipment to the several countries concerned, by furnishing technical assistance and by coordinating the stations involved.

b. Disseminating the information obtained to representatives of FBI, ONI and the appropriate agency of the local country.

3. FBI will be responsible for:

a. Taking the action considered most advisable, after conferring with representatives of MID, either by eliminating or operating the clandestine stations that have been located.

b. Keeping representatives of MID supplied with all information that establishes or tends to establish the existence and/or location of any clandestine station, and which has been received by FBI through other means than those described in paragraph 2a.

c. The transmission of such material by an operated clandestine station as is requested by MID.

(Signed) Gen. Strong
Major General George V. Strong,
Assistant Chief of Staff,
G-2, War Department.

(Signed) H. C. Train
Rear Admiral H. C. Train,
Director, Office of Naval Intelligence.

(Signed) J. Edgar Hoover
Hon. J. Edgar Hoover
Director, Federal Bureau of Investigation."

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DEVELOPMENTS AND CHANGES

The agreement of December 1, 1942, as to the operation of the network to locate clandestine radio stations in Latin America and the action to be taken upon the information derived therefrom was cancelled by an agreement of February 6, 1943. (64-5002-145) However, the need for a jurisdictional agreement as to this matter was continued by a new agreement similarly dated which stated:

*2. MID will be responsible for:

The establishment of a network to locate clandestine radio stations in various Latin American countries including the West Indies by lending direction-finding and communication equipment to the several countries concerned, by furnishing technical assistance and by coordinating the stations involved.

Disseminating the information obtained to representatives of FBI, ONI and the appropriate agency of the local country.

3. FBI will be responsible for:

Taking the action considered most advisable, after concurrence by representatives of MID and ONI, either by eliminating, operating or leaving unmolested the clandestine stations that have been located.

Keeping representatives of MID and ONI supplied with all information that establishes or tends to establish the existence and/or location of any clandestine station, and which has been received by FBI through other means than those described in paragraph 2a.

The transmission of such material by an operated clandestine station as is requested by MID or ONI.

(signed) Major General George V. Strong
Assistant Chief of Staff
G-2, War Department

(signed) Rear Admiral H. C. Train
Director of Naval Intelligence

(signed) Hon. J. Edgar Hoover
Director, Federal Bureau of Investigation

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Considerable confusion existed among the representatives of the intelligence agencies and the Ambassadors in the Latin American field as to the Delimitation Agreement with reference to special intelligence operations in the Western Hemisphere. As a consequence, the Department of State (64-4104-460) furnished a copy thereof to each Ambassador in the Latin American republics on July 19, 1943. The furnishing of such material was pursuant to an agreement between Director John Edgar Hoover, General Strong and Admiral Train on April 30, 1943, in order to clear this confusion.

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In the event any subsequent modifications are made to the agreement transmitted herewith, I will inform you accordingly."

This communication was signed by Assistant Secretary of State Adolf A. Berle, Jr.

In view of this transmittal, the Bureau furnished a brief of a copy of the Delimitation Agreement to all FBI Legal Attaches. (64-4104-63)

On September 15, 1943, a meeting was held of the Interdepartmental Intelligence Conference in the office of Rear Admiral H. C. Train. During the course of this meeting, General Strong brought up the question of the Delimitation Agreement and stated that he wondered whether it might not be advisable to supplement this agreement by some instructions such as, "This agreement is to be a general guide -- despite the agreement it is your job to get along together in the field." He stated the reason he had raised this question was because of the difficulty in Venezuela where it was indicated the agreement was to be set aside; that it had been proposed in Venezuela that the Army investigate only the Venezuelan Army or military matters, the Navy only the Venezuelan Navy and shipping matters, and the FBI all other matters. General Strong stated that a straight line cannot be just drawn dividing the work but that he felt that if the FBI starts an inquiry and the investigation develops military information, the FBI should continue the handling of the case and the same manner of handling cases should be engaged in by other agencies. This situation was brought about by the fact that the Military and Naval Attaches at the American Embassy at Caracas, Venezuela, had begun to initiate intelligence inquiries and investigations without regard to the Delimitation Agreement and as a consequence a protest was lodged by the Bureau in respect thereto.

Admiral Train in response to General Strong's statement stated that he thought General Strong's informal definition of the dividing lines

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as to jurisdiction was being carried out everywhere. General Strong indicated that it was except in Venezuela. It was the Director's opinion after such statement that he believed the agreement was working marvelously and that the only trouble which had arisen in connection with it was in the one instance of Venezuela which could be cured by sending out a "trouble shooter". It was agreed by the conference thereupon that no change would be made in the Delimitation Agreement but that should instances of difficulty arise in the future a "trouble shooter" would be immediately sent out from Washington.

During the summer of 1943, the War and Navy Departments formulated a plan whereby the headquarters of their intelligence setup would be stationed at Guatemala City, Guatemala, which would be responsible for all of the Central American countries. The Military Attaches in Costa Rica, San Salvador, Nicaragua and Honduras would be subordinate thereto. As for the naval situation, a similar plan of centralization in Guatemala City was proposed.

In response to this proposed reorganization, informal inquiries were made as to the possibility that the Bureau's SIS setup would be similarly reorganized. (64-4104-491)

The Bureau recognized that this reorganization might work for the limited inquiries coming under the jurisdiction of the War and Navy Departments with respect to the Delimitation Agreement but believed that the system would not work for the Bureau's SIS organization due to the varied problems of espionage, sabotage and subversive activities which confronted each Legal Attache in each country, and as a consequence, it was decided on September 13, 1943, that the Bureau would not reorganize its SIS system to establish such a headquarters of central information at Guatemala City.

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In connection with this agreement, a problem has now arisen which I think you may wish to cover by clarifying instructions to your people in the field.

The Delimitation Agreement of April 30 recognized that the FBI would obtain 'economic, political, industrial, financial, and subversive information'. I think the context makes it clear that this

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"was information as it might relate to subversive movements. It has, however, generally been interpreted in the field as putting the Legal Attaches under the duty of reporting generally on all economic, political, industrial, and financial matters in the country in which they act — which reporting, of course, almost exactly duplicates the precise reporting functions of the Embassy. The result has been a very considerable amount of unnecessary effort. I mention by way of example a report transmitted to the Department under date of October 16, 1943, entitled 'Re: Strategic Minerals of Brazil'; another transmitted under date of October 14, 1943, entitled 'Mining Survey, State of Bolivar, Venezuela'; and a third transmitted under date of October 14, 1943, entitled 'Re; Presidential Cabinet of Colombia, August, 1943'. These are merely current illustrations.

I think that you will readily realize that the most exhaustive general economic studies of Brazil have already been made both by the staff of economic experts attached to the Embassy for that purpose, and by the Office of Economic Warfare. The same is true of the subject matter of the other two reports. My point is not that the reports do any damage, but that they add nothing to the discussion since they are merely non-expert repetition of data already collected by experts. You will readily realize, also, that a report on the new organization of the Colombian Cabinet by President Lopez merely covers in general fashion ground which the political reporting section of the Embassy had worked up on the basis of material they had been gathering for years. Again, no harm is done save that of considerable waste of effort.

It is thought that you may wish to clarify the field instructions so that the men report on economic, political, industrial, and financial matters only when they relate to subversive or espionage activities.

There is an added reason why it might be well to cut down on all unnecessary effort. It is increasingly plain that operations like the one you have been carrying on have been accepted by our American neighbors only because they are part of continental defense. As the necessity for the defense recedes, there is increasing pressure for the withdrawal of these staffs. I think we have to assume that, now that the tide of war no longer threatens the Hemisphere as directly as was the case some time ago, the sound program should be one of orderly reduction save in those cases where there are active problems of subversive activity. If some of the duplicative work is eliminated, the reduction can take place without interfering with necessary work.

To the extent that information received in these reports is useful to the FBI by way of background, it can probably be provided to you without difficulty through the State Department.

A number of Foreign Service Officers to whom I have talked express the opinion that there is a definite place for Legal or Civil Attaches

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"in our missions even during times of peace. I would like to see this attitude continue, and believe it will; and close cooperation in defining the fields of reporting will, I think, be of help.

Any instruction which you may desire to issue to the Legal Attaches clarifying the meaning of the Delimitation Agreement will assist in this respect."

On October 27, 1943, this communication was acknowledged and answered as follows:

I have noted very carefully your comments and observations with regard to the possibility that some of our Legal Attaches may be duplicating to some extent the functions more properly assigned to the American Embassies proper or to other governmental agencies having representatives attached thereto.

I am sure you will recall that all along I have very definitely and clearly insisted that there be a clearcut, specific delineation of jurisdiction and responsibility in order that there will not be any unnecessary duplication in so far as our foreign intelligence activities are concerned. I can assure you that I am most anxious to avoid any unnecessary duplication, not only because of the fact that I basically disapprove any unnecessary duplication or division of responsibility, but also because of our many pressing duties and responsibilities in the FBI, which, of course, mean that our need for all available investigative and clerical personnel is such that we certainly do not have any time to spend performing duties that could or should be performed by other governmental departments or agencies.

I want you to know that I have today, by way of reiteration and clarification, issued instructions to all FBI Legal Attaches that they are in the future to refrain from obtaining or reporting in any manner whatsoever any information or data pertaining to economic, political, industrial, and financial matters, unless such information relates specifically and directly to subversive activities, including espionage or closely related matters. I am sure that if there has been any slightest tendency on the part of any FBI Legal Attache or other Special Agent assigned in a foreign country to undertake any activity with respect to matters not clearly and specifically related to subversive activity or espionage, these supplementary instructions will clarify the matter. I have also instructed that there be very close supervision with regard to this phase of our work in order to insure that in the future our Legal Attaches and other personnel assigned in foreign countries will concern themselves exclusively with subversive activities and closely related matters.

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*I have noted that you refer in your letter to three reports furnished by the FBI to the State Department, and comment to the effect that these reports are in the nature of unnecessary duplication.

I am sure you will recall the highly important investigative work being performed by FBI representatives throughout Latin America concerning the smuggling of vital strategic materials to enemy countries, which work, we have been assured both by officials of the State Department and by representatives of the Office of Economic Warfare, is most necessary and urgent. The smuggling of strategic materials, such as industrial diamonds, platinum, et cetera, to enemy countries via neutral shipping, is believed to be strictly in the nature of subversive activities, particularly inasmuch as we know from our investigative efforts that this activity is being carried on by the same enemy agents who are engaged in other types of activity in behalf of the enemy, such as espionage. In direct connection with the investigation of these matters in Venezuela, which country, as you will recall, produces an important quantity of industrial diamonds of high quality, as well as certain other strategic materials being smuggled to the enemy, the Legal Attache obtained from a confidential source the report which we transmitted to you on October 14, 1943, entitled 'Mining Survey, State of Bolivar, Venezuela.' This report, as you will note from my letter of October 14th, was prepared in 1942 by a Venezuelan official for the Ministry of Fomento in Venezuela, and it deals with many pertinent details concerning the production of strategic materials that we know are being smuggled to the enemy from Venezuela and elsewhere in Latin America. The report in question was of considerable interest and importance to the Legal Attache and to this Bureau in connection with its investigation of smuggling by enemy agents. Copies of same were furnished by the Legal Attache to the American Embassy in Caracas, Venezuela, and also to the Military, Naval, and Commercial Attaches, as well as to the representative in Caracas of the Office of Economic Warfare. It was furnished to the FBI in Washington, D. C., and, in accordance with our usual practice, was furnished to the State Department as being of possible interest and value. In the latter connection, I have previously instructed that care be exercised to see that all information of potential interest or value to the State Department, obtained by our representatives, be promptly forwarded.

You will also note that the report which you mention in your letter, entitled 'Re: Strategic Minerals of Brazil' and transmitted to the State Department under date of October 16, 1943, is very similar in nature to the above described report from Venezuela, inasmuch as it likewise deals with the production, et cetera, of strategic minerals and other material in Brazil which we do know to be of vital interest to enemy agents in connection with smuggling activities. This report also was obtained from a confidential source and is, according to our information, quite reliable. It definitely was of interest and importance to the Legal Attache and his staff in connection with smuggling activities of enemy agents, and it was distributed, as of possible

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*interest, to the State Department and other agencies, both at Rio de Janeiro, Brazil, and Washington, D. C.

The other report mentioned in your letter is the one entitled 'Re: Presidential Cabinet of Colombia, August, 1943,' which was transmitted to you by the FBI on October 14, 1943. This report likewise was obtained from a confidential source, believed to be completely reliable, and was furnished, first, to the American Embassy in Bogota, Colombia, as well as to the Military and Naval Attaches. It will be noted from an examination of the report that it contains information believed by the Legal Attache to be of considerable importance with respect to the alleged plans of President Alfonso Lopez to carry out certain reorganizations and changes with regard to the police system, as well as in other fields. While the information contained in the report was primarily of interest to the Legal Attache and to the FBI in connection with the police situation in Colombia, particularly the attitude and background of the new Director General of National Police, Alfonso Araujo, it will be noted that it does set forth information of an intelligence nature with regard to the backgrounds of certain other Colombian cabinet officials as to Communistic or possible German connections, et cetera.

I did want to point out to you that the information contained in each of the three reports was of interest and value to our Agents in connection with their investigation of subversive activities and closely related matters. If there was any duplication, we were not aware of it, inasmuch as this information was not available to us from any other governmental department or agency. The reports were distributed to the State Department as of possible interest, in accordance with our usual practice. However, I do realize fully that there may be instances in connection with which individual Legal Attaches or other Special Agents may have a tendency toward undesirable duplication, and, as indicated above, I have issued instructions which I am sure will completely clarify the matter.

I have also noted with real interest your comment concerning the possibility of reducing our coverage and investigative activity throughout the Western Hemisphere, in view of changed world conditions. I have of course realized for the past several months that our Military and Naval victories in African and Mediterranean theaters, as well as elsewhere, have materially reduced the threat of any enemy invasion upon the mainland of this Hemisphere. These changed conditions with regard to the over-all picture of the war have, of course, in my opinion, altered considerably the nature and potency of the danger from an enemy 'fifth column' in Latin America. As I advised you orally today, I have already anticipated the possibility of a material reduction with respect to the FBI coverage throughout the Western Hemisphere and, as a matter of fact, some time ago I issued instructions to the effect that there would be no further addition, in the way of personnel, to our coverage in Latin America. I have also previously sent instructions to all of our Legal

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"Attaches throughout the Hemisphere to survey their work and the local situation and conditions carefully, in view of the changed world picture, so that we might determine just how much we can safely reduce personnel engaged in this phase of our operations at the present time. Further, in this connection, you will be interested to know that we are already reducing personnel assigned to this project and, as a matter of fact, approximately fifty Special Agents are already under instructions to return to the United States in furtherance of this reduction and curtailment.

In line with my conversation with you today, I am issuing additional instructions with regard to a further survey and study of conditions as they actually exist from day to day, in order that we can determine upon such further reduction as may be deemed safe and practicable.

I know that you must realize how anxious I am to reduce the amount of Bureau personnel assigned to this phase of our work as soon as it is possible to do so, inasmuch as this personnel is urgently needed at the present time with regard to our other duties and responsibilities in connection with the war effort. In the latter connection, I am sure that you realize the position of the FBI, inasmuch as we are only following the desires of the State Department in regard to this entire foreign intelligence project. The FBI did not solicit in any way this type of assignment, and should it become the desire of the State Department at any time that we do so, you may be sure that we would be very glad to withdraw from this field of operations altogether."

As a result of this situation, the Bureau immediately instituted a reduction and retrenchment program of its personnel in Latin America inasmuch as the reporting of political, economic, financial and social matters was immediately discontinued. (See section on Growth of Coverage).

On March 17, 1943, Assistant Director E. A. Tamm had a conference with Assistant Secretary of State Adolf A. Berle, Jr. concerning the situation. Mr. Berle stated that he was receiving a number of inquiries from American Embassies in Latin America (64-5002-163) concerning the Bureau's withdrawal of SIS personnel and displayed wires from several Ambassadors (at Santiago, Chile and La Paz, Bolivia) concerning the matter and that there must be some misunderstanding since the State Department did not desire that the Bureau abandon its Latin American coverage on a wholesale scale. At this time, Mr. Berle stated in effect that his letter of October 25, 1943, was a mistake and that he desired to "withdraw" such a letter and cancel it on the State Department's records.

Assistant Director Tamm advised him that the Director could not accept the widespread responsibilities conferred upon the Bureau by the Delimitation Agreement in the SIS field in the light of the criticism of the Bureau's operation.

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As a result of this situation, on December 27, 1943, the State Department revoked its policy as expressed in the letter from Mr. Berle of October 25, 1943, whereupon the SIS Section resumed the reporting of social, political, economic and financial information. However, such resumption coverage was based upon the reduced personnel without implementing SIS's staffs in Latin America to their previous point. In connection with this interchange of letters, it is interesting to note that the State Department at no time advised its Latin American Embassies of the withdrawal of the Bureau from the coverage of these matters or of the subsequent renewal of such coverage.

On September 20, 1944, informal and confidential suggestions were received by the Bureau from Mr. Fletcher Warren, of the State Department, that the Bureau again cease the distribution to the State Department of political information and that every effort be made to show a substantial reduction in Bureau personnel assigned to the various diplomatic missions in Latin America.

United States Ambassador George Messersmith had pointed out why the Bureau's SIS personnel should be immediately discontinued when Germany is knocked out of the war. He summarized the salaries paid to all Bureau personnel as compared with salaries received by officers in the foreign service and showed that the sums were excessive as against the results obtained. He pointed out that the work of the Bureau was duplication in the simplest form with reference to political reporting. A large bloc of foreign service officers at the State Department and in the field were bent upon having the Bureau expelled from Latin American and other posts immediately upon the termination of the war in Europe.

According to this confidential information received, the Bureau was in part unknowingly assisting the opposition by submitting political information and thereby unknowingly building up a record so that at the proper time the opposition could launch an avalanche of complaints sufficient to sway the top officials of the State Department which would result in a request from the White House that the Bureau cease all SIS operations in Latin America and countries to which Legal Attaches are assigned. As a result of this information, a radiogram was sent to all Legal Attaches on September 21, 1944, instructing them to discontinue the investigation and distribution of political information to the State Department and a program of retrenchment in Bureau personnel assigned in the various diplomatic missions in Latin America was instituted.

With reference to the distribution of political information, the Bureau advised Rear Admiral R. E. Schuirman, then Director of Naval Intelligence, and Major General Clayton Bissell, Assistant Chief of Staff in charge of G-2, (Military Intelligence Division) that the Bureau was no longer investigating political matters to any extent due to the attitude of the State Department, but that the Bureau, of course, had sources which do furnish important information.

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They were further advised that the Bureau would furnish them with political information received through these sources on a confidential basis so that they could be personally advised regarding the important happenings in Latin America. It was expressly understood that they would not redistribute this material or discuss it with the State Department as being based on the Bureau's data.

Such an arrangement, however, presented the possibility of political matters of an important nature becoming available to the Army and Navy but not the State Department and subsequently disclosure of failure to supply the State Department with this information with resulting embarrassment for the Bureau. Accordingly, on April 2, 1945, instructions were issued to all Legal Attaches to resume the distribution and investigation of political matters on a selective basis. Thereafter we resumed furnishing political reports to the State Department in Washington.

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F. LACK OF COOPERATION

The files are replete with various memoranda concerning the lack of cooperation encountered by the Bureau in its SIS program from various Governmental Agencies and to a lesser extent from the British. No attempt will be made hereinafter to record chronologically every instance of the lack of cooperation encountered by the Bureau in its SIS work. The majority of the instances, as appropriate memoranda will reflect, resulted from jurisdictional clashes and disputes. It can be generally stated that the Army, through its various Military Attaches and Assistants thereof, contributed the greatest number of instances involving lack of cooperation. These instances, by and large, followed a rather definite pattern. Namely, the particular Military Attache or other officer involved insisted upon engaging extensively in duplicatory intelligence work without proper coordination with the Legal Attache and invariably indicated that such action had been specifically ordered from MID headquarters in Washington.

The practice was so universal it became obvious that the Military Attaches in most instances were actually carrying out orders received by them from MID in the United States although there was some variance locally in the interpretation of such orders. Military Attaches generally placed a very loose interpretation and construction upon the terms of the various Delimitation Agreements toward the end of permitting a Military Attache to engage in just about any type activity without regard to the Legal Attache or other officials that might be directly responsible for such activity.

In the overwhelming majority of instances, the difficulties encountered were adjusted either locally or in Washington without the creation of major incidents of disagreement and friction. It is true that frequently these so-called agreements proved to be more or less agreements for agreements' sake, however, by constant alertness and vigilance in protesting, etc. the Bureau did manage to keep the situation more or less satisfactorily under control.

There will be recorded briefly hereinafter certain of the more important instances of conflict and lack of cooperation in order to trace the general pattern and also to record those instances which historically caused the most difficulty and are most aptly recorded in a historic narrative of this kind.

Immediately following the establishment of the Bureau's SIS in 1940, General Sherman Miles, then Assistant Chief of Staff in charge of MID, insisted upon establishing in New York an undercover office to maintain contacts with American firms doing business in Latin America for the specific purpose of obtaining from the representatives of such firms intelligence information

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of a general nature alleged by General Miles to be needed by the Army. (66-5424-2407) Numerous conferences took place with regard to this matter and satisfactory agreement was never reached. The Director finally took the position that he definitely could not agree with the premise that MID was properly acting within its prerogatives in carrying on this type activity but inasmuch as General Miles finally and interminably insisted that MID was properly acting within its jurisdiction, he, the Director, would merely cease to protest with the reservation that the Bureau did not and would not ever agree to the position taken by General Miles. Probably due to this adamant stand on the part of the Director, General Miles and MID, as a matter of actual fact, never pushed this program appreciably and within a few months the entire plan more or less died a natural death. Subsequently in 1942, MID created a separate branch to handle intelligence matters in Latin America partially on an undercover basis. This organization was known as the American Intelligence Command. It was originally headed by Colonel William Herd and its headquarters were located in Miami, Florida. Some efforts were made by this Organization to send undercover representatives into Latin America without any coordination whatsoever with the Bureau and in some instances, it was determined their undercover people were not even properly notified to and coordinated with MID's own Military Attaches. The greatest difficulty encountered from Colonel Herd and his organization, however, was in the realm of objectionable instructions issued by Colonel Herd to the various United States Military Attaches in Latin American countries. (64-4104-247)

The Military Attaches were generally bombarded with an endless series of directives, etc. from the American Intelligence Command instructing them to engage in all types of intelligence activity without regard to the true prerogatives of the Legal Attaches or anyone else. This activity resulted in a continuing series of protests, discussions and negotiations with MID in Washington to such an extent that the American Intelligence Command was finally curbed on a reasonably satisfactory basis. The headquarters were during 1943 moved back to Washington, D. C. and the entire organization eventually ceased activities as a separate entity of MID during 1944.

Most of the difficulty encountered with MID representatives generally as a result of Colonel Herd's activities or otherwise centered in Argentina. Brigadier General John W. Lange, the United States Military Attache in Buenos Aires from 1941 until 1945 was extremely uncooperative and frank in declaring his complete disregard for the Delimitation Agreement in so far as its provisions limiting in any way his extensive intelligence activities. General Lange had created an intelligence organization somewhat extensive as to personnel and informant coverage prior to the advent of the Bureau's Legal Attache in Argentina during May of 1942. General Lange proceeded to investigate espionage and subversive activities generally on a wholesale basis without any coordination with the Bureau's Legal Attache. This, of course, resulted in much confusion and general duplication in so far as

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the two organizations were concerned. General Lange's lack of cooperation and disregard for the Delimitation Agreement resulted in a number of protests, etc. to the Headquarters of MID in Washington, most of which had little, if any, effect. However, on February 8, 1944, General Lange's continued lack of cooperation resulted in a conference between Messrs. E. A. Tamm and C. H. Carson of the Bureau and Major General Clayton Bissell who was then head of MID. General Bissell promised to look into the matter and to definitely see that General Lange was straightened out and that he complied with a proper interpretation of the Delimitation Agreement. While his subsequent activities in Argentina were far from satisfactory, he did apparently make some effort to at least coordinate his activities with those of the Legal Attache and to keep the latter advised concerning his major investigations. Protests with regard to his activities continued until his transfer from Argentina in 1945.

Generally speaking very little difficulty was encountered from Naval Attaches and their various assistants throughout Latin America by the Bureau's SIS. Also as a general rule, it was discovered that such incidents as did occur were rather easily adjusted on a satisfactory basis. As a matter of fact, United States Naval Attaches throughout Latin America became increasingly inactive and passive in the field of intelligence of primary interest to the Bureau following American and British landings in North Africa late in 1942. Their staffs were reduced to the minimum and they characteristically depended upon, almost entirely, the Legal Attache for intelligence information of all kinds except matters of direct naval interest which they obtained through direct contact with Naval Officials in the country involved.

There was one instance worthy of mention during 1942 involving a [redacted] stationed at Recife, Brasil, who persisted in flagrant attempts to uncover, embarrass and neutralize an FBI Undercover Agent [redacted] stationed in this area. The activities of this Commander, acting for the United States Navy, were particularly unfortunate inasmuch as the Bureau was not in a position to defend itself or its undercover agent because of the latter's undercover status which we did not want to admit openly to [redacted]. The matter was finally satisfactorily adjusted when the Bureau was able to transfer [redacted] and to establish on a satisfactory basis an Agent in the American Consulate at Recife, Brasil. [redacted] subsequently proved satisfactorily cooperative with the duly accredited and authenticated Agent in the American Consulate. (64-3000-315, 316) b7C

Mention should also be made of ONI's direct and blanket refusal to furnish to the Bureau the text of decoded German espionage messages sent clandestinely from Argentina to Germany on December 20, 1943. This refusal on the part of the Navy was predicated by Admiral R. E. Schuirmann upon the premise that ONI was not itself decoding the messages, but were obtaining them [redacted] (62-66727-1094) b1 b7D

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Since the FBI had been given complete responsibility for
intelligence coverage in the Western Hemisphere,

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On November 1, 1943 (62-6442-7-751), Major General George V. Strong, head of MID, advised the Bureau of a new charter granted

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The Federal Bureau of Investigation of the Department of Justice has been directed by the President to handle all intelligence investigations within the Western Hemisphere other than those matters assigned to the intelligence branches of the Service forces. This would seem to negate any thought that the President desires any other agency to operate in the intelligence field in the Western Hemisphere, aside from the strictly military and naval functions assigned to the military and naval attaches under existing practice. From the point of view of the Department, the arrangement prevailing, which it is understood the new directive is not designed to disturb, has worked satisfactorily and probably will be even more satisfactory as present plans for preventing duplication are increasingly effective.

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Paragraph 4. Research and Analysis -- 'To accomplish the foregoing no geographical restriction is placed on the research and analysis functions.'

Section a -- 'Accumulation.' A fair interpretation of the word 'accumulation' would also imply the meaning 'obtaining'; therefore, this section would seem to negate the restrictions contained in paragraph 2a which provides that the

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Paragraph 5. Secret Operations -- The term 'Neutral areas' is understood not to include the Western Hemisphere except by special arrangement with the Department.

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The Department would be grateful if you would confirm whether these constructions are correct."

As a result of the above clarification, no difficulty was experienced by the Bureau in connection with the above described Directive by the Joint Chiefs of Staff.

G. POST-WAR PLANS FOR FOREIGN INTELLIGENCE COVERAGE

As the war drew to a close and even before this time, the Bureau had engaged in careful consideration of proposed plans concerning post-war foreign intelligence coverage. It was, of course, virtually impossible to complete any detailed plans of operation due to the extreme un-

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certainty of the Bureau's status in the foreign intelligence field
of hostilities.

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newspaper publicity. The actual text of General [redacted] as well as the text of a similar plan proposed by the Joint Chiefs of Staff were published in the Washington Times Herald, the Chicago Tribune and the New York Daily News by a Washington correspondent of the Chicago Tribune. This publication resulted in considerable publicity concerning the various plans and ramifications thereof.

The various plans submitted will be set forth and discussed briefly hereinafter in the chronology in which they were presented:

1. Budget Bureau Plan (62-76274-266)

This plan for United States Secret World-Wide Intelligence Coverage, after setting forth that present methods of coordinating intelligence information and the work of the intelligence agencies of the United States Government are inefficient, costly and result in triplication of effort, sets up a scheme for an Interdepartmental coordinating body, composed of Assistant Secretaries of State, War, Navy, Treasury and the Assistant Attorney General. The Assistant Secretary of State would be the chairman of the group. Sub-groups, or representatives from various agencies concerned, would be set up at each "type or locus of operation" which would be charged by the top group with developing detailed operating plans. The thesis of both the criticism of present conditions and of the operating plans appears to be found in this statement, "In some measure the participation of every agency of the Government is an essential feature of complete security, particularly as regards espionage." Under the plan set forth, each agency would continue to operate in its particular field by clearing through the coordinating agency.

In this plan it is pointed out that legislation already exists giving the various agencies the necessary powers to operate within their particular fields and that no additional legislation would be necessary to put their proposed plan into operation. The Bureau of the Budget attached a suggested agreement by the agencies to effectuate the proposed plan. In the plan under the heading

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"Conclusions and Recommendations," it is stated, "There is a growing conviction that our internal security cannot be viewed apart from the external influences affecting it." The essence of the plan is that all agencies of the Government should be included in the plan and that one coordinator or "czar" is not practicable. It is also claimed that the "committee device" is not effective, apparently referring to the Inter-Departmental Intelligence Committee. In the plan it is suggested that any group organized to develop a Government-wide plan must be charged with a definite responsibility, and representation from the Departments must be on a sufficiently high level to permit delegation of power and authority, and it is pointed out that the State Department would appear to be the "locus of coordination."

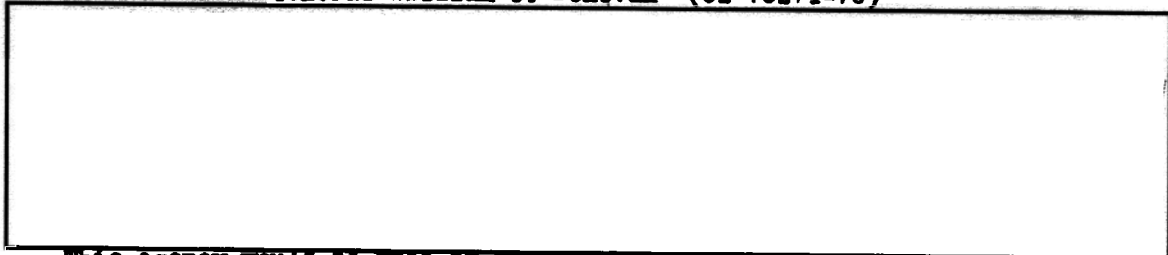
The suggestion is made in the plan that a sub-group of the main body comprised of representatives from O.N.I., M.I.S., the FBI and the State Department should be charged with developing a plan to coordinate and delegate the operating responsibilities and the counter or security intelligence field. This group should be expanded to include agencies such as S.E.C., Alien Property Custodian, Foreign Funds Control, et cetera, and if the work encompasses "a coordination of preventative or loyalty type of investigation," there should also be included the Civil Service Commission, the various agencies in the Treasury Department, the Provost Marshal General, the Coast Guard, and others.

The Bureau of the Budget also stated that another primary sub-group should be formed, possibly composed of the Provost Marshal General, the Security Division of the Navy and the FBI (as liaison with local and state police), Customs, Immigration, Coast Guard, Visa and Passport Divisions of the State Department, et cetera, to deal with emergency plans in connection with national catastrophes, riot, insurrection, et cetera.

It would seem that the plan inherently did not touch the main problem, i.e., intelligence coverage, in that it would tend to decentralize responsibility and would provide for maintaining intelligence information by various agencies operating in various fields, instead of a central responsible agency.

2. Plan Proposed by
General William J. Donovan (62-76274-75)

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This agency would be free of any Departmental control. However, it

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would have an advisory board consisting of the Secretaries of War, Navy and State, and such others as the President may appoint whose duties are to be merely to furnish advice and assistance to the director of the agency. The agency would have the power to set up its own world-wide intelligence organization or to operate through other Governmental organizations.

This agency would be empowered to call upon any other agency of the Government to furnish appropriate specialists as may be required. This plan provides for a super-agency which would be empowered to function without any reference to Departmental authority, jurisdiction or responsibility. The existing Departments, charged by statute with specific responsibilities, would necessarily overlap and duplicate the intelligence-gathering function of the proposed agency in connection with discharging these responsibilities. It would seem, therefore, that there would be increased duplication and confusion in this field. If the new agency chose to operate in any specific field through an existing intelligence organization, it would be authorized to direct the activities of the organization without reference to the statutory Departmental head.

The power granted this agency to draft personnel of the existing agencies of the Government, to operate at will in fields assigned by statute to existing agencies, and to direct the activities of such agencies would seemingly create tremendous problems of administration, morale, legal disputes, and would seem to endanger the operations of the normal functions of the regularly constituted agencies. It would also seem that this plan would require a tremendous amount of preparation, training and augmentation, as well as tremendous expenditures which would constitute a target for legislative bodies and budget-making groups.

3. Plan Proposed by the Joint Intelligence Committee of the Joint Chiefs of Staff (62-76274-75)

Essentially, the plan for United States Secret World-Wide Intelligence Coverage, submitted by the Joint Intelligence Committee of the Joint Chiefs of Staff, is the same as that proposed by General William J. Donovan, in so far as Intelligence Authority, composed of the Secretaries of State, War and Navy, and the Chief of Staff to the President, to be charged with the responsibility for over-all development, coordination, planning and inspection of Federal intelligence.

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intelligence agencies would continue to collect, evaluate, centralize and disseminate Departmental operating intelligence but would be required to make the intelligence information collected available to the central intelligence agency.

The agency would be empowered to operate direct or through the existing Governmental agencies and to draft specialists from any of the agencies of the Government. An added power would be given to inspect the organization and operations of any other existing intelligence agency.

4. The FBI Plan (62-76274-75)

The plan drawn up by the Bureau proposed that the time-proven program in operation in the Western Hemisphere be extended on a world-wide basis. This program is as follows:

The joint operation would be carried on in every country of the world except those which are active theaters of operation of the Office of Military Intelligence, the Office of Naval Intelligence, and the Federal Bureau of Investigation, each as a specialist in its own field and able to operate without duplication of effort. These agencies would closely correlate and coordinate their operations to insure complete coverage. This plan would not call for any super-structure, but would operate with the same committee as originally set up by the President, composed of the Directors of Military Intelligence, Naval Intelligence, and the Federal Bureau of Investigation, with the addition of a representative of policy-making rank for the State Department. There would be stationed in each country a Military Attache, a Naval Attache and an FBI representative, with a nominal title such as Legal Attache. Each of the three Attaches would have clearly defined responsibility, as previously outlined in the Western Hemisphere and each of these attaches would have a sufficient number of open personnel upon its staff to permit proper gathering, correlation and transmission of information. Each Attache would operate such an undercover organization as would be necessary to properly discharge the defined responsibility under all of the circumstances existing in a particular country.

Undercover agents operating on special assignments would function each directly under attaches or direct from the Washington headquarters of the three intelligence agencies. This plan had proved its effectiveness, was already in operation, required no elaborate super-structure, and the interested agencies have available trained personnel and operating facilities for recruiting, training and dispatching additional personnel. The plan is simple. It could have been placed into operation by merely extending the orders previously given to the Directors of Military Intelligence, Naval Intelligence and the Federal Bureau of Investigation for operation in the Western Hemisphere. It had produced in the Western Hemisphere in

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three years a maximum amount of information with a minimum amount of operating personnel and expense because it was confined to those agencies which are responsible for security activities. It would involve no divorcement of operations from policy and it would tend to greater secrecy than an elaborate set up involved in a super-agency

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1. Presidential Directive (62-80750-1)

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A careful study and comparison of the above described plans will reflect that the plan proposed by the Joint Intelligence Committee under the auspices of the Joint Chiefs of Staff recommended the formation of "The National Intelligence Authority" composed of the Secretaries of State, War and Navy and the Chief of Staff of the President.

[REDACTED] (S)

In January, 1946, a proposed executive order was prepared establishing a National Intelligence Authority, which was submitted to the Attorney General and by him to the Bureau for comment. By memorandum of January 15, 1946, the Bureau advised the Attorney General that in the event that the Attorney General felt that the executive order should be approved, it would appear apparent that a number of changes and clarifications should be made in it in order to protect the jurisdiction and interests of the Department of Justice and the Federal Bureau of Investigation. It was pointed out to the Attorney General that the proposed directive was broad enough to include domestic intelligence in that it referred to national security. It was suggested that the directive should be clarified so it clearly did not include internal security jurisdiction which belongs to the Bureau.

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The above provisions were opposed by the Bureau. After further conferences by the Committee which prepared the draft and after the comments of the Bureau were made known, the directive was revised and issued by the President on January 22, 1946, as follows:

To The Secretary of State,
The Secretary of War, and
The Secretary of the Navy.

1. It is my desire, and I hereby direct, that all

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Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

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a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

b. Plan for the coordination of such of the activities of the intelligence agencies of your departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

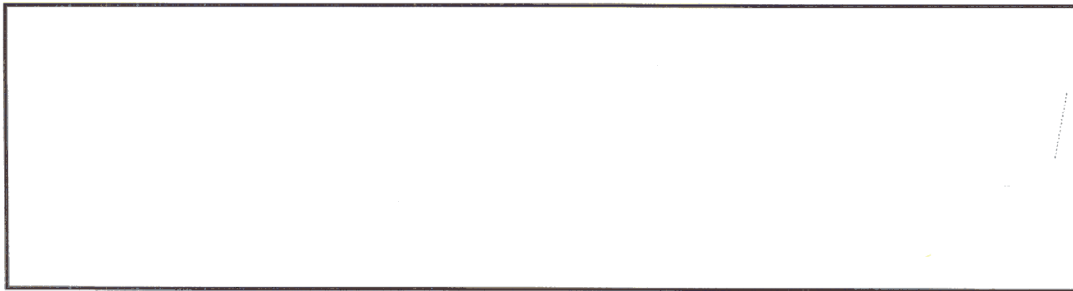
d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under this directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the

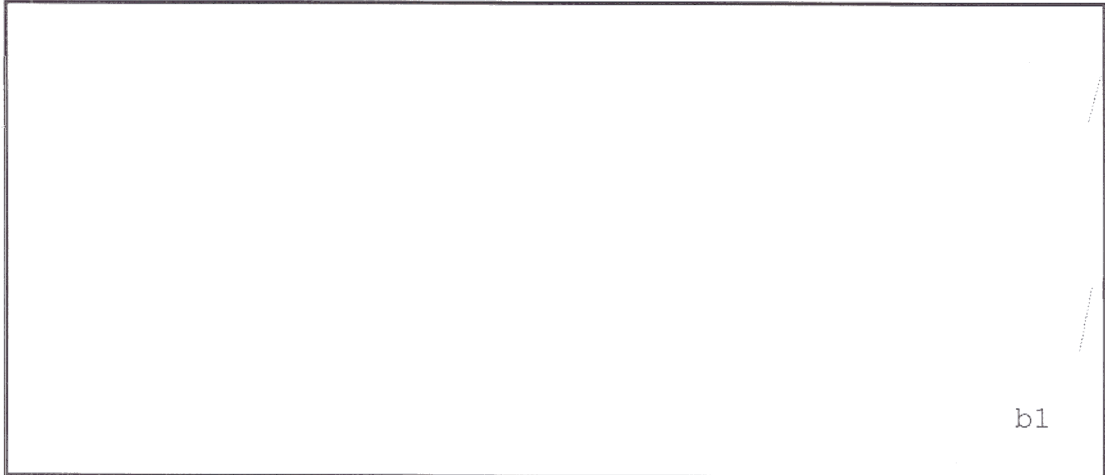
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6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.



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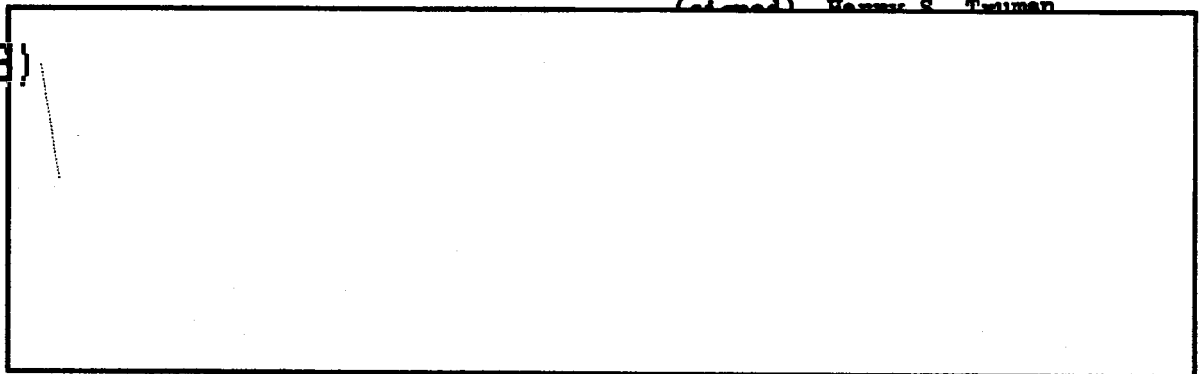
9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.



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Sincerely yours,

(signed) Harry S. Truman



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designated as Bureau representatives on this Planning Group. This was confirmed by letter from the Secretary of the CIG dated April 12, 1946.

2. Determination of Responsibility for Foreign Intelligence

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The second recommendation in this proposed report provided for the FBI to continue its intelligence coverage in the Western Hemisphere and to expand to cover anti-subversive intelligence on a world-wide basis, subject to the arrangement which might be agreed upon in a new Delimitation Agreement to be drawn up between the FBI, G-2 and ONI. Mr. Ladd attempted to have eliminated the phrase, anti-subversive intelligence, but was not able to do so. It was pointed out by Mr. Ladd in a memorandum to the Director on April 18, 1946, that in accordance with the first recommendation in the proposed draft which called for gradual transfer of the X-2 Branch of OSS to the FBI, the Bureau would under the second recommendation assume jurisdiction for espionage activities and the new Delimitation Agreement could provide for the Bureau assuming similar responsibilities to that which it at that time had in the Western Hemisphere. The Committee unanimously recommended that the report be submitted to the Intelligence Advisory Board. (62-80750-74)

On April 19, 1946, the Executive Conference of the Bureau considered the question of whether the Bureau should undertake the operation of a world-wide intelligence coverage as recommended in the above-referred-to report. The majority of the Bureau officials present at the conference recommended that the Bureau accept this responsibility. The minority composed of Messrs. Tolson and Tamm were of the opinion that the Bureau should not undertake this coverage.

The Director made the following comment on the matter: "I share the minority view and think we should not take on the Foreign Intelligence and only handle Western Hemisphere for time being. I have so advised AG and he wishes to speak to President before finally deciding." H. (62-80750-74)

By memorandum dated May 6, 1946, Mr. Donald C. Cook, Executive Assistant to the Attorney General, advised that the Attorney General was of the opinion that it would be undesirable to accept additional responsibilities in the Foreign Intelligence Field. He added that "However, if it is suggested that, in view of the Department's available facilities, rather than as a duty to participate in the Intelligence Program, the Attorney General believes that we should participate." Mr. Cook added that the Attorney General felt that in any event, the Department should

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request that a program outlining the nature and extent of its participation be submitted before any final agreement was reached.
(62-80750-71)

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The Director commented as follows on this provision:
"What is to be the purpose of this? It looks like just another 'position' being created. I thought Souers was supposed to do this. The way this appears there is going to be more 'brass' and FBI will be submerged more and more." H.

Concerning the whole program, the Director commented as follows: "There is no use providing for FBI to take over or assume world-wide intelligence coverage for we are not going to do it. The most I will agree to now is to stay in Western Hemisphere for one year. I am more and more certain that this is a project we must get out of. The trouble we had in Germany; Japan; and refusal of Souers to supply us with daily Intelligence Survey; and Inglis' protest to American Magazine article based on an agreement entered into with British unbeknown to us -- all tend to show what a headache we would have. We would be carrying most of the work with none of the full authority to get it done properly."
H. (62-80750-59)

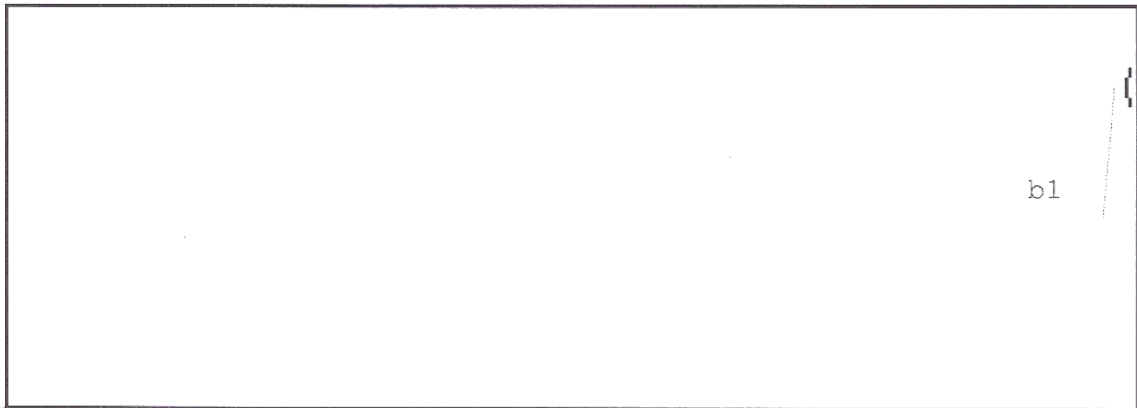
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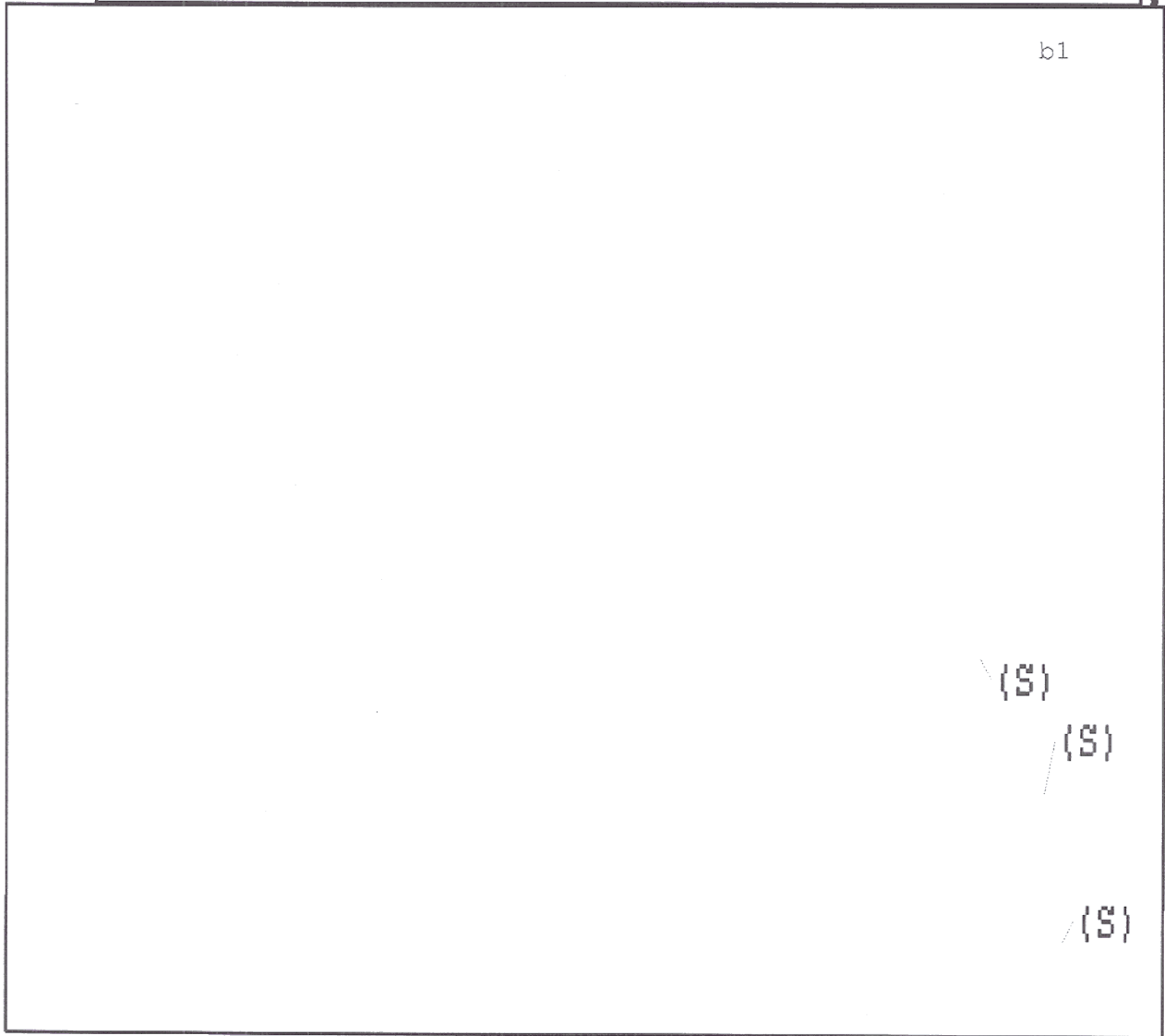
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In the same letter, the comment in General Vandenberg's letter of July 2, concerning support by the NIA for the Bureau's 1947 budget requirements, was referred to. It was stated that these funds were sought prior to the time that any plans had been made to establish an Operations Unit under the NIA. It was further stated that the National Intelligence Authority contemplated the establishment of an Operations Unit, the Director would not have planned to have the Bureau remain active in this field in the Western Hemisphere. (62-80750-105)

On July 11, 1946, Mr. Ladd discussed with Mr. Jack Neal of the State Department, the Latin American intelligence situation. Mr. Ladd pointed out that when we agreed to stay in South America for the 1947 fiscal year, the NIA did not have an operating agency. General Vandenberg had then indicated

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Mr. Neal stated that he would call all of this to the attention of Assistant Secretary of State Spruille Braden. (62-80750-152)

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Mr. Neal of the State Department on July 17, 1946, informed Mr. Ladd that he had talked to Mr. Braden and that it was the latter's idea to keep the FBI in South America as long as possible. Mr. Braden thought that the NIA should ask the FBI to continue its coverage in South America and make the results of its coverage available to the NIA rather than for them to attempt to take over that area. Mr. Neal stated that in the event General Vandenberg would not agree to this, Mr. Braden was desirous of having an orderly transitional period so that the NIA could take over gradually as they became equipped to handle this work. (62-80750-102)

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On August 12, 1946, Mr. E. A. Tamm called upon Admiral Leahy at the White House to keep an appointment made through the Attorney General. Mr. Tamm's memorandum concerning his discussion with Admiral Leahy is set forth below: (62-80750-148)

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I told Admiral Leahy that some months ago you had anticipated that the Bureau might be called upon to continue its intelligence coverage of the Western Hemisphere and in fact you had been requested to submit a proposed plan for FBI coverage of the entire world for intelligence purposes. Admiral Leahy was informed that you had drawn up a very comprehensive schedule which would encompass the utilization of some 650 agents at an annual cost of ten million dollars a year, but that these operations would be concealed within the regular operating budget of the FBI in such a way that there would never be any publicity or ill-advised disclosure of the FBI's intelligence operations.

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[REDACTED] He stated that the President desired to relieve one of its foreign intelligence responsibilities in order that it might concentrate its operations upon the discharge of its great domestic responsibilities. Admiral Leahy stated that the President was concerned about Communism and looked to the FBI to cover it in the United States.

I told Admiral Leahy at this point that this was one of the factors that worried you, since Communism is a worldwide movement and the Bureau cannot cover it adequately by discontinuing its operations or coverage at the American international boundaries. I told Admiral Leahy that you had observed that some of our best, most valuable and most significant information upon Communist activities in the United States came from sources and informants in Mexico, in Cuba, Chile and Venezuela. I pointed out that Communism is worldwide in its operations and cited briefly the facts in the Altschuler case, in which Communists apparently outside the Western Hemisphere were through Mexico directing

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by secret ink writing letters addressed to New York the program for the release of the murderer of Trotsky in order that the Communists in turn might murder this murderer to keep him from disclosing the Communist principals involved in the original plot to murder Trotsky. I pointed out to Admiral Leahy that it is difficult for you to conceive how a picture of this kind can be adequately investigated, with one agency attempting to cover the Mexican angles and another agency covering the American aspects of the case.

I pointed out that in other investigations in the Communist field, we are simultaneously investigating the same plot or group of individuals operating simultaneously upon the same program in a dozen Latin American countries. Admiral Leahy stated that he and the President were of the opinion that you could and should keep agents in any and all parts of the world which you deemed desirable for the purpose of facilitating the discharge of your domestic responsibilities. He stated that he assumed that you would desire to keep agents in Mexico, in Cuba and in other parts of the world which you deemed desirable, and that the President

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I told Admiral Leahy that when Mr. Roosevelt instructed you to install an intelligence coverage of the Latin American countries, you were not allowed any ninety, or sixty, or thirty day period, but were expected to establish overnight an efficient operating unit and that within 48 hours of the time that this responsibility was given to you, the Bureau had a number of efficient men actually en route to Latin American countries. I pointed out that in a relatively short time you had built up, during the intensity of war pressure, a coverage of Latin America of almost 600 Agents.

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I told Admiral Leahy that you did not desire to be arbitrary in this situation and to set dates for the assumption of responsibilities which would be impossible to meet but that you did feel, in the interest of coverage, that since General Vandenberg desired the Latin American field, he should assume the responsibility for covering it on a prompt basis since there was bound to be a decrease in the effectiveness of the Bureau's coverage due to the fact that our men know they are being withdrawn.

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Admiral Leahy that aside from the matter of the questionable ability of these people to replace the Bureau personnel in South America, it appeared as though General Vandenberg is attempting a personal affront to you in sending as his representatives men

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who were definitely persona non grata to the Bureau. Admiral Leahy stated that this was a disgraceful procedure and that he would most certainly admonish General Vandenberg for it.

I told Admiral Leahy that when you had been requested to draw up a plan for a worldwide intelligence service, you had outlined a program utilizing some 650 agents at a cost of about ten million dollars a year, with the appropriation carefully concealed in the Bureau's overall appropriation, and that it was a source of considerable shock to us to learn that General Vandenberg contemplated spending some twenty-two million dollars this year in the employment of 3,000 people. Admiral Leahy stated that while it has been reported to him that General Vandenberg is an intelligent administrator, he definitely felt that someone had to "sit on General Vandenberg's head" occasionally and that he, Admiral Leahy, intended to dispel all of Vandenberg's grandiose ideas concerning which he, Leahy, said that he was already greatly worried.

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result the Ambassadors were barraging the State Department with telegrams of protest and that this made it difficult for our Agents to carry on because the Ambassadors were constantly desiring to confer about moves which they might make to keep the FBI in the Latin American countries and that you would not permit your Agents to participate in these plans because you did not want it felt that you were permitting any pressure or lobbying activities to be initiated in behalf of the FBI. Admiral Leahy stated that if such protests were being made from the Latin American Ambassadors, Spruille Braden was "absorbing" these protests because the Secretary of State did not know that the Ambassadors did not like the new program. He stated that he would go into this situation at once.

I again pointed out to Admiral Leahy that it was preposterous for General Vandenberg to try and string out his assumption of responsibility until next May 15th as he had proposed to you and Admiral Leahy stated that he readily concurred. Admiral Leahy stated that as a matter of fact he did not like a number of aspects of this situation and that he was very glad that it had been possible for him to talk to a Bureau representative because he acquired a completely new picture of this situation.

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Admiral Leahy

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stated he fully understood and approved your position.

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Admiral Leahy stated that he wanted you to feel free to consult with him further or to send a Bureau representative to consult with him with reference to this situation at any time that you desired.

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All of our offices actually were closed in accordance with the above schedule

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The Federal Bureau of Investigation retained a Police Liaison man in the American Embassies in Madrid, Spain; Paris, France; London, England; Mexico D. F., Mexico; Rio de Janeiro, Brazil; and Havana, Cuba. These agents continue to [redacted] (S)
[redacted] the title of Legal Attache. [redacted]

[redacted] Additional
[redacted] Police
agents have been in Mexico City at various times to conduct Police Training Schools conducted by the Bureau for the benefit of the Mexican Police b1
at their request.

On April 30, 1947, the SIS Section of Division 5 at the Seat of Government was closed. Transfer of supervision of the above-referred-to police liaison offices was effected to the newly organized Foreign Service Desk in the Liaison Section.

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III. ADMINISTRATIVE DEVELOPMENT

A. SELECTION AND TRAINING OF PERSONNEL

1. Selection of Personnel

From a variety of sources, the names of Special Agents assigned to the domestic field were received in the SIS Division for consideration for SIS assignment. Many Agents personally wrote to the Bureau indicating a desire to be considered for SIS work. Other Agents, upon being interviewed during In-Service training, indicated a desire to be considered and they were afforded an interview in the SIS Division during the time they were in Washington. In addition, the SIS Division obtained an alphabetical list of all single Agents of the Bureau who, as of June 1, 1942, had had at least one year's experience as Special Agents. The personnel files on this list were progressively reviewed and where the Agents appeared adaptable to SIS work, the files were briefed for further consideration.

In this manner classes of from twenty to twenty-five Agents were brought in for more specialized training. The actual briefing of the personnel files was handled by the SIS Division in obtaining all classes up to and including the class beginning on December 7, 1942. Subsequent to that date the briefing of the files, ascertaining if any personal or business reason existed which would preclude the use of the Agent on SIS assignment, and the completing of the new training classes, was handled by the Chief Clerk's Office. The SIS Division continued, however, to interview In-Service Agents who desired to make application for SIS work. The general rule followed by the SIS Division was to assign single men on SIS work although a number of married men, who specifically requested assignments, were given SIS assignments.

2. Early SIS Lectures

Until June of 1942, the training in the subject matter of SIS work was confined to general talks on health conditions in Latin America, the reading of books dealing with Latin America, and the review of the Bureau files concerning the country to which the Agent was assigned. In addition, all Agents departing from the country were given a set of instructions as to the manner in which they should communicate from Latin America to the Bureau. Further instructions were given concerning the general field in which it

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was desired to channel their investigative efforts and they were briefed concerning their remaining in their place of assignment, not uncovering themselves to any outside persons, and the method in which they would receive their salary and expenses.

This informal method of instruction was discontinued as of June 1, 1942, after which each SIS Agent attended regular lectures over a period of five weeks totaling twenty-two hours. These lectures varied from one to three hours in length and treated in detail in a constructive informative manner the purpose and organization of the SIS Division, the method of obtaining passports and visas, the problems of working under cover, living conditions in Latin America, the types of information desired and how to obtain it, the make-up of the minority groups in Latin America, the purposes and aims as well as activities of the Spanish Falange, the handling of confidential informants, how to recognize a radio transmitter, how to recognize codes and letters that had been tampered with, the mistakes made by German Agents in the Ducase which caused their arrest and conviction, the method of reviewing Bureau files on SIS matters, and the manner of writing reports while on SIS assignment. In addition, there was given a discussion concerning the submission of expense vouchers and the problems relating to transportation between the United States and Latin America.

These formal instructions were supplemented prior to his departure by individual instructions to each Agent by the Supervisor of the particular country to which the Agent was assigned. In addition, the Agent was sent to New York City or the city designated by the contact in the Agent's cover company for necessary cover company training. The Agent's activities, while in New York, were supervised by the SIS SAC in New York who explained in detail the background of the potential cover company and who discussed with each Agent the most feasible manner in which the Agent could begin his association with the cover company.

Immediately prior to the Agent's departure from the country, he was interviewed at the Seat of Government at which time his passport and visas were checked as well as the life story the Agent planned to use which included his work with the cover company. The Agent's transportation reservations and tickets were examined, and when it was determined he was ready to leave, he was then interviewed by the SIS Division Chief for final instructions.

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3. Spanish and Portuguese Schooling

In 1940 when the Bureau first began the SIS Program the Agents sent out on undercover assignments were chosen primarily for their language ability, consequently there was no necessity at the outset for the training of the Agents in either Spanish or Portuguese. However, as the program progressed and demanded additional Agents, it became apparent that some sort of schooling in the two languages was necessary.

In May 1941, Special Agent [] began teaching Spanish as an overtime project to a selected group of Agents. These classes ran for two hours each night, were held in the Washington Field Office, and were administered by Division 2. One of the two groups was for elementary Spanish and the other for advanced Spanish, divided in accordance with what previous knowledge of the language the Agent possessed. Each elementary class covered a period of eight weeks and the Agents continued in the advanced classes until they were ready to leave on assignment.

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The need for more men and for a better understanding of the language brought about the first major change when a regular Spanish school was started at the Seat of Government on a four-weeks basis in November of 1941. The schedule was from 9:00 a.m. to 9:00 p.m., six days a week. This four-weeks course, from a language viewpoint, operated successfully and afforded the Agents the necessary working knowledge in the language. It was, however, a recognized necessity that in order to properly train the Agents, they should have lectures from the SIS Division on definite subject matter and problems directly relating to their work. As a result on June 1, 1942, the regular Spanish course was extended to five weeks to permit twenty-two hours of lecturing on the aforementioned subjects.

In view of the fact that the Portuguese language is spoken in Brazil, the Agents assigned to that country received their Portuguese training at the Berlitz Language School in Washington, D. C. The number of Agents assigned to Brazil out of any one SIS class never exceeded four. By December 7, 1942, there were no longer any qualified Portuguese teachers at the Berlitz Language School, and that fact coupled with the necessity for increased coverage in Brazil, necessitated the transfer to the Seat of Government of an Agent qualified for teaching Portuguese.

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4. Post Spanish Training and Supervision

Following the successful completion of the formal language training period by the Agents, they were given further training for their SIS assignments. This training consisted of the reading of various selected books on Latin America, the reviewing of Bureau files pertaining to the particular country to which they were assigned, and the conferring with the Supervisor of the country to which they were assigned. They received instructions in coding and the use of secret ink from the Technical Laboratory, and studied the nature of the business of their cover company from which company they also received special instructions and training. This period of the SIS Agent's training was highly individualized and was not subject to classroom methods. A form was devised whereby a daily record was kept of the activities of each Agent during this period and a constant check as to his progress was made.

In addition, the Agents obtained and maintained an increased facility in the language by attending a one-hour conversational period while in Washington and New York completing their arrangements to leave on SIS assignment. This conversational period was originated due to the fact that preparations for SIS assignment subsequent to the successful conclusion of the language study necessarily took several weeks. The Washington conversational period was inaugurated in August of 1942 and the New York City conversational period was begun in December of 1942.

In view of the fact that no persons were appointed as Special Employees unless they were adept in the language of the country in which they were assigned, no language training was given to them. However, to familiarize them with the use, the nature and the types of information desired by the SIS Division, they were given detailed instructions in the content of reports previously received from SIS operatives. They were given specific instructions in the use of codes, the manner in which they were to communicate with the Bureau, the general manner in which they were to operate, and they were given a complete verbal description of the purposes and functions of the SIS Division together with the individual part they were to play in the operations of SIS.

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5. Later SIS Lectures - 1944

As the SIS program developed to fulfil the responsibilities of the Delimitation Agreement, additional training of personnel was instituted prior to March 1, 1944, to supplement the original five-weeks schedule of Spanish training. Thirty-two hours of supplementary lectures were given to the classes which lectures concerned the following subjects in order to afford every possible service to the Agents in preparation for their assignments:

- Purpose and Organization of SIS Division
- Geographical and Historical Aspects of Latin America
- Obtaining of Passports and Visas
- Working Under Cover
- Living Conditions and Transportation in Latin America
- Interest of SIS in Latin America
- Economic Problems and Their Investigation
- German Organizations in Latin America
- Japanese Organizations in Latin America
- Finances and Latin American Currency
- Handling Informants and Obtaining Information Desired
- Communism in Latin America
- Purposes, Aims, and Activities of the Spanish Falange
- How to Recognize a Radio Transmitter
- German Communications and Espionage System
- Italian and French Organizations in Latin America
- How to Recognize Codes in Letters
- Review of the Ducase
- Report Writing.

Such supplementary lectures were given both to the Spanish and Portuguese classes. Such classes, normally composed of from fifteen to twenty Agents, operated continuously in five-week sessions from November, 1941 until the last class given in Portuguese commenced in August, 1943 at which time these classes were discontinued due to the fulfilment of the program to train five hundred Agents.

6. SIS In-Service Schools

In September, 1943, a program was instituted following an Executive Conference (64-4104-509) for the retraining of SIS Agents following eighteen months of continuous SIS assignment outside of the country. This program, instituted with a tickler system, recalled Agents, business permitting, for attendance at the Bureau's regular two-week In-Service retraining program and for physical examination, leave, and conferences with SIS Supervisors as to their assignments.

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The first SIS In-Service school was held from October 23, 1944 to November 11, 1944. The following subjects were covered in lecture form:

- Introduction to SIS Training Program
- The FBI in World Intelligence
- SIS and the War Effort
- Statistics and Accomplishments of SIS
- Administration of SIS Offices
- Report Writing
- Security of SIS Offices
- SIS Funds and Expenditures
- Police Contacts, Police Liaison Agents, and Police Instructors
- Press Relations, Police Magazines
- Administrative and Personnel Matters
- General Investigative Matters
- Security of SIS Communications
- Geographical Jurisdiction
- Organization of the State Department and the Embassies
- Passports, Visas, Reentry Permits, Exit Controls, and Seamen's Papers and Passports
- Relations with Ambassadors and Embassy Staffs
- Relations with Military and Naval Attaches
- British Intelligence
- Contacting Foreign Government Officials
- Development and Use of Confidential Informants
- International Relations, Protocol, Sovereignty of Nations
- German Activities, Pro-Axis Spanish Activities, Italian Activities, French Activities, Japanese Activities, and Activities of Miscellaneous Nationalities in Latin America
- Flight of Axis Capital, Foreign Funds
- Propaganda Investigations
- Economic Matters
- Treason Outside the United States
- Social Investigations
- Liaison at Washington with Other Government Agencies
- Deportation and Repatriation Cases
- Training Personnel in the Field, Conferences, Employee Folders
- Selective Service Act Cases in Foreign Countries
- Political Investigations, Revolutionary Movements
- Sabotage
- Cover Companies

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Export Control
The International Fingerprint Exchange, SIS
Identification Matters
SIS Office Inspections
Defensive Tactics
Duties and Operations of Undercover Agents
Surveillances in Foreign Countries
Alien Travel Control
Collection and Submission of Monograph Material
Locks (Actual Practice)
Materials Desired by Laboratory
Codes and Ciphers
Sound Equipment
Photography, Photostating and Use of Photo-
record Equipment
Microphotography
Secret Inks (Actual Practice)
World Censorship
Espionage Investigations
Radio and Cable Communications
Firearms Training
Communism
Supervision at the Seat of Government

Other SIS In-Service classes were held periodically until June 1, 1946, at which time the schools were discontinued due to the fact that the Bureau began withdrawing from the SIS field on a gradual basis and there was no need for the retraining of SIS employees.

Clerical schools were held from May 8, 1944, to May 27, 1944, and from July 31, 1944, to August 19, 1944, to prepare clerical employees for original assignments to SIS Offices and arrangements were made to recall those clerical employees on SIS assignments who had not received such training to the Seat of Government for the training. An SIS clerical school was held for one week beginning March 12, 1945, and was attended by fifteen male clerks and stenographers who had been sent on SIS assignments prior to 1944 and who had not had a previous opportunity to attend such a school. Another clerical school was held between May 6 and 17, 1946, and was attended by approximately thirty clerks and stenographers from the domestic field who had expressed a desire for SIS assignment and this school was held for them for such assignments. Many, were at a later date, sent to SIS posts.

On August 15, 1944, an SIS Manual was issued for the purpose of insuring uniformity in the work and administration of the various SIS Offices. The SIS Manual followed generally the manual regulating the administration of domestic Bureau offices but was adapted to the problems encountered in SIS work in foreign countries.

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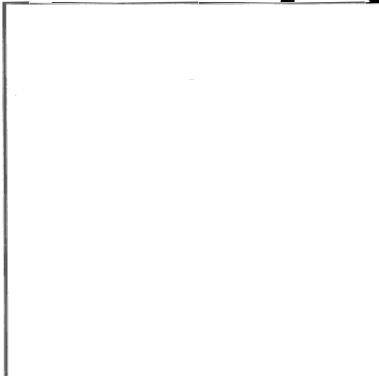
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7. Quarterly SIS Conferences

A program of Quarterly General Conferences for Agents assigned to SIS Offices was instituted on July 3, 1944. These conferences were held in each of the SIS Offices and served, as they do in the domestic field, to iron out difficulties encountered by the Agents as well as to keep all Agents advised of current developments in the entire SIS field. On this date a program of monthly clerical conferences was initiated and stenographic and typing tests were given quarterly to all clerical employees rated as stenographers or typists. The completed tests were returned to the Bureau for grading.

8. Asiatic and European Schools

With the growth of the Bureau's interest and representation abroad, it became necessary to afford special training to Bureau personnel in order to adequately prepare them for assignment in liaison capacities in countries other than Latin America. As a result an Asiatic school was held for a period of six weeks beginning September 19, 1944, in order to adequately prepare Agents for future assignment with the Army under the plan for participation by Bureau personnel with the Army in the Philippines and Japan. The following Agents attended the Asiatic school beginning September 19, 1944:



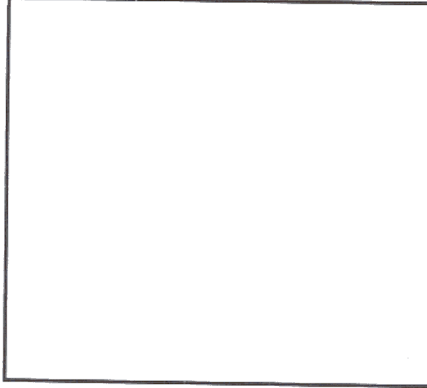
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Another Asiatic school was conducted which ran from January 15, 1945, until February 24, 1945, to prepare additional Agents for assignment in Far Eastern countries. In this school, as in the first Asiatic school, the training consisted of background material concerning the various countries, living conditions in the various countries, peculiar traits of the people in the various countries, and arrangements for at least a basic knowledge of foreign languages to be encountered. Most

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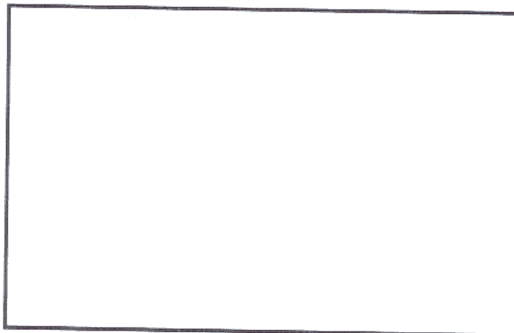
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of the Agents in attendance were familiar to some degree with at least one of the foreign languages encountered in Asiatic countries. The Agents attending this school were:



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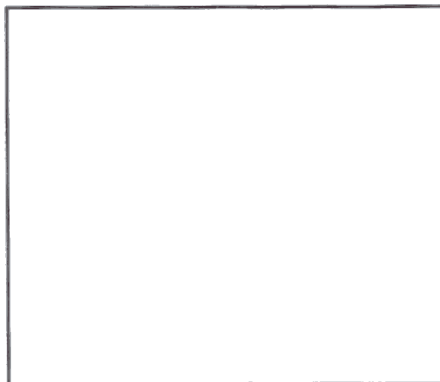
A European school was held from January 14, 1945, to February 24, 1945, for the purpose of preparing Special Agents of the Bureau to cover certain assignments in Europe inasmuch as situations were beginning to arise which indicated the necessity for expanding the Bureau's coverage in European countries in connection with Bureau cases as well as in connection with Army intelligence matters. The European school was for the purpose of furnishing to those Agents in attendance background information on conditions in European countries, historical conflicts between the peoples of Europe, minority groups in Europe and other matters of special interest which would reflect upon the work of the Agents and the information to be obtained by them for the Bureau. For the most part, the Agents in attendance at the European school were selected because of their good records in the Bureau and due to the further fact that they had at least some knowledge of the languages which they would encounter in European countries. The Agents in attendance at the European school were:



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In connection with the supervision of the personnel assigned on the European Continent and in preparation for possible assignments in the Asiatic area, European and Asiatic desks were instituted at the Seat of Government in July, 1944, to handle the material pertaining to those areas which had begun to arrive in the Bureau in a large volume. In connection with this work, digested summaries and general information concerning those areas were procured and compiled with the assistance of personnel in training during research periods in order to provide the basis for intelligence appraisal of the situations in those areas.

9. Inspection Procedures

As the Bureau's SIS coverage expanded throughout Latin America and with the increase of Agents and Special Employees assigned in various parts of the Western Hemisphere, it became necessary to set up in the SIS Division a field inspection service. Two experienced mature representatives of the SIS Division were placed in constant travel status throughout Latin America in undercover capacity and it was their duty to check on the daily activities of the SIS Agents and Special Employees. Through their progress the Seat of Government was constantly advised as to the work, the living conditions, the morale, the problems and the suggestions of the various representatives working on undercover assignments.

In addition, through their activities the Bureau was kept advised as to the necessity of the removal or transfer of Agents and Special Employees of the SIS Division.

In addition to these two inspectors, a third inspector of the SIS Division travelled throughout Latin America in an official capacity with the State Department for the purpose of determining the effectiveness of the work of the SIS representatives attached to the various American Embassies and Legations. This representative

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usually accompanied an SIS representative who was being assigned to an American mission for the first time and assisted him in the establishment of the SIS Unit in the particular Embassy or Legation.

During January, 1944, in order to increase the efficiency of the SIS Division, a system of regular inspections of SIS Offices by regular Bureau inspectors was initiated. This system of inspections by the regular Bureau inspectors provided in the SIS Offices an administrative setup which guaranteed uniformity among the various SIS Offices. The SIS Offices had by this time been patterned after and in so far as possible made identical with the domestic field offices in so far as administrative matters were concerned. The inspections by the regular Bureau inspectors also provided a tightening up of the SIS Agents' activities in general and caused them to feel more closely connected with the activities of the Bureau and its wartime responsibilities.

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B. - FINANCES

1. Handling of Funds

The funds used by the Bureau to finance its SIS program never came from the regular Bureau appropriation received annually from Congress. That appropriation by its very nature is confined to the work of the Bureau in the Continental and Territorial United States. Part of the effectiveness of the SIS program was its complete secrecy. A request by the Bureau for funds from Congress for SIS operations would perforce be made a matter of public record available to any person who desired to see the request and the resultant compliance thereto. Therefore, the necessary funds were obtained from the confidential fund allotted by Congress annually to the President of the United States for confidential, unvouchered expenditures. This fund is administered by the Bureau of the Budget for the President, and there is no requirement of law that the reasons underlying the expense be made a matter of public record. As a matter of practice, the State Department endorsed the Bureau's request annually to the Bureau of the Budget.

While the Bureau was under no obligation to account for the expenditure of these funds, however no funds were disbursed without ample justification supported by written documents. From time to time, questions arose as to whether or not a particular expense should be met from SIS funds. These questions were discussed by the Executive Conference of the Bureau, a decision arrived at, and a policy formulated.

Disbursement of SIS funds was never made by Government check. b7D The Chief Clerk's Office obtained the necessary funds from the Treasury Department and turned them over to the SIS Division for disbursement. Prior to December 17, 1940, it was necessary for the Chief Clerk's Office to go to [] and secure Cashier's Checks with these funds. On that date an account was opened at [] under the names of Messrs. P. E. Foxworth, W. R. Glavin, and S. J. Drayton for the handling of these funds. After that time the Chief Clerk's Office secured Government checks from the Treasury Department and these checks were deposited to this account for the SIS Section to draw against for necessary expenditures. As of January 1, 1945 the same account was in existence, but was under the names of Messrs. W. R. Glavin, D. M. Ladd and C. H. Carson. Withdrawals from this account were supported by vouchers approved by three or more Bureau officials and the checks drawn on the authority of these vouchers were signed by two Bureau officials.

As mentioned above, from the time the Bureau first started the SIS program, records were kept of the funds expended on this work. At first the records used consisted of a simple double entry set of books with a cash account, three accounts for each employee to which his advance,

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salary, and expenses were charged, and a funds account to supply the necessary credit for the foregoing debit accounts.

In March of 1942, this keeping of individual records for each employee was found to be too cumbersome and the system was changed at that time to allow the keeping of one salary and one expense account. A system of vouchers was instituted which permitted the payment of a number of expense accounts or an entire pay roll on one voucher. These changes effectively streamlined the accounting work of the SIS Section and still maintained as complete a record as before.
(64-4100-126)

On November 30, 1942, the accounting and budget work of the SIS Section was transferred from that Section to the Chief Clerk's Office. This transfer was made at the recommendation of the Executive Conference and resulted in the proper centralization of the accounting and budget work of the Bureau. Subsequently, all vouchers were prepared in the SIS Section and forwarded to the Chief Clerk's Office where the checks in payment of these vouchers were made out. This resulted in a very effective double check on the expenditure of funds.
(64-4100-171)

In Order that the Bureau's handling of SIS funds may be even more secure, \$10,000.00 Surety Bonds were secured for the Chief of the SIS Section, the Accounting Supervisor of that Section, and the Clerk who prepared the vouchers.

In September, 1942, an account was instituted on the SIS Accounting records entitled "Non-Expendable Property." The purpose of this account was to reflect the cost of all property and equipment of a non-expendable nature, purchased with SIS funds so that the cost would be ascertainable when the property was later sold. During 1944, it was determined that the keeping of a record in this manner in an attempt to transfer the cost of property to expenses at the time of this sale was unjustified in view of common accounting practices throughout the Government, and the title of the account was changed to "Property Expenses," the funds expended being considered as expense items at the time of expenditure and credit being taken for receipts from the sale of the equipment at the time of the sale, rather than attempting to go back to the time of purchase.

2. Finances of the Individual Employee

Insofar as the funds of the individual Agent are concerned, he was furnished with sufficient money to meet the cost of transportation to and from his place of assignment, as well as an advance of \$500.00 prior to leaving the United States. This advance was given him for the payment of unusual expenses, the purchasing of information, and so that he would have the funds available should he be forced to perform travel unexpectedly.

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Up until September, 1942, Agents generally carried this advance fund with them in cash or traveler's checks. However, at that time the Treasury Department issued regulations forbidding the export or import of more than \$20.00 in currency and subsequent to that time it was necessary for Agents to carry these advances in the form of traveler's checks, or other negotiable paper. Immediately upon returning from SIS assignment, Agents were required to repay these advances, either by turning in sufficient unpaid expense accounts to cover them or by cash. b7D

Several methods of paying the salaries and expenses of employees on SIS assignment were used. Those employees still in the United States, or who had returned to the United States for conference, were given checks drawn on the account at [redacted] payable to their order. Agents on undercover assignments in Latin America were paid by Money Orders of the [redacted] of New York, obtained in that city and mailed from there, since the inception of the SIS program. In July of 1942, in order to add variance to the method of paying these Agents, arrangements were made whereby Cashier's Checks of the [redacted] of New York could be obtained in a very discreet manner, and those checks were also used for the payment of undercover Agents. b7D

The Agents assigned to the American Embassies, Legations and Consulates in Latin America were paid by Cashier's Checks of [redacted] Washington D. C. As they were ostensibly employees of the State Department, a check emanating from Washington, D. C. was desirable. b7D

During the time the Bureau operated the "Importers' and Exporters' Service Company" in New York City as a cover for SIS Agents a blank account was maintained at [redacted] of New York for this company and was used for the payment of those Agents who were using this company as a cover.

On December 16, 1942, it having been determined that the work of the SIS Division at the Seat of Government was confined solely to SIS operations, all personnel assigned to the SIS Division, including the Division Chief, the Agent Supervisors, the Stenographers, and the clerical employees, were placed on leave without pay, and from that date were paid from funds allocated for SIS operations, rather than from the regular Bureau appropriation. This change made no difference to the individual employee, but properly allocated the cost of SIS supervision and administration at the Seat of Government to the SIS funds.

Up until February 1, 1943, all Bureau employees on SIS assignment outside the United States were paid per diem, and were kept in a constant travel status. On December 30, 1942, the Bureau of the Budget issued their circular number 410, establishing a system of Living and Quarters Allowances

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for the use of all Governmental agencies having employees on temporary foreign assignment. This system of Allowances was based on the relative cost of living and rentals at various foreign cities and at Washington, D. C. According to the circular issued by the Bureau of the Budget, it was to be effective February 1, 1943, and therefore it was instituted on that date by the Bureau. This system of Living and Quarters Allowances resulted in a savings to the Government while still allowing the individual employee an appropriate amount to cover the extra cost of residing outside the United States. (64-4104-352) On the same date, the Bureau instituted the payment of exchange relief to Bureau employees stationed in Venezuela. Prior to that date, the exorbitant rate of exchange had made living in Venezuela almost a financial impossibility for Bureau employees on their salaries and per diem and as the Living and Quarters Allowances paid would be a reduction from the figures paid for per diem, it was realized that they would be unable to live decently. This exchange relief was based on what the rate of exchange should be between Venezuela and the United States and what the rate of exchange actually was. During the time the Bureau had representatives in Venezuela it approximated 61%. (64-4104-352) It is to be noted in this connection that Venezuela was the only country in which the Bureau was operating at the present time that has an unfavorable rate of exchange.

Due to the confidential nature of SIS work and the fact that employees found it difficult to take care of their personal financial affairs in the United States while on SIS assignment and still maintain the assignment confidential, the Bureau performed for its employees on such assignment, many services of a financial nature not normally rendered to employees in the United States. For example, the Bureau each year handled the filing of numerous income tax returns for employees on SIS, and in special occasions, advanced the necessary funds for the payment of these income taxes, providing that the employee agreed to their deduction from the salary check next following the date they were advanced. The Bureau also, upon request made deductions from salaries for the handling of an insurance payment and similar items in special cases. When assessments were called on the Agents' Insurance Fund, the Bureau automatically deducted the assessments of employees on SIS assignments from their salary checks and paid these assessments for them. Employees were, of course, advised that assessments were due, and given an opportunity to change their beneficiaries if they so desired or to advise the Bureau that they did not desire to participate in the fund. It will be noted in this connection that SIS clerical employees were eligible for membership in the Agents' Insurance Fund.

Also, for the convenience of the individual employee, the Bureau adopted several methods of transmitting their salary and expense checks. These checks were at the option of the employee involved; sent all to him, all to a bank in the United States for deposit, or all to some members of his family designated by him. This not only provided convenience for the individual employee in handling his personal finances, but it also diversified the methods by which employees were paid, and rendered the SIS program more secure.

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During January, 1945, the war had progressed to the point where the Director was able to authorize male SIS employees on open assignment in the Western Hemisphere, with the exception of Argentina, to have their wives and children with them while on assignment. This authorization included payment by the Bureau for transportation of these families to and from South America, as well as the shipment of furniture for individuals on SIS assignment in the same manner as in the Bureau's domestic service.

3. Fiscal Year Appropriations and Expenditures

When the SIS Division was established during July, 1940, the sum of \$400,000.00 was made available to the Bureau from the confidential fund of the President for its operation on July 2, 1940. At the close of the first fiscal year of the SIS Division's existence, the sum of \$144,430.61 had been disbursed as follows: (64-4100-40)

Traveling expenses	\$ 56,697.35
Salaries	43,657.13
Informants	7,572.06
General Expenses	1,996.45
Advances to Agents	25,864.50
Cash on Hand	211.35
Cash in Bank	8,431.77
Total -	<u>\$144,430.61</u>

No additional funds were made available at the start of the fiscal year of 1942, the balance of the original \$400,000.00 being still available for SIS operations. However, due to the expansion of the SIS Division, additional funds were required and on October 8, 1941, the President signed a letter making another \$400,000.00 available to the Bureau for SIS work. (64-4100-85)

During January, 1942, it was ascertained that still more funds would be necessary to carry the SIS Division through the fiscal year and on January 20, 1942, the President made another \$100,000.00 available to the Bureau. (64-4100-123)

This made a total of \$900,000.00 available to the Bureau for SIS activities from July 1940 to June 30, 1942. Due to the rapid expansion of the SIS Division after the declaration of war this sum proved to be inadequate and during that period we actually disbursed the sum of \$914,026.71 as follows: (64-4100-139)

Agents' expenses	\$345,985.70
Salaries	360,812.76
Informants	49,196.25
General expenses	9,778.44
Advances	148,253.56
Total -	<u>\$914,026.71</u>

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To cover this deficiency in the amount of \$14,026.71, the funds for the fiscal year of 1943 in the amount of \$1,900,000.00 were made available to us on June 19, 1942, and, as these funds were made available from an "Emergency Fund for the President", which was available for use during the fiscal year of 1942 and 1943, they could be used prior to July 1, 1942. (64-4100-138)

During December, 1942, it was ascertained that the funds allocated previously for the fiscal year 1943 would be insufficient for SIS operations during the balance of that fiscal year, due to a request from the Department of State for our expansion to 500 Agents on SIS work instead of 250 as was contemplated when these funds were originally requested. Accordingly, an additional request was made of the Bureau of the Budget for the sum of \$1,054,254.00 for additional work during the fiscal year 1943. This amount contemplated a continued expansion to reach the number of 350 Agents on SIS work by June 30, 1943. On December 23, 1943, the President allocated the Bureau the additional sum of \$1,000,000.00 for SIS work during the balance of the fiscal year 1943, making a total of \$2,900,000.00 available to the Bureau for that fiscal year. On July 1, 1943, when funds were made available to the Bureau for the fiscal year of 1944, a policy was established of keeping the allocation for the various fiscal years separate, instead of continuing from one fiscal year to the other, as had been the previous policy. Accordingly, at that time, all advance accounts outstanding were transferred to the 1944 records, and a corresponding amount of cash transferred back to the 1943 allocation. This policy was instituted, as all funds prior to the allocation for 1944 had been from one appropriation to the President's confidential fund while the funds for the fiscal year 1944 came from another appropriation to the President's confidential fund.

As of January 31, 1944, we had expended from the \$2,900,000.00 available for the fiscal year 1943, the sum of \$2,821,050.67 as follows:

Expenses	\$ 887,886.87
General Expenses	12,972.67
Salaries	1,356,961.17
Informants	298,436.45
Non-expendable Property	78,519.44
Agents' Living & Quarters Allowance	147,799.09
Clerks' Living & Quarters Allowance	35,807.92
Entertainment	2,667.06

Thus, we had available from our 1943 allocation, the sum of \$78,949.33 still unexpended. As almost all 1943 expenditures had been received at this date, it was believed that the major portion of this amount could be returned to the Treasury some time in the near future.

In October 1942, the Bureau experienced considerable difficulty in meeting the expenses encountered in connection with the visit of General Manuel Benitez, head of the Cuban National Police, inasmuch as there was

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no appropriation available to the Bureau for the entertainment of foreign police officials. Accordingly, in connection with our request for additional funds for the balance of the fiscal year 1943, it was requested that the letter allocating extra funds contain a provision that not to exceed \$5,000.00 could be expended for entertainment of officials of Latin American law enforcement agencies. (64-4100-170)

The President's letter of December 23, 1942 granting us these additional funds contained a provision that \$5,000.00 could be expended for entertaining officials of foreign governments. The same amount was also included in the President's letter allocating us funds for the fiscal year 1944.

On July 13, 1943, the President issued a letter to the Secretary of the Treasury, allocating to the Bureau the sum of \$5,450,000.00 for SIS work during the fiscal year, 1944. Due to the reduction in personnel during the latter part of 1943, this sum proved to be more than adequate and as of December 31, 1944, we had expended from these funds the sum of \$3,380,290.26 as follows:

Expenses	\$ 678,672.38
General Expenses	14,942.23
Salaries	1,745,929.12
Informants	412,947.87
Property Expenses	30,387.13
Agents' Living & Quarters Allowance	366,371.39
Clerks' Living & Quarters Allowance	126,414.06
Entertainment	4,626.08
Total - -	\$3,380,290.26

In order to provide funds for the fiscal year, 1945, the Bureau of the Budget authorized the transfer of funds remaining from the fiscal year, 1943, in the amount of \$75,305.11, and funds remaining from the fiscal year, 1944, in the amount of \$1,925,000.00 to the fiscal year, 1945. Moreover, the President by letter of July 22, 1944, allocated an additional sum of \$1,175,000.00 to the Bureau for the fiscal year, 1945, thus making a total of \$3,175,305.11 available to the Bureau for this fiscal year. As of December 31, 1944 the sum of \$1,220,951.24 had been expended from these funds as follows:

Expenses	\$ 175,813.84
General Expenses	5,736.99
Salaries	657,646.36
Informants	195,462.22
Property Expenses	5,130.31
Agents' Living & Quarters Allowance	120,508.69
Clerks' Living & Quarters Allowance	59,830.37
Entertainment	822.46
	\$1,220,951.24

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To provide funds for the fiscal year, 1945, the Budget Bureau authorized the transfer of funds remaining from the fiscal year, 1943, in the amount of \$75,305.11, and the funds remaining from the fiscal year 1944, in the amount of \$1,924,000. The President, by letter of July 22, 1944, allocated an additional sum of \$1,175,000 to the Bureau for the fiscal year of 1945, making a total of \$3,174,305.11 available for this fiscal year. The following amounts were expended from this sum:

Expenses	\$ 684,216.97
General Expenses	12,443.76
Salaries	1,350,019.13
Informants	485,710.82
Property	47,759.03
Living & Quarters Allowance	343,714.43
Entertainment	1,135.86
Total	<u>\$2,925,000.00</u>

For the fiscal year, 1946, the Bureau estimated that SIS operations would cost \$4,000,000. The Budget Bureau was advised of this figure late in 1944 and the program discussed in detail with that organization. The State Department informed the Budget Bureau that it fully concurred in this estimate. In a hearing before the Budget Bureau in connection with the regular Bureau appropriation for the fiscal year, 1946, the sum of \$4,000,000 was included to be used for SIS activities. At that time the Budget Bureau informed us that it felt that these funds should come from the confidential fund of the President. Despite this, on July 7, 1945, the Budget Bureau approved the amount of \$1,325,000 for SIS operations during the first six months of the fiscal year, 1946. In addition, the Budget Bureau authorized the carry-over of \$150,000 remaining from the fiscal year, 1945. The Director of the Budget Bureau stated in connection with this allocation that the Bureau should get along on this sum for the next six months as he desired to get the views of the new Secretary of State (Byrnes) with regard to the continuance of the SIS program. The Bureau immediately advised the Attorney General by memorandum of July 11, 1945, that in view of this action on the part of the Budget Bureau it would be necessary for us to sharply curtail our activities in the SIS field. The Bureau almost immediately instituted a series of conferences with the Department of State in an effort to settle this matter. On August 31, a letter was forwarded by the Attorney General to the Secretary of State advising that his opinion as to the continuation of SIS was necessary. This letter was not answered until October 10, 1945, when Dean Acheson, Acting Secretary of State, advised that the Department of State had been pleased to endorse the continuation of this service to the Budget Bureau. In accordance with the instruction

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of the Director, no personnel was sent out after September, 1945, and preparations were instituted to close our offices. Instructions were issued on November 23, 1945, to all Legal Attaches to make preparations to close as of December 31, 1945. On October 11, 1945, we advised the Attorney General that the sum of \$1,446,357 would be necessary for SIS activities during the period from January 1 to June 30, 1946. On November 6, 1945, the Secretary of State was advised by letter from the Attorney General that we would cease SIS operations on December 31, 1945, because of lack of funds. This letter was not acknowledged until December 29, 1945. No affirmative action was taken until December 4, 1945, when the President by letter to the Secretary of Treasury allocated to the Bureau the sum of \$1,446,357 for SIS activities during the remaining six months of the fiscal year, 1946. Instructions for the closing of SIS offices were immediately countermanded although approximately half of the Bureau's SIS personnel had either returned to the United States or was in transit thereto.

On April 18, 1946, the Budget Bureau advised us through the Department that the President's confidential fund would only amount to \$5,000,000 for the fiscal year, 1947, and that it would be impossible to allocate funds from this small amount for SIS work. The Director indicated that if the Administration wanted the Bureau to continue SIS, the funds must be provided, and by memorandum to the Attorney General we advised that we would cease SIS operations on June 30, 1946. The State Department advised on April 17, 1946, that they would go to the White House and endeavor to reinstate \$3,000,000 in the Bureau's appropriation for the continuance of SIS. This amount has been included in the Bureau's regular appropriation bill for 1947 with no qualifying language as to its purpose.

Several minor changes were made in the handling of SIS financial matters in the field. In December, 1944, the Bureau authorized employees on SIS to collect forty per cent of their normal living and quarters allowances while temporarily absent from their posts of assignment for periods up to ninety days, provided their quarters were maintained and paid for during such absences.

In January, 1945, the Bureau approved the families of SIS open employees accompanying them on assignment. The transportation of such families was paid by the Bureau and they were allowed per diem while traveling on transfer. Also, in January, 1945, the Bureau determined that employees' medical expenses in connection with illnesses attributable to SIS assignments should be paid by the Bureau after the United States Employees' Compensation Commission had approved each individual case.

By Executive Order #9687 of January 26, 1946, the President directed that the payment of allowances for the appreciation of foreign currency should be discontinued. The Bureau immediately discontinued the payment of exchange relief in Venezuela and Curacao, N.W.I.

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The amount of \$3,000,000 was included in the Bureau's regular Appropriation Bill for fiscal year 1947 for use in continuing SIS Operations. The following amounts were expended from this sum during the period July 1, 1946 through June 30, 1947:

Expenses	\$ 322,782.10
General Expenses	3,114.68
Salary	1,205,487.06
Informants	248,697.24
Property Expense	16,891.19Cr.*
Living & Quarters Allowance	247,682.39
Entertainment	41.45
Totals	<u>\$2,010,913.73</u>

*Expended for Property	\$ 893.33
Realized from Sale of	
Property	<u>17,784.52Cr.</u>
	16,891.19Cr.

Of the \$3,000,000 included in the Bureau's Regular Appropriation for SIS only \$1,776,028.14 was spent for SIS as of June 30, 1947, since there was a carry over of unexpended SIS funds from prior fiscal years in the amount of \$234,885.59 which was applied against 1947 obligations.

The following Table shows the funds available and the amounts expended for SIS Operations from the beginning of the 1941 fiscal year through April 30, 1947:

<u>Fiscal Year</u>	<u>Funds Available</u>	<u>Total Expenditure</u>
1941-1942	\$ 900,000	\$ 900,000
1943	2,900,000	2,900,000
1944	5,450,000	3,525,000
1945	Carried fwd from '44	
- \$1,925,000		
Addl. approp. <u>1,175,000</u>	3,100,000	2,925,000
1946	Carried fwd from '45	
- \$ 175,000		
Addl. approp. 2,771,357	2,946,357	2,946,357
1947	3,000,000	
Expenditures to June 30, 1947		<u>2,010,913.73</u>
TOTAL		<u>\$15,207,270.73</u>

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As of July 1, 1946, all SIS employees at the Seat of Government and open employees in the Field were returned to the active duty pay roll from leave without pay status and began to receive Government checks for their salary. The salaries of these employees were charged against the \$3,000,000 allocated for SIS work. As of May 5, 1946, approximately 100 employees in the Records Section, Communications Section, Translation Unit and the Laboratory were placed on the SIS pay roll and their salaries paid from SIS Funds. As of May 3, 1947, practically everyone was removed from the SIS rolls except the employees remaining in Liaison Posts and a small skeleton force of employees at the Seat of Government engaged, for some time, in winding up SIS matters.

Personnel on undercover assignment remained on leave without pay status until their return to Domestic Field Offices.

In February, 1943, the Bureau began paying its employees on Foreign assignment a "Living and Quarters Allowance" in accordance with regulations laid down by the Bureau of the Budget. During August, 1946 the Bureau of the Budget revised its regulations with respect to such payments and advised all Government Agencies that personnel temporarily stationed abroad who were formerly paid "Living and Quarters Allowances" should be paid, instead, "Quarters" and "Cost of Living Allowances". In other words, two separate allowances were to be paid.

The "Quarters Allowance" was defined to include rent, heat, fuel and light and payment made depended upon (a) classification of the Post, (b) the rank or status of the employee and (c) family status.

The "Cost of Living Allowance" was defined as an allowance to an employee to equalize the difference between costs at the Foreign Post and Washington, D. C., of subsistence, services, commodities and other living expenses except quarters.

The various Foreign Service Posts were classified both as to "Quarters Allowance" and "Cost of Living Allowance".

The regulations of the Bureau of the Budget were put into effect. In most instances the allowances received by Agent personnel were raised as a result of the regulations while the allowances received by clerical employees were lowered a little.

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C. PARTICIPATION OF AMERICAN COMPANIES WITH SIS

1. The Cover Company Plan

As a means of pretext or "cover" for the purpose of furnishing a logical excuse for the presence of SIS operatives in Latin America and for the obtaining of intelligence information, it was decided that a fictitious company should be set up with headquarters in New York City, separate from the New York City Field Division, as the primary step toward the expansion of the SIS field program.

Toward this end, it was recommended by Mr. P. E. Foxworth, then in charge of the SIS program for the Bureau, under date of August 15, 1940, that a company to be called the Importers and Exporters Service Company be established. The ostensible business of this company was to be that of securing information for clients, also fictitious, concerning the possibilities of foreign trade - either the importation or exportation of products between the country involved where the SIS operative would be stationed and the United States - and to merely act as a service agency for such a subscriber. This plan culminated in the registration of the company with the cooperation of former Special Agent [redacted] who agreed to register the name of the company in behalf of the Bureau. A lease was executed with the management of the Rockefeller interests in New York for space first in Room 4332 of the RCA Building and later at Room 3144, 30 Rockefeller Plaza, New York City, as additional space became necessary. Arrangements were made with [redacted] of New York for the necessary holding of moneys in connection with such expenses as would be incurred, and for an unlisted telephone under a fictitious name for this office. This office eventually expanded to cover the supervision of the SIS operatives while obtaining various visas and training in New York, the maintenance of contact with companies providing covers, and the original contact of other potential companies. b7C b7D

Throughout the fall of 1940, there were sent out to Latin America supposed agents of the Importers and Exporters Service Company who, in reality, engaged in SIS intelligence activities under the pretext of making inquiries in behalf of this company. (64-5002-46; 64-4031-7,8)

In September of 1940, (64-5002-27 - 41) arrangements were made with Nelson Rockefeller for Mr. Foxworth to accompany him as a member of the Rockefeller Commission on a more or less inspection tour of Latin America. After a survey of conditions by Mr. Foxworth during that trip, additional Agents were sent to Latin America to expand the SIS coverage.

In view of the fact that it was impossible to do any actual business for the Importers and Exporters Service Company, and that any check by Latin American interests as to the identity of this company would elicit negative information as to its business, it was decided to enlist the

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services of bona fide companies having Latin American agencies or connections who, as a patriotic move, would be willing to lend the use of their names as a cover and cooperate with the FBI in the SIS field.

At this time arrangements were made through [redacted] of New York, who was cooperating with the Bureau in this matter, to help provide additional cover companies for the use of the SIS operatives, the first of which was [redacted]

b7C

As an additional step at this time for the obtaining of information through American commercial enterprises, information was beginning to be received by Mr. Foxworth's New York office of SIS from the [redacted]

[redacted] and others. These reports helped to form the basis of determining the need for SIS coverage in Latin America. (64-5002-40)

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During the following six months it was found that the Importers and Exporters Service Company could not continue to be used as a logical cover for SIS operations due to the growing number of operatives who would have to be considered as its Agent employees and who would undoubtedly open the company to question. Therefore, during July of 1941, the Importers and Exporters Service Company was discontinued and the System of representation as agents of bona fide companies was developed. (64-4031-62)

2. The Companies Used As Covers

Conferences were held and cooperation was obtained from high executives of various commercial companies by the New York office of SIS for the purpose of training SIS operatives in the business of the particular companies in order that they might logically and reasonably act the part of representatives of these products in Latin America. The number of companies which made themselves available for this purpose was constantly extended so as to provide logical employment for SIS operatives in every possible strata of Latin American life in order to provide opportunity for the collection of intelligence information from all possible sources.

In the utilization of commercial sponsorship, emphasis was placed upon companies whose business consists in services rather than in the

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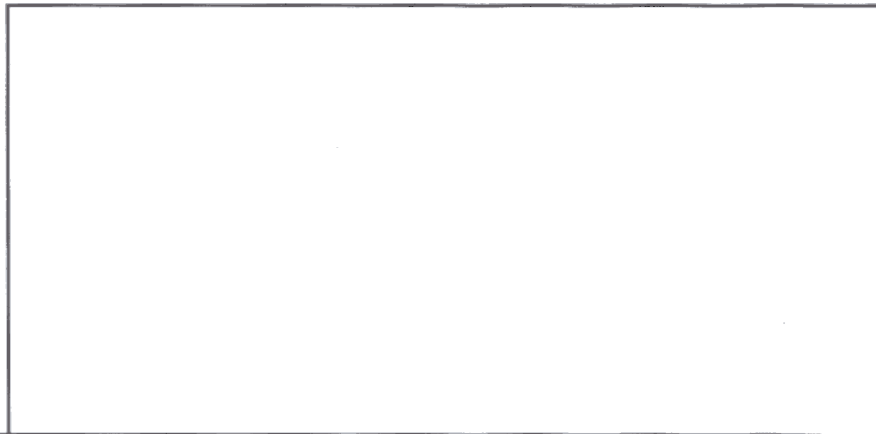
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sale of products, such as the [redacted] and the like, which latter group, due to the war, necessarily were restricted in the physical shipment of the product. The opportunity for the use of the "service" type of American Commercial Companies has proved to be most elastic for the purposes of SIS. The Bureau representative had a fine opportunity to ask questions covering a variety of subjects without arousing suspicion. In addition, such cover representation beyond the initial settlement within an area actually took very little of the SIS representative's time. (Annual Report - SIS, 1941-1942)

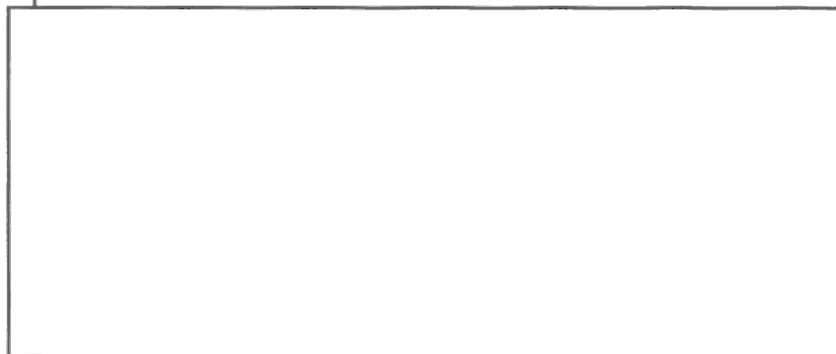
In addition to the training provided by the companies as to their particular specialty in order to equip SIS operatives to be their ostensible representatives, the varied interests of the various companies so cooperating were such that arrangements were easily made so that an SIS operative's background and past experience became the basis for placement with a particular cover company to an extent that these commercial companies have expressed themselves frequently in a highly commendatory manner as to the results achieved by their SIS representatives.

The following is a list of companies used in the early part of the cover company program:



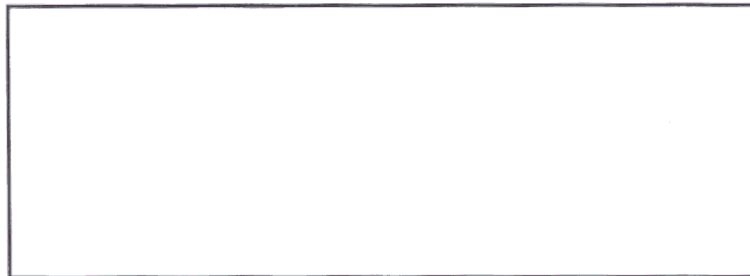
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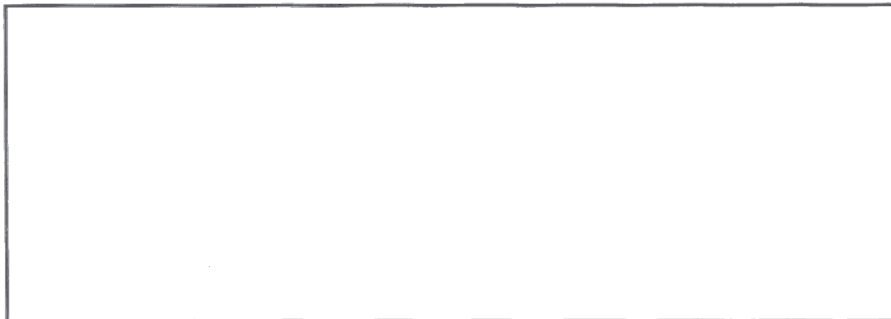


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The New York Office of the SIS located separately from the Bureau's regular New York City Field Office utilized the services of two agents to continue and maintain the contacts and training of agents with the cover companies already in force and endeavored to develop other covers in varied fields in order to provide suitable covers for agents, dependent upon the particular assignment and particular country where additional agent coverage was desired.

By March 1, 1944, the following companies had been utilized to an extent where it was no longer feasible to continue their use:

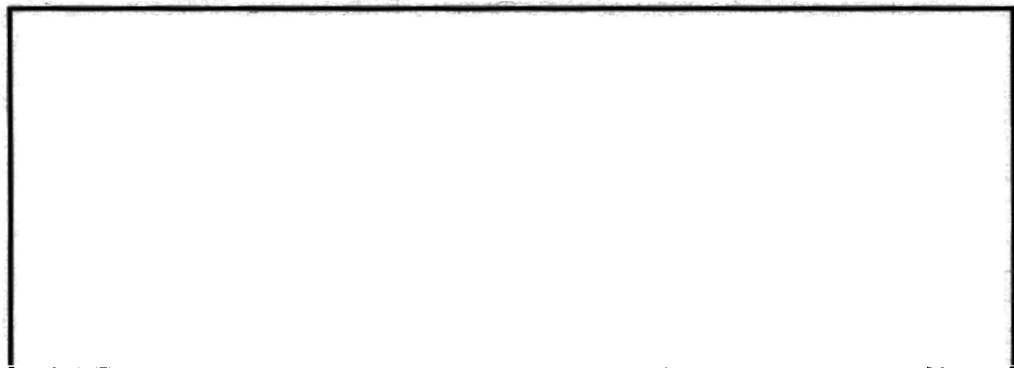


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It was found that these companies were either restricted as to their type of activity so as to be no longer useful to the agents who needed flexible covers or had been exhausted by previous use. However, this situation was supplanted by the obtainance of additional and similar cover companies whose cooperation was enlisted in this program.

By March 1, 1944, the following active cover companies were being utilized throughout the Latin American Field:

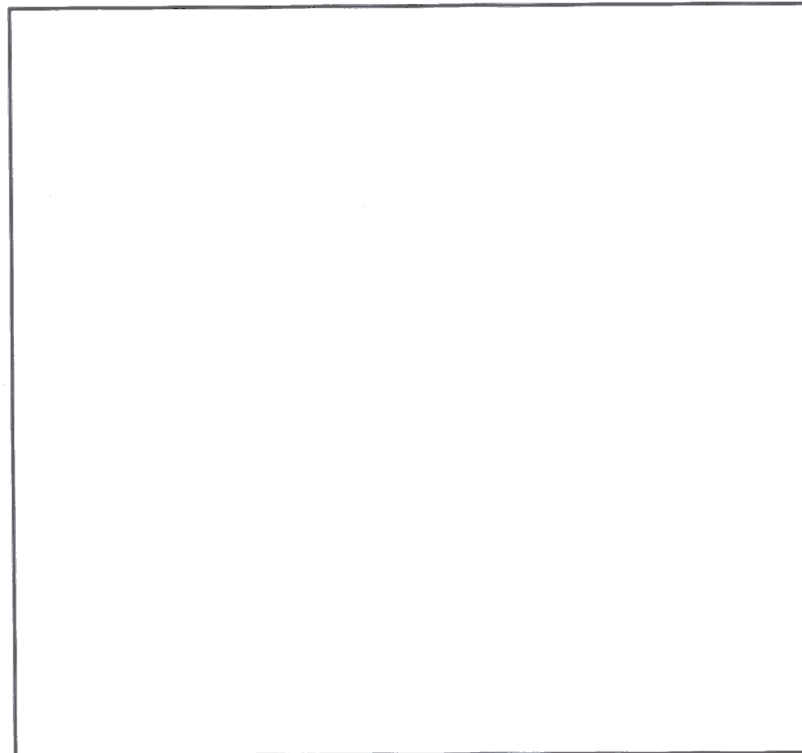


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It is interesting to note that while adopting the cover companies to the Bureau's need, the agents in many cases worked so enthusiastically that they became almost indispensable to the cover companies and were considered vital assets to the companies.

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As examples of the results obtained for such cover companies by SIS Agents, there might be mentioned some examples of the feeling the officials of the cover companies have toward the work done by our Agents for the cover companies incidental to the assignment. [redacted] of [redacted] has commented that the reports submitted to his company on market analysis "rate up to the best I have seen from our regular Commercial Attaches in a foreign post". [redacted] of the [redacted] in Cuba has stated that he had come in contact with one of our representatives in Cuba for some time and found him to be "of the best, not only regarding his work but the way he went about to obtain his information". [redacted] magazine has advised that the material sent in by an SIS Agent was a most welcome complement to the magazine and that he desired to go on record to state that all of the Agents of the Bureau who had used [redacted] as a cover had done excellent work. [redacted] has advised that the plant surveys made by Bureau representatives in Chile had greatly impressed him.

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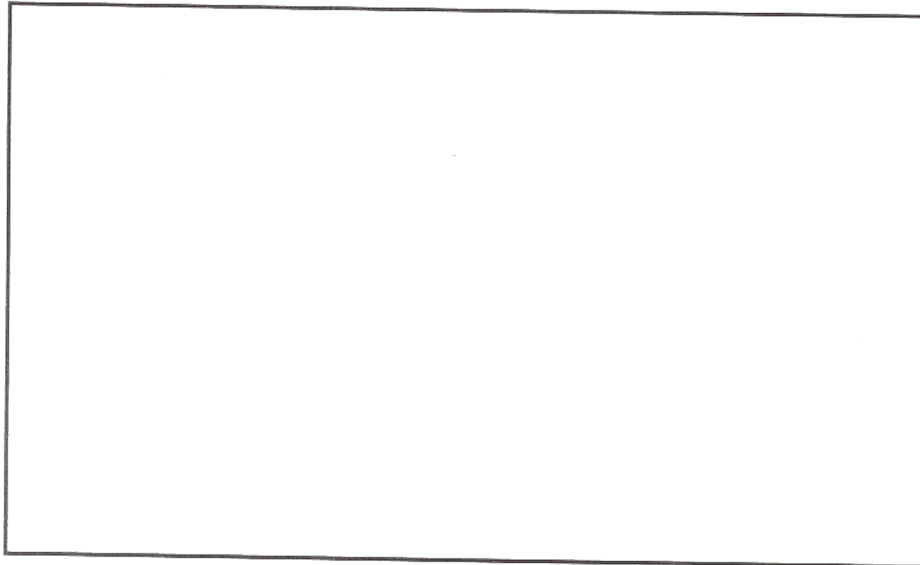
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SIS representatives of [redacted] for example, were successfully the means for the investment of millions of dollars of the firm's clients in Latin America, while marginal accounts for this firm included by FBI Agents acting as their representatives reached hundreds of thousands of dollars. The [redacted] cover company desired to show their appreciation of FBI representation by an offer to provide a \$1000 War Bond for each SIS Agent representing the firm. Habitually, such cover companies manifested a desire to permanently employ our Agents under any conditions imposed by the FBI in view of the results obtained.

The New York Office of the SIS was located separately from the Bureau's regular New York City Field Office. Due to the reduced activity in the SIS field in the latter part of 1943 and the early part of 1944, one of the two agents assigned to the New York SIS Office was transferred to the Bureau's domestic operations. The remaining agent continued to maintain various contacts, to train agents with cover companies already in force and endeavored to develop other companies in varied fields in order to provide suitable covers for agents.

By January 1, 1945, the following companies had been utilized to an extent where it was no longer feasible to continue their use:



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It was found that these above named companies were either restricted as to their type of activity so as to be no longer useful to the agents on SIS or they had been exhausted by constant previous use. However this situation was remedied by the obtainance of additional and similar cover companies whose whole-hearted cooperation has been enlisted in this program.

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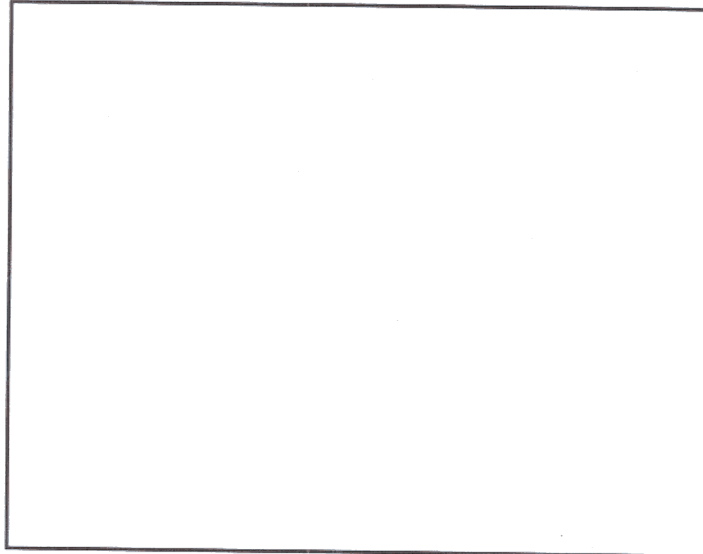
By January 1, 1945, the following active cover companies were either being used in the Latin American Field or were available for use at that time.

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By January 1, 1945, other instances where agents had been of valuable service to their cover companies had come to light. One outstanding instance, a Special Agent [redacted] traveled to Brazil as a representative of [redacted]. Brazil represents one of the leading outlets for the productions of [redacted] and had as its manager for the entire country a Brazilian of Italian ancestry. After the Bureau agent arrived in Brazil, the manager, who did not know the true identity of the agent, bent every effort to ascertain the agent's activities while in Brazil. Upon learning this, the Bureau agent conducted some investigation of the manager himself and to the extent that he became firmly convinced that the manager was misappropriating funds of the parent corporation. This information was discreetly passed on to the Vice-president in charge of all foreign operations of [redacted] accountants inspected the books and accounts of the Brazilian manager and learned that he was guilty of many acts of defalcation. He was dismissed and replaced by an American born manager and subsequently the Vice-president, [redacted] stated that because of the agent who became aware of the manager's activities [redacted] probably saved hundreds of thousands of dollars in possible future misappropriations.

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Another Special Agent [redacted] likewise in Brazil in connection with work for the [redacted] prepared a complete survey dealing with the various legal problems encountered by any American corporation going into business in Brazil. This report was disseminated by the New York SIS office to several SIS cover companies all of whom expressed great interest in its contents.

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Another Special Agent [redacted] did such excellent work in Latin America as a foreign correspondent for [redacted] that the Editor-in-chief [redacted] stated that he was easily the best man that [redacted] has in the Latin American field.

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During the latter part of 1945 the New York SIS Office was moved to the space occupied by the New York Field Division in the United States Courthouse, Foley Square, New York City, in view of the uncertainty as to the Bureau's future in foreign intelligence.

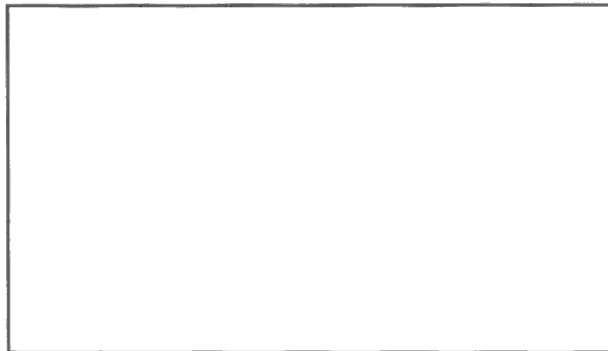
Three new companies were developed for use as covers. These were:



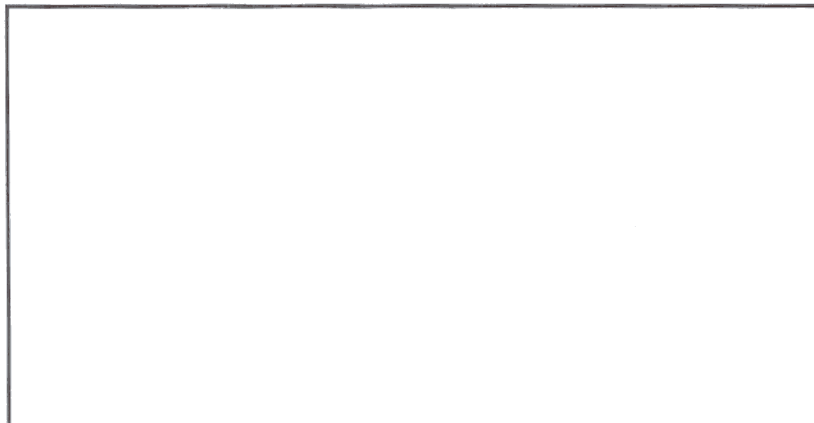
During 1945 and 1946, the following Companies were developed for use as Covers for SIS Undercover Agents:

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Because of the discontinuance of the SIS Program all undercover personnel were withdrawn from Latin America prior to May 1, 1947. A review of the SIS Undercover Operations reflects that the following Companies were used as Covers for Bureau representatives during the period of SIS Operations:

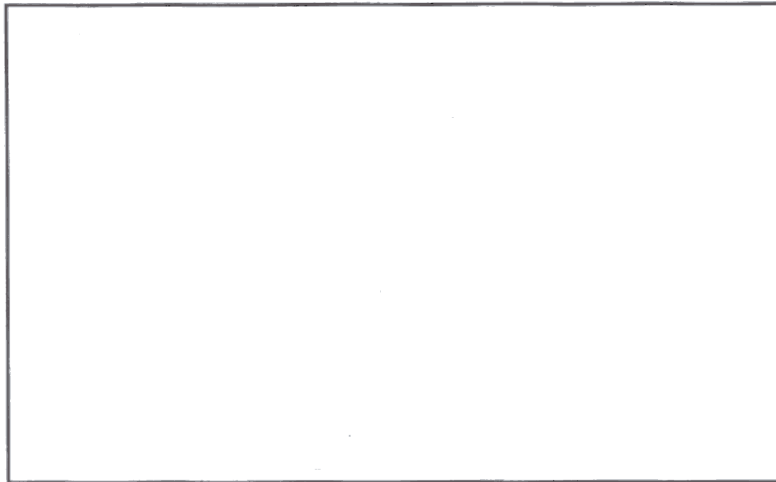


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Letters of appreciation have been sent to most of the Executives of the Companies. Many have replied expressing their thanks for the services rendered to the Companies by the individual Agents and stating their willingness to be of similar service to the Bureau in the future, should the need arise.

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D. COMMUNICATIONS

The establishment and maintenance of safe and rapid communications between the Seat of Government and the various SIS representatives in Latin America was from the outset one of the major problems of SIS. If the project of gathering intelligence information in Latin America was to serve any useful purpose it was imperative that the information reach Washington as safely and as rapidly as possible. Thus, a system had to be devised whereby an agent working undercover in some remote place in Latin America could get his reports to the Bureau with as little delay as possible in order that when they reached their destination they would be of value.

There existed the possibility of a long delay in the reports reaching Washington, due not only to the distance involved but due also to the relative inefficiency of the various Latin American postal systems. There existed also the possibility of the reports falling into unauthorized hands and either never reaching the Seat of Government or reaching it too late to be of any value. Not only was it necessary, therefore, to establish a system whereby an agent could get his reports to Washington, but it was necessary as well to evolve a system whereby the Bureau could communicate as safely and as rapidly as possible with the agent located in a foreign country in order to properly direct his activities.

1. Mail Drops and Double Talk Letters

At the outset it was deemed advisable to have the undercover agents in Latin America transmit their reports in "double talk." These reports were signed by the agent under a fictitious name, such as "Jose," "Juan," etc., and were addressed to a fictitious person at a New York City post office box. Numerous post office boxes were obtained by the Bureau in New York City under various fictitious names and each agent working undercover in Latin America sent his communications to his designated post office box. Experience proved that to prevent an agent from being uncovered, it was necessary to frequently change his post office box. (64-4105-17)

The various mail drops or post office boxes secured by the Bureau were scattered throughout the various postal stations and sub-stations in midtown and lower Manhattan. Each morning the incoming mail was secured from these boxes and forwarded to the Bureau. (64-4104) Outgoing mail to SIS representatives in Latin America was likewise sent in "double talk" and addressed to the agent at his residence or to a post office box obtained by him at his headquarters city in Latin America.

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Naturally, the system was far from perfect. Besides the delay in time involved, the actual outbreak of war created obstacles in the way of censorship. Mail coming from South America was subjected, in many instances, to the British censorship, (64-4100-38) as well as the censorship prevailing in certain Latin American countries. (64-4104) In addition, the mail had to

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pass through the United States Censorship. Obviously some means had to be found to eliminate this highly undesirable situation and arrangements were made in New York City to have all the names of the Bureau's post office boxes placed on the Censorship White List so that mail addressed to these boxes would not be censored. (64-4104-98) Later these boxes were placed on the British White List.

2. Secret Inks and Codes

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The use of secret ink by agents in Latin America also played an important part in the SIS communications system. Undercover agents were furnished with secret writing material which was utilized to great advantage by them in transmitting confidential communications to the Bureau. Besides secret ink, agents were equipped, of course, to transmit their messages in code and, of course, on the other hand were capable of receiving and decoding messages sent to them.

3. Diplomatic Pouches and Couriers.

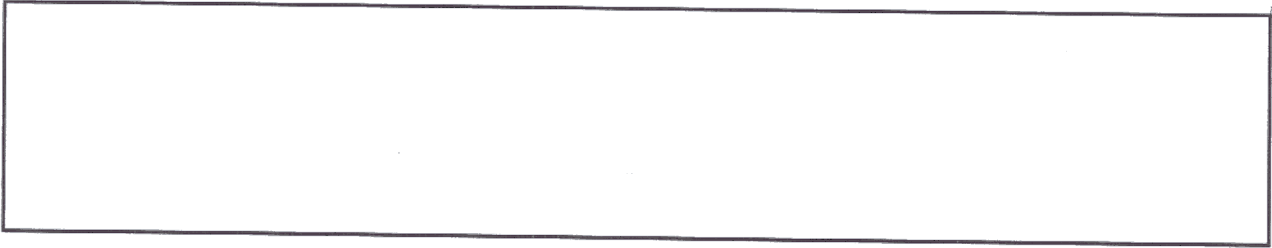
With the establishment of many of our agents in various Embassies throughout Latin America, much of the difficulty in SIS communications was obviated. Agents attached to the Embassies could write directly to the Bureau and the Bureau was in a position to write directly to them by utilizing the diplomatic pouch. (64-4104-151) There still existed, however, the problem of an undercover agent transmitting his reports to the Bureau and arrangements were made whereby the reports of these undercover agents reached the American Embassy in the country in which they were operating and were then transmitted by the agent holding diplomatic status via the diplomatic pouch. One means of accomplishing this was to have an agent stationed in an Embassy obtain a post office box under a fictitious name in the Embassy city. The agent working undercover in that country could then dispatch his communications to this post office box where they could then be secured by the agent in the Embassy. (64-4104-62)

Besides the foregoing method of communication, the Bureau communicated with its agents in Latin America by means of couriers, agents working as State Department couriers and traveling throughout South America on regular schedules. (64-4104-218) This method of communication, although it might not have been the most rapid, insured that the communications were received intact and without being subjected to censorship. Agents acting as couriers were not only able to dispatch communications but also served as inspectors and "trouble shooters" and were also used to deliver, to the agents, the highly confidential cipher pads for their code messages as the need arose. (64-4104-218)

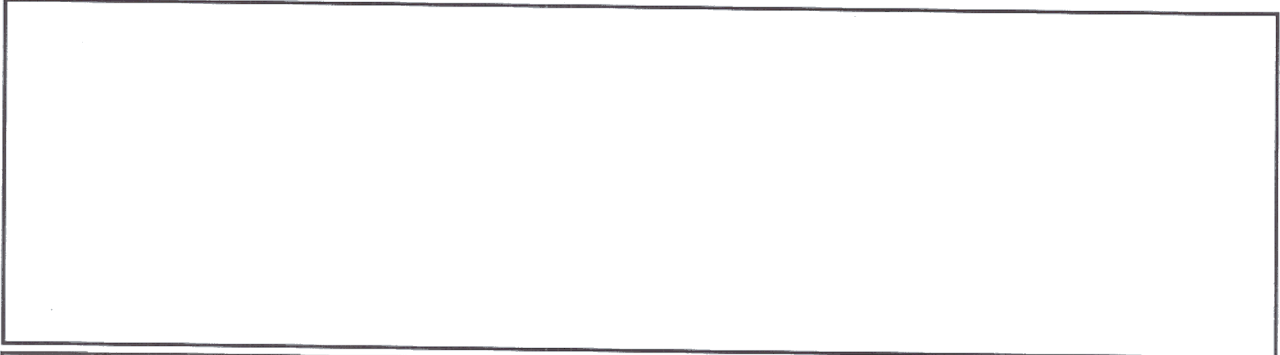
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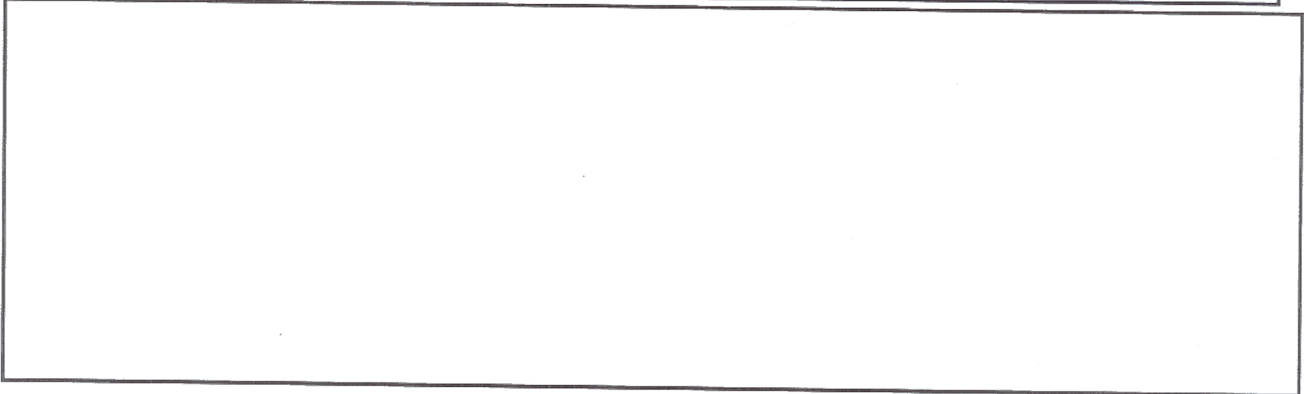
4. Cable Service.



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The facilities of the State Department were used for the shipment of parcels and freight so that it would not be apparent to shipping companies that the FBI operated outside of the United States. State Department Bills of Lading were employed with reimbursement being made periodically to that Department. For the dispatch of heavy articles, diplomatic steamer freight was used. Smaller items of a non-urgent nature travel by diplomatic ship pouch. After June of 1943 lightweight parcels of an urgent nature were sent by diplomatic air express to all points in Latin America. The diplomatic sea pouches were available for the shipment of personal items such as clothing and medicines provided postage was paid.

It was soon apparent that a more rapid and direct means of communication would be necessary for the proper and efficient functioning of SIS work and that the services of radio with all its advantages would have to be utilized.

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5. FBI Radio Network.

A good portion of the task of establishing direct radio communication with our agents in Latin America was completed prior to April, 1941, when it was proposed to establish a radio station in South America. In August, 1940, the Bureau had completed and put into operation in the Justice Building in Washington a medium power police radio broadcast station. Subsequently, the Bureau obtained a small radio transmitter and rented a site for a station on Chesapeake Bay. This station, which was later identified as the Bay Station, was completed and the circuit opened in March of 1941. Thus the Bureau already possessed adequate facilities as far as the Seat of Government was concerned for transmitting and receiving radio messages to Latin America when in April, 1941, it was proposed that a radio station be established in Bogota, Colombia, which would communicate directly with Washington. (64-4103)

The station at Bogota, Colombia, the first in the Bureau's SIS network, was established in February of 1942, and was an open station located in the American Embassy. Some of the obstacles surmounted in establishing this station enabled a quicker establishment of stations subsequently set up in other Latin American countries. The matter of establishing a station at Bogota was discussed with the State Department in July, 1941, and a relatively long delay ensued before the approval of the State Department and the American Ambassador to Colombia was obtained. (64-4103-7) Likewise, the consent of the Colombian Government had to be obtained. In this connection it is interesting to note that the Federal Communications Act specifically provides that no foreigner or representative of any foreign government can operate a radio station in the United States. It was feared that by requesting the Colombian Government for permission to establish a radio station within Colombia, the Colombian Government might make a similar request of this country which request would be difficult to grant in view of the Federal Communications Act. (64-4103-17) However, the matter was ironed out satisfactorily and the State Department advised the United States Ambassador to Colombia that the United States was prepared to accord Colombia reciprocal permission. (64-4103-29)

Testing with the station at Bogota, Colombia was satisfactorily completed by the Bay Station and on February 2, 1942, the circuit was available for radio communications. (64-4103-48) On February 6, 1942, our representative at Bogota was authorized to "immediately begin transmitting to the Bureau all types of information which you and other representatives secure which you deem should be transmitted by radio." (64-4103-49)

The next station to be established by the Bureau was at Santiago, Chile in May, 1942 (64-4294); and stations were completed at Quito, Ecuador in June, 1942 (64-4291); in Rio de Janeiro, Brazil in July, 1942 (64-4326); in Havana, Cuba in September, 1942 (64-4440); in Lima, Peru in November, 1942 (64-4318); Montevideo, Uruguay in December, 1942 (64-4470); in Asuncion, Paraguay in August, 1943 (64-4505); San Jose, Costa Rica in August, 1943 (64-4113) and in La Paz, Bolivia in July, 1943 (64-4103-A-32)

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Following the request of the State Department in October, 1943 that the Bureau curtail its activities in Latin America, plans for the enlargement of the SIS network were abandoned. Equipment already received but not installed was returned to Washington from Managua, Nicaragua (64-4928). Plans for radio installations at the following points were abandoned in December, 1943 because of the State Department request: Caracas, Venezuela (64-4567-24); Buenos Aires, Argentina (64-4518-33) and Mexico, D. F. (64-4327). In the same month, the stations which had been installed and were in operation at Ciudad Trujillo, Dominican Republic and Port-au-Prince, Haiti were dismantled and returned to the United States. (64-4501-43)

All radio messages were in cipher pad code. During the month of November, 1942, 625 radiograms, including both incoming and outgoing, were handled by the Communications Section. As a matter of interest, there is set forth the cable and radio traffic on the SIS network for the month of January, 1944:

Cable Traffic

Incoming	139
Outgoing	123

Radio Traffic

Santiago	Incoming	33
	Outgoing	28
Havana	Incoming	60
	Outgoing	36
Montevideo & Buenos Aires	Incoming	133
	Outgoing	88
La Paz	Incoming	28
	Outgoing	28
Quito	Incoming	12
	Outgoing	21
Bogota	Incoming	33
	Outgoing	23
Lima	Incoming	29
	Outgoing	29
Rio de Janeiro	Incoming	46
	Outgoing	34
San Jose	Incoming	12
	Outgoing	20
Asuncion	Incoming	20
	Outgoing	18

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At the Washington end of the SIS radio network, the Bureau established a new transmitting set at Waldorf, Maryland and a receiving site in connection with communications at Clinton, Maryland, making it possible through the use of keying lines between these points to carry on communications with three outside points simultaneously.

The radio station at Lima was equipped with a 450 watt transmitter and a 1000 watt transmitter, both of which were located in the Embassy. Lima was designated as a relay point for the stations south of the equator, inasmuch as these stations could not always transmit through to Washington under certain atmospheric conditions. In an emergency, the Bureau could, through Lima, maintain twenty-four hour contact with any station. The Bureau maintained twenty-four hour monitoring service on the Lima Station, which in turn maintained twenty-four hour coverage of the stations south of the equator. Schedules were kept with all stations by the Bureau daily, except Sunday.

The Radio Operators at the SIS Stations, when not engaged in handling Bureau traffic or servicing their equipment, monitored certain frequencies in conjunction with monitoring done by the Bureau in the United States.

During November, 1944, a radio station was established in the Office of the Legal Attache at San Salvador, El Salvador. Traffic between that office and the Bureau was instituted by means of this station on December 1, 1944.

On April 20, 1945, the Radio Station at La Paz, Bolivia was moved to a new location. Early in 1946 a new station was installed at Managua, Nicaragua, which commenced operation February 5, 1946. At about the same time a new station was installed at Caracas, Venezuela, which started operations on April 29, 1946.

During the early part of 1946, the Ambassador in Bogota, Colombia, foresaw the possibility of trouble during the forthcoming elections which were scheduled to be held on May 5th. He felt that there might be a possibility, as a result of this trouble, that he would be unable to travel from his home to the Embassy which was rather a long distance. He, therefore, suggested that the Bureau install in his home an emergency transmitter so that he could still communicate with Washington in such an event. About May 1st, a low-powered portable emergency transmitter was installed at the Ambassador's home.

There is set forth below a recapitulation of the radio and cable traffic for the period July 1, 1944 to June 1, 1946.

RADIO TRAFFIC

Total Incoming Messages	8848
Total Outgoing Messages	6445

CABLE TRAFFIC

Total Incoming Messages	3600
Total Outgoing Messages	3794

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Total Incoming Radio and Cable Messages..... 12,448

Total Outgoing Radio and Cable Messages..... 10,239

In order to show the recent volume of traffic handled by the Communications Section the traffic for May, 1946, is set forth below.

RADIO TRAFFIC

Total Incoming Messages	437
Total Outgoing Messages	309

CABLE TRAFFIC

Total Incoming Messages	149
Total Outgoing Messages	117

During the period from July 1, 1944 to June 1, 1946, a total of 1,962,655 code groups were handled over the Bureau's radio network and a total of 583,720 code groups were handled by cable. This makes a total of 2,546,375 code groups handled during that period.

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There is being set out below figures showing the number of radio and cable messages and code groups handled during the period from June 1, 1946 to May 1, 1947.

RADIO

Total Messages	-- 4,909
Total Groups	-- 845,095

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CABLE

Total Messages	--	1,181
Total Groups	--	157,214

Records on the number of radio and cable groups handled have been maintained by the Communications Section since about the middle of 1943. These records indicate that the following number of groups had been handled up to May 1, 1946.

By Radio	---	4,424,852
By Cable	---	1,091,194

The SIS radio network was not extended to the European offices which necessitated those offices utilizing State Department facilities. Subsequent to the Bureau's withdrawal from the SIS field, the Bureau's liaison offices have utilized the State Department facilities for mail and cables.

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PEAK SIS COVERAGE - OCTOBER 1943



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E. DEVELOPMENT OF COVERAGE

1. 1940

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On July 3, 1940 the first Special Agents left the United States SIS undercover assignments. At that time Special Agent [] and Special Agent [] were sent to Havana, Cuba and Special Agent [] was sent to Mexico, D. F. These three Agents went on this assignment as representatives of [] This cover was obtained for them through the friendship between the Director and [] who had an interest in [] and was able to send these men out as its representatives with their true identity being known to only one but himself and one trusted employee.

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Shortly prior to this, Special Agent [] who had previously been in South America for the Bureau to conduct police schools, had been sent to Quito, Ecuador on June 26, 1940. Although [] at this time was traveling on an official passport, his identity as an FBI Agent was not generally known in Quito. (64-4008-X7)

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In July, 1940, the Bureau also sent Special Agent [] to Martinique in an official capacity in company with the United States Marshal for Puerto Rico, one [] where [] remained for a two-week period, returning because he was unable to obtain permission of the French authorities to transmit messages in code and hence could not function properly at that point. (64-4010-1)

In August of 1940, [] went to Caracas, Venezuela, likewise in an official capacity, where he remained for a period of approximately one month, proceeding from Caracas to Bogota, Colombia in September of 1940 to hold a training program in counter-intelligence work for the Colombian Army. (64-4010-9,13) [] work in this training program will be discussed in a separate section of this memorandum but his presence in Bogota is being mentioned here as we obtained some SIS coverage through him.

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In August of 1940, Special Agent [] was sent to Mexico, D. F. in an undercover capacity for a period of approximately one month to perform special investigative work in connection with the "Ducase Case." 64-4020-2,6) [] did no work for the SIS Division at that time.

On August 2, 1940, the National Defense Committee considered a suggestion from the Military Attache in Mexico, D. F. that the FBI station ten or twelve Agents in the interior of Mexico and recommended that we not assign additional men to Mexico at that time. At that time the Bureau had Special Agent [] in Mexico in an undercover capacity. (64-5002-39)

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During the fall of 1940, Assistant Director P. E. Foxworth traveled throughout South America as a member of an economic commission set out by Nelson Rockefeller, as Coordinator of Commercial and Cultural Relations with Latin America. Mr. Foxworth traveled with this commission in an undercover capacity, his true identity not being known to the other members of the commission or to persons in the cities visited. Mr. Foxworth on this trip contacted SIS representatives throughout South America. (64-5002-25)

Likewise during August, 1940, arrangements were made with an American businessman in Sao Paulo, Brazil by the name of [redacted] to act as an informant for the Bureau furnishing us with SIS coverage. [redacted] functioned as a Bureau informant in Sao Paulo up until May, 1941, when his services were discontinued due to his becoming known to British censorship authorities. (64-4014-5,38) b7D

In September of 1940, Special Agent [redacted] was sent to Colombia as a representative of [redacted] an export firm in New York City. Agent [redacted] cover was likewise secured through the friendship between the Director and [redacted]

In September of 1940, Special Agent [redacted] was sent to Port-au-Prince, Haiti in an open capacity to do police instruction work. Agent [redacted] was recalled in October, 1940, because of lack of cooperation on the part of the Haitian authorities. (64-4015-1,8)

In September of 1940, Special Agent [redacted] was moved from Havana, Cuba, to Caracas, Venezuela, still operating as a representative of [redacted]

In September of 1940, SAC Gus T. Jones of the San Antonio Field Division was sent to Mexico City in an open capacity and attached to the Embassy at that point. (64-4009-1) This was the first Bureau Agent that was attached to a United States Embassy as a representative of the Bureau's SIS Division.

In September of 1940, Special Agent [redacted] was sent to Montevideo, Uruguay; Special Agent [redacted] to Rio de Janeiro, Brazil and Special Agent [redacted] to Buenos Aires, Argentina. All three of these Agents traveled as representatives of the Importers and Exporters Service Company, which had been set up by the Bureau to furnish covers for SIS representatives traveling in an undercover capacity. The establishment and functioning of this organization will be discussed separately. b7C b7D b7E

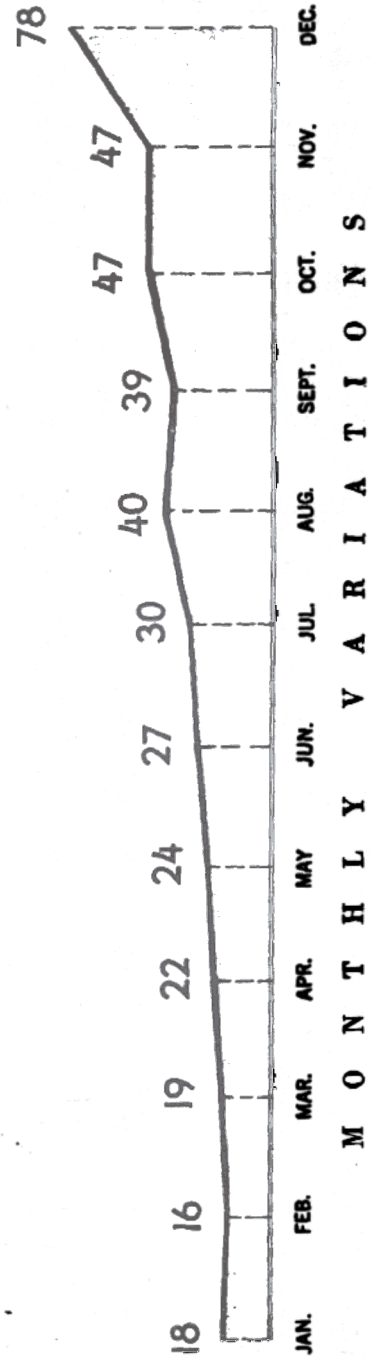
Likewise during the fall of 1940 the Bureau employed several individuals as Special Employees for undercover SIS work in Central and South America. The first of these, [redacted] (now Special Agent) was sent to Lima, Peru in September of that year under the cover of a representative of the Importers and Exporters Service Company. (64-4039-3)

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES
ON SIS ASSIGNMENTS FOR THE YEAR

1941



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In October, 1940, Special Employee [] was employed to travel over the entire continent of South America in an undercover capacity. [] traveled in and around South America until June, 1941, when he severed his connection with the Bureau. (64-4030-1,47) b7C

In November of 1940, a Special Employee by the name of [] was sent to Rio de Janeiro, Brazil in an undercover capacity. (64-4045-5) b7C

In December of 1940, the Bureau secured, through the assistance of [] four individuals as Special Employees for SIS work who had legitimate excuses for travel in South and Central America. One of these individuals was sent to Nicaragua in December of 1940 and another to Lima, Peru also in December, the third to Guatemala City, Guatemala in January of 1941, and the fourth to San Jose, Costa Rica in January of 1941. (64-4051-9; 64-4054-14; 64-4055-10; 64-4061-2) b7C

Previous to this, we had also had Special Agent [] in Port-au-Prince, Haiti on an undercover assignment for a very short period during September, 1940. (64-4040-1,6)

Thus at the end of 1940, after approximately six months of SIS operations, we had Special Agents and Special Employees in undercover capacities at the following cities:

Buenos Aires, Argentina
Porto Alegre, Brazil
Rio de Janeiro, Brazil (two men)
Santiago, Chile
Bogota, Colombia
Havana, Cuba
Mexico, D. F. (assigned to Embassy)
Managua, Nicaragua
Lima, Peru (two men)
Caracas, Venezuela
One Special Employee traveling throughout
South America

In addition, the SIS Division was receiving reports at this time from Special Agent [], who was in an open capacity at Bogota, Colombia training the Colombian Army for counter-intelligence activities, having replaced Special Agent [] in that assignment. b7C

2. 1941

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On April 17, 1941, the Bureau took up the matter of obtaining diplomatic status for a limited number of SIS representatives with the State Department.

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At that time, Mr. Berle advised that our need for this diplomatic status was appreciated but that it would be a difficult job to bring other people in the State Department around to our way of thinking. He advised the Bureau that he would see what could be done in this regard. (64-4104-3)

During these four months, from December, 1940, to April, 1941, little increase in coverage was made by the SIS Division and at the end of April, 1941, we had increased our coverage so as to include undercover representatives at Monterrey, Mexico; Tampico, Mexico; Veracruz, Mexico; Mazatlan, Mexico and Sao Paulo, Brazil. In addition an SIS representative had been assigned to the American Embassy at Bogota, Colombia in an open capacity, this assignment having been made at the request of the American Ambassador at that point, Mr. Spruille Braden, who, following the completion of the Bureau's training program for the Colombian Army, had requested that we assign a Bureau Agent to the American Embassy in Bogota to handle the coordination of all intelligence activities at that point for the duration of the present emergency.

On May 3, 1941, the State Department advised that arrangements had been made whereby we could assign representatives to the Embassy in most of the South American countries. (64-4175-1)

On May 8, 1941, Mr. Fletcher Warren of the State Department advised that he believed our proposition to give SIS representatives diplomatic status could not be approved in view of objections on the part of State Department officials to having diplomatic service involved in espionage or secret intelligence operations. (64-4104-12)

On May 19, 1941, the State Department suggested that the Bureau consider increasing its coverage in South America on a considerable scale. At that time we advised the State Department that the facilitating of our request for the designation of several of our men as Vice Consuls and Attaches would help a great deal in increasing our coverage. (64-4175-27)

In this connection it should be noted that prior to sending one of our representatives to an Embassy it has been necessary to secure an express invitation from the Ambassador involved and that accordingly it was not until some time after this date that we were able to begin assigning Agents to South American Embassies.

During the quarter year from April to July, 1941, but little increase was made in the coverage of the SIS Division and on July 2, 1941, after one year of operation, the SIS Division had Special Agents and Special Employees on undercover assignments in the following Latin American cities:

Buenos Aires, Argentina
Natal, Brazil
Rio de Janeiro, Brazil (three men)

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Sao Paulo, Brazil
Concepcion, Chile
Santiago, Chile
Barranquilla, Colombia
San Jose, Costa Rica
Havana, Cuba
Guatemala City, Guatemala
Tegucigalpa, Honduras
Acapulco, Mexico
Mexico, D. F. (three men)
Monterrey, Mexico
Tampico, Mexico
Managua, Nicaragua
Lima, Peru
Caracas, Venezuela

In addition we had SIS representatives attached to the American Embassy at Mexico, D. F. and Bogota, Colombia and two Bureau Agents in open capacities at Lima, Peru, who, while primarily in that city on a police training program, were furnishing the SIS Division with some coverage from that point.

During June, 1941, it was proposed that this Bureau assign two Special Agents to Lisbon, Portugal which proposal met with the approval of the State Department, ONI and MID. (64-4175-9)

There was a continuing effort on the part of the Bureau to assign Agents to Portugal but up to that time it was impossible either for an undercover Agent to obtain a visa as a commercial representative or for the staff at the American Embassy in Lisbon to be increased to permit the assigning of an Agent at that point.

On June 24, 1941 the State Department approved the assigning of one of our Agents to Hamilton, Bermuda to act as a liaison representative with the British at that point. As a consequence, a Special Agent was dispatched to Hamilton, Bermuda to act as an official representative of the Bureau at that point and a liaison agent with the British. (64-4175-54)

On August 14, 1941, it was determined after considerable effort that it would be impossible for the Bureau to send an Agent to Fort de France, Martinique, and accordingly efforts to send a man at that point were temporarily discontinued. (64-4175-52)

On August 23, 1941, the State Department requested the Bureau to send Agents to the American Embassy at Lima, Peru and Caracas, Venezuela and an Agent to Quito, Ecuador to cooperate with the Ecuadorian Government. (64-4175-66)

It will be noted that we had been attempting to assign Agents to Embassies in South America for some time and had been attempting to obtain such a request from the State Department.

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(64-4175-14)

On September 2, 1941, the Bureau advised the State Department that they believed the efficient operation of the SIS Division on a long-term basis would require the service of 250 Special Agents. (64-4100-54)

The State Department on the same date advised that it was completely in accord with this proposition. (64-4100-55)

At that time it was contemplated that this maximum number of 250 Agents would be reached by November, 1942. (64-4100-112)

On September 22, 1941, we received a request from the Embassy in Santiago, Chile for the assignment of an Agent at that point. (64-4175-89)

On September 13, 1941, [] suggested that we assign men to Trinidad and Jamaica to act as liaison representatives in the same capacity as the Agent assigned to Bermuda. (64-4175-100)

b2

b7D

After consideration by the Bureau it was determined that this additional liaison with the British was desirable and accordingly the assignment of Agents to Trinidad and Jamaica was approved and Agents dispatched to those points during February, 1942. (64-4175-101)

During the four months from July to October, 1941, coverage was increased considerably and as of October 22, 1941, we had Agents on undercover assignment at the following cities:

Bahia Blanca, Argentina
Buenos Aires, Argentina (three men)
Rosario, Argentina
La Paz, Bolivia
Bahia, Brazil
Natal, Brazil
Porto Alegre, Brazil (two men)
Rio de Janeiro, Brazil
Sao Paulo, Brazil
Concepcion, Chile
Santiago, Chile
Barranquilla, Colombia
San Jose, Costa Rica (two men)
Havana, Cuba
Guayaquil, Ecuador

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Quito, Ecuador
San Salvador, El Salvador (two men)
Guatemala City, Guatemala (two men)
Tegucigalpa, Honduras
Acapulco, Mexico
Mexico, D. F. (three men)
Tampico, Mexico
Managua, Nicaragua (two men)
Asuncion, Paraguay
Montevideo, Uruguay
Caracas, Venezuela
Maracaibo, Venezuela

During this period we had also assigned Agents in open capacities to the American Embassy at Santiago, Chile; Rio de Janeiro, Brazil and Caracas, Venezuela, which, together with the SIS representatives already assigned to the Embassy at Bogota, Colombia and Mexico, D. F., gave us a total of five Embassy representatives throughout South America.

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On November 7, 1941, we advised the State Department that it was believed highly desirable that we have Agents assigned to the American Embassy at Montevideo, Uruguay; La Paz, Bolivia and Asuncion, Paraguay. At that time the State Department advised us that at the present time the Embassies at those points were not desirous of having Bureau Agents assigned to their Embassy but that the State Department believed that in a very short time they would be receptive to that idea.

On December 11, 1941, pursuant to a desire to increase our coverage in Mexico, we dispatched seven additional Agents to Mexico with the result that we had coverage at the following points:

Acapulco
Baja California (two men)
Chihuahua
Guadalajara
Guaymas
Hermosillo
Manzanillo
Mazatlan
Mexico City (four men)
Monterrey
Tampico
Torreon
Veracruz

This additional Mexican coverage was believed desirable in view of the declaration of war to secure immediately all information available regarding any secret landing fields or other military preparations our enemies might have made in Mexico. (64-4175,121)

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On January 3, 1942, we had the following undercover representation in South and Central America:

Bahia Blanca, Argentina
Buenos Aires, Argentina (two men)
Cordoba, Argentina
La Plata, Argentina
Rosario, Argentina
Tucuman, Argentina
La Paz, Bolivia
Bahia, Brazil
Natal, Brazil
Porto Alegre, Brazil
Recife, Brazil
Rio de Janeiro, Brazil (three men)
Santos, Brazil
Sao Paulo, Brazil
Antofagasta, Chile
Santiago, Chile (two men)
Barranquilla, Colombia (two men)
Bogota, Colombia
Cali, Colombia
Medellin, Colombia
San Jose, Costa Rica
Havana, Cuba
Santiago, Cuba
Ciudad Trujillo, Dominican Republic
Guayaquil, Ecuador
Quito, Ecuador
San Salvador, El Salvador (two men)
Guatemala City, Guatemala
Port-au-Prince, Haiti
Tegucigalpa, Honduras
Acapulco, Mexico
Chihuahua, Mexico (two men)
Guadalajara, Mexico
Guayaquil, Mexico
Hermosillo, Mexico
La Paz, Baja California, Mexico
Manzanillo, Mexico
Mexico, D. F.
Monterrey, Mexico
Tampico, Mexico
Torreon, Mexico
Veracruz, Mexico
Managua, Nicaragua
Asuncion, Paraguay
Lima, Peru
Montevideo, Uruguay (three men)
Caracas, Venezuela
Maracaibo, Venezuela

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We also had Special Employees working in undercover capacities in the following cities:

Rio de Janeiro, Brazil
San Jose, Costa Rica
Havana, Cuba
Guatemala City, Guatemala
Baja California, Mexico
Mexico, D. F.
Managua, Nicaragua
Lima, Peru

In addition to these undercover representatives we had open representatives assigned to the American Embassies at the following points:

Rio de Janeiro, Brazil
Santiago, Chile
Bogota, Colombia (two men)
Quito, Ecuador
Mexico, D. F. (two men)
Lima, Peru (two men)
Caracas, Venezuela

We likewise had an Agent assigned as a liaison man with the British at Hamilton, Bermuda in an open capacity. Also during the latter part of December, 1941, we had established two individuals as traveling inspectors. Both of these men were traveling in an undercover capacity, one as a courier for the State Department and the other as a traveling news reporter.

On December 15, 1941, Mr. Tamm advised a conference at the State Department that we were most anxious to increase our courier setup in order that we might have more than one man acting as a courier and contacting our various Agents in South America. Mr. Tamm also pointed out to the State Department that it was very desirable that the diplomatic pouch be made available for our Agents to send material to the United States. Mr. Tamm also discussed the possibility of adding to our radio coverage in South America, pointing out that we were then establishing a station in Bogota, Colombia and that there would be other points in South America where it would be very advantageous to have a radio station. (64-4104-54)

On December 19, 1941, the State Department requested that we assign a cryptographer to assist [redacted] In this connection the State Department stated that Colonel Donovan had been "messaging around" with [redacted] and that this plan was apparently one of his brain children. The State Department expressed the opinion that if the Bureau could not handle this Donovan would attempt to step in. In view of this situation, the Bureau assigned a cryptographer to [redacted] (64-4175-153)

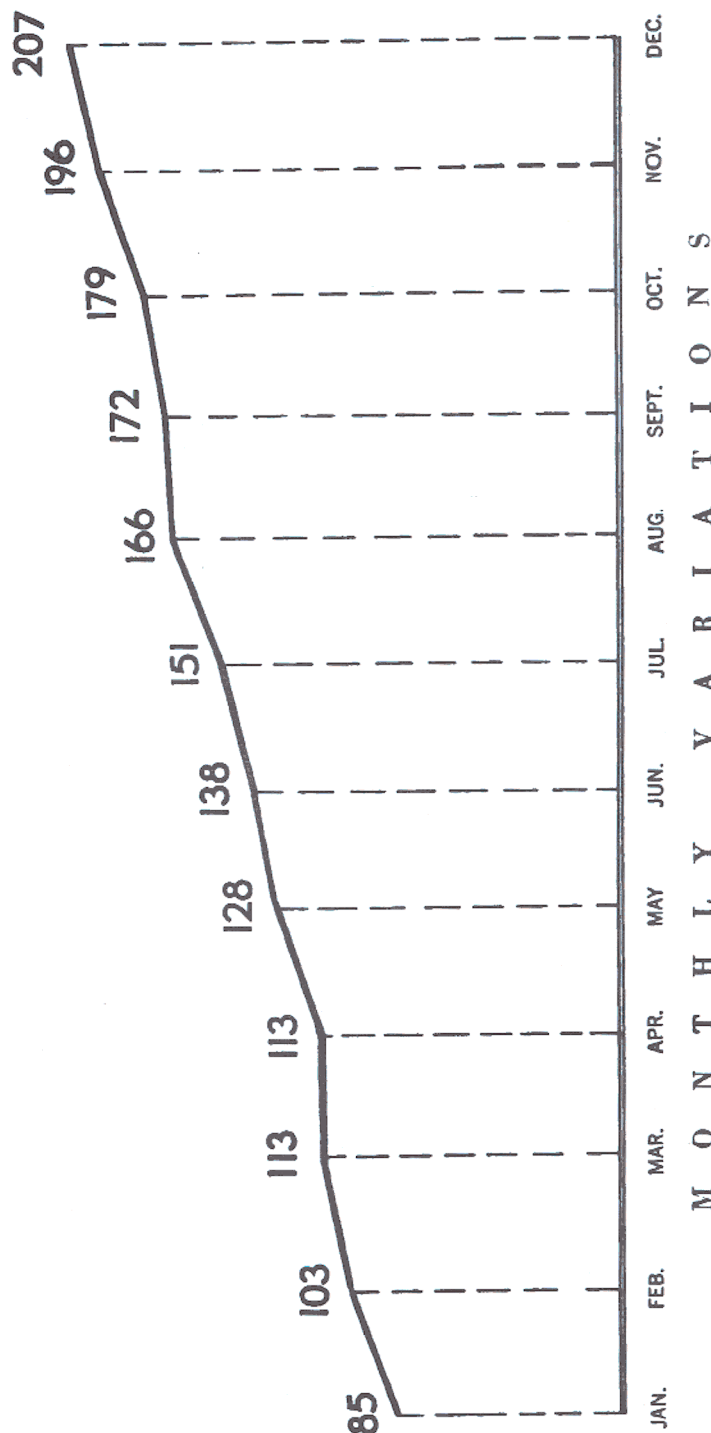
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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES ON SIS ASSIGNMENTS FOR THE YEAR

1942



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On January 14, 1942 as an example of the type of coverage obtained by the SIS Division, we were able to state that one of our undercover representatives was personally acquainted with the [redacted] and had on many occasions been invited by the [redacted] to accompany him on fishing trips, especially over the week-ends. Another undercover SIS representative was intimately acquainted with the [redacted] and in the same country another of our representatives had on many occasions discussed important matters with the [redacted]. Another SIS representative of the FBI was not only a personal acquaintance of the [redacted] but was personally acquainted with members of the [redacted] family and had on several occasions talked with the [redacted] concerning various matters. Still another representative of the FBI was personally acquainted with the [redacted] (64-4000-53).

3. 1942

On January 14, 1942, the State Department advised that the Ambassador at Santiago, Chile was desirous of having more Bureau Agents assigned to the Embassy at that point. We accordingly dispatched two additional Special Agents to that Embassy. (64-4175-127)

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[redacted]

[redacted] (64-4175-146)

[redacted]

On March 30, 1942, it was ascertained that it would be unnecessary to assign an SIS representative to Dutch Guiana in view of the fact that MID was assigning one of their undercover men to that point. (64-4175-149)

In connection with the assignment of a Bureau Agent to French Guiana it might be pointed out that up to that time it had been impossible for one of our undercover representatives to secure a visa from the French authorities for travel to that point.

b7C

On April 18, 1942, after considerable effort on the part of the Bureau and as a direct result of a visit made by Special Agent [redacted] to the American Embassy at Buenos Aires, Argentina, an invitation was finally received from the American Ambassador at that point for the Bureau to assign an Agent to work in the Embassy. (64-4175-169)

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On April 23, 1942, the State Department gave the Bureau clearance to send male stenographers to assist our representatives in Bogota, Colombia; Quito, Ecuador; Santiago, Chile; Rio de Janeiro, Brazil and Caracas, Venezuela. (64-4000-64)

On April 28, 1942, after approximately six months of discussion an Agent was finally dispatched to Canada to act as a liaison representative with the Canadian and British authorities. (64-4175-171)

As of July 1, 1942, we had undercover representatives in the following cities:

<u>Location</u>	<u>Number of Men</u>
Bahia Blanca, Argentina	one
Buenos Aires, Argentina	eleven
Cordoba, Argentina	one
Mendoza, Argentina	one
Posadas, Argentina	one
Rosario, Argentina	one
Santa Fe, Argentina	one
Tucuman, Argentina	one
Cochabamba, Bolivia	one
La Paz, Bolivia	one
Oruro, Bolivia	one
Belem, Brazil	one
Bello Horizonte, Brazil	one
Porto Alegre, Brazil	one
Recife, Brazil	one
Rio de Janeiro, Brazil	four
Sao Paulo, Brazil	three
Sao Salvador, Bahia, Brazil	one
Antofagasta, Chile	one
Concepcion, Chile	one
Puerto Varas, Chile	one
Santiago, Chile	five
Valparaiso, Chile	one
Barranquilla, Colombia	four
Bogota, Colombia	four
Cali, Colombia	one
Medellin, Colombia	one
San Jose, Costa Rica	one
Havana, Cuba	two
Ciudad Trujillo, Dominican Republic	one
Guayaquil, Ecuador	two
Quito, Ecuador	three
San Salvador, El Salvador	two

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<u>Location</u>	<u>Number of Men</u>
Guatemala City, Guatemala	one
Port-au-Prince, Haiti	one
Tegucigalpa, Honduras	two
Acapulco, Mexico	one
Baja California, Mexico	one
Chiapas, Mexico	one
Chihuahua, Mexico	two
Guadalajara, Mexico	one
Hermosillo, Mexico	one
Mazatlan, Mexico	one
Mexico, D. F.	one
Monterrey, Mexico	one
Sinaloa, Mexico	one
Tampico, Mexico	one
Torreon, Mexico	one
Managua, Nicaragua	one
Asuncion, Paraguay	four
Lima, Peru	three
Talara, Peru	one.
Montevideo, Uruguay	four
Caracas, Venezuela	four
Maracaibo, Venezuela	one

We also had Special Employees working in an undercover capacity in the following places:

Rio de Janeiro, Brazil	(three men)
Santiago, Chile	(two men)
Bogota, Colombia	
San Jose, Costa Rica	(two men)
Havana, Cuba	
Quito, Ecuador	(two men)
Guatemala City, Guatemala	
Baja California, Mexico	(two men)
Mexico, D. F.	(three men)
Sonora, Mexico	
Managua, Nicaragua	
Panama City, Panama	(two men)
Lima, Peru	(two men)

We also had men stationed in the Embassies, Legations or Consulates at the following points:

Buenos Aires, Argentina	
La Paz, Bolivia	(two men)
Rio de Janeiro, Brazil	(two men)

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Santiago, Chile (three men)
Valparaiso, Chile
Bogota, Colombia (three men)
Quito, Ecuador (two men)
Port-au-Prince, Haiti
Mexico, D. F. (two men)
Lima, Peru
Montevideo, Uruguay
Caracas, Venezuela

In addition we had men stationed at Hamilton, Bermuda; Ottawa, Canada; Port of Spain, Trinidad and Kingston, Jamaica.

We also had an Agent at Managua, Nicaragua and an Agent at Havana, Cuba in open capacity engaged in police training projects.

We had increased our inspection staff to three, two of these inspectors being undercover and the other traveling openly as a representative of the Bureau. Furthermore, as of July 1, 1942, we had radio operators stationed in Bogota, Colombia; Santiago, Chile; Rio de Janeiro, Brazil and Quito, Ecuador. We also had a cryptographer assigned to the Embassy at

b7D

On July 3, 1942, the American Ambassador at Santiago, Chile recommended that FBI Agents be assigned as Vice Consuls in seven additional points in Chile. (64-4175-244)

In this connection it might be noted that while in many cases we had extreme difficulty in obtaining an original request from the American Ambassador for an Agent to be assigned to his Embassy, that after such requests had been obtained and Agents assigned to the Embassy, it was possible for these Agents in practically all cases to sell themselves and the work of the Bureau to the Ambassador to such an extent that all requests for additional personnel were readily granted and many times requests were made without being solicited by the Bureau.

On July 28, 1942, the State Department advised the Bureau that the American Ambassador in Argentina had requested that we assign Agents to the Consulates at Rosario and Bahia Blanca as assistants to the Consul. Accordingly these Agents were dispatched during August 1942. (64-4175-202)

As of September 30, 1942, at which time there were 197 Agents on SIS assignment, the number of Agents to be used on SIS assignment was increased and at that time it was planned to increase the SIS Division to 350 Agents by June 30, 1943 and to continue this increase until a total of 500 Agents was reached, probably during December, 1943, which number it was believed would be sufficient to give the Bureau proper coverage in South and Central America. (64-4100-156)

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES ON SIS ASSIGNMENTS FOR THE YEAR

1943



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The State Department advised of its approval of this contemplated expansion and the SIS Division continued its expansion at the approximate rate of 25 Agents per month towards the goal of 500 Agents. (64-4100-162)

4. 1943

As of January 4, 1943 we had undercover representatives in the following cities:

<u>Location</u>	<u>Number of Men</u>
Bahia Blanca, Argentina	one
Buenos Aires, Argentina	eighteen
Cordoba, Argentina	one
La Plata, Argentina	one
Mar del Plata, Argentina	one
Mendoza, Argentina	one
Rosario, Argentina	one
Tucuman, Argentina	one
La Paz, Bolivia	two
Sucre, Bolivia	one
Recife, Brazil	one
Rio de Janeiro, Brazil	six
Sao Paulo, Brazil	six
Concepcion, Chile	one
Puerto Montt, Chile	one
Santiago, Chile	five
Valparaiso, Chile	two
Bogota, Colombia	four
Buenaventura, Colombia	one
Cali, Colombia	one
Medellin, Colombia	one
San Jose, Costa Rica	one
Havana, Cuba	three
Guayaquil, Ecuador	one
Quito, Ecuador	two
San Salvador, El Salvador	one
Guatemala City, Guatemala	two
Port-au-Prince, Haiti	one
Tegucigalpa, Honduras	two
Beja California, Mexico	one
Chihuahua, Mexico	one
Guadalajara, Mexico	two
Hermosillo, Mexico	one
Mazatlan, Mexico	one
Merida, Mexico	two
Mexico, D. F.	seven
Monterrey, Mexico	one
Tampico, Mexico	two
Veraacruz, Mexico	two
Managua, Nicaragua	one

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<u>Location</u>	<u>Number of Men</u>
Asuncion, Paraguay	two
Lima, Peru	six
San Salvador, El Salvador	one
Montevideo, Uruguay	three
Caripito, Venezuela	one
Caracas, Venezuela	four
Maracaibo, Venezuela	one

We had in addition Special Employees working in undercover capacities in the following places:

Rio de Janeiro, Brazil
San Jose, Costa Rica (two men)
Havana, Cuba
Guatemala City, Guatemala
Acapulco, Mexico
Baja California, Mexico (two men)
Chihuahua, Mexico
Mexico, D. F.
Tampico, Mexico
Managua, Nicaragua
Panama City, Panama (three men)
Lima, Peru (two men)

We also had Agents assigned in open capacity at the following Embassies, Legations and Consulates:

<u>Location</u>	<u>Number of Men</u>
Bahia Blanca, Argentina	one
Buenos Aires, Argentina	five
Rosario, Argentina	one
La Paz, Bolivia	two
Bahia, Brazil	one
Belem, Brazil	one
Fortaleza, Brazil	one
Natal, Brazil	one
Porto Alegre, Brazil	one
Recife, Brazil	one
Rio de Janeiro, Brazil	three
Santos, Brazil	one
Sao Paulo, Brazil	two
Victoria, Brazil	one
Antofagasta, Chile	one
Arica, Chile	one
Concepcion, Chile	one
Osorno, Chile	one

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<u>Location</u>	<u>Number of Men</u>
Punta Arenas, Chile	one
Santiago, Chile	five
Tocopilla, Chile	one
Valdivia, Chile	one
Valparaiso, Chile	two
Barranquilla, Colombia	one
Bogota, Colombia	two
Medellin, Colombia	one
San Jose, Costa Rica	two
Antilla, Cuba	one
Cienfuegos, Cuba	one
Havana, Cuba	nine
Santiago de Cuba	one
Ciudad Trujillo, Dominican Republic	two
Guayaquil, Ecuador	one
Quito, Ecuador	three
San Salvador, El Salvador	one
Guatemala City, Guatemala	one
Port-au-Prince, Haiti	one
Mexico, D. F.	four
Managua, Nicaragua	one
Asuncion, Paraguay	one
Lima, Peru	three
Montevideo, Uruguay	four
Caracas, Venezuela	two

We also had Agents assigned as liaison representatives with the British at the following places:

Hamilton, Bermuda
Ottawa, Canada
London, England
Kingston, Jamaica
Port-of-Spain, Trinidad

We also had three Agents assigned as plant protection advisors to the Bolivian Government at La Paz acting in an open capacity.

Furthermore, we had Agents in open capacities conducting police schools at the following places:

Havana, Cuba
Managua, Nicaragua

Our inspection staff had not been increased and we still had three inspectors, two traveling in undercover capacities and one traveling in the open.

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We had two radio operators assigned to each of the following cities:

Rio de Janeiro, Brazil
Santiago, Chile
Bogota, Colombia
Havana, Cuba
Quito, Ecuador
Lima, Peru
Montevideo, Uruguay

Clerical employees had been assigned to the following Embassies, Legations and Consulates:

Buenos Aires, Argentina (three men)
La Paz, Bolivia (two men)
Rio de Janeiro, Brazil (two men)
Santiago, Chile (four men)
Valparaiso, Chile
Barranquilla, Colombia
Bogota, Colombia (three men)
San Jose, Costa Rica
Medellin, Colombia
Havana, Cuba (four men)
Ciudad Trujillo, Dominican Republic
Quito, Ecuador
Guatemala, Guatemala
Mexico, D. F. (two men)
Managua, Nicaragua
Lima, Peru (three men)
Asuncion, Paraguay
Montevideo, Uruguay (three men)
Caracas, Venezuela

b7D

Furthermore, we had a translator assigned to the Embassy at Havana, Cuba and a cryptographer assigned to the Embassy at

On October 19, 1942, a Special Agent was loaned by the Bureau to the War Department for a confidential investigation in Moscow, Russia, from which he returned on June 4, 1943.

During January 1943 the Bureau dispatched a group of eighteen Special Agents, together with five Stenographers to South America to conduct a series of plant surveys throughout Central and South America. The last of this group of Agents returned to the United States in June 1943, the group having surveyed approximately 100 facilities throughout the various countries of Latin America.

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On January 2, 1943, the Bureau loaned three Special Agents to the State Department to work under cover in the Embassy Code Rooms at Madrid, Spain, London, England, and Stockholm, Sweden.

On January 15, 1943, Assistant Director P. E. Foxworth and Special Agent Harold D. Haberfeld were killed in the crash of an Army Transport Plane in the jungles of Dutch Guiana while en route to North Africa on a special mission for the War Department. The Bureau immediately thereafter sent two other Special Agents to complete this mission for the War Department. These Agents returned to the United States in August 1943.

In March 1943 the Bureau discussed with the State Department the possibility of assigning a Special Agent at Lisbon, Portugal as a liaison officer. (64-4175-371) This proposal was approved by the State Department on July 1, 1943 (64-4175-379) and on August 8, 1943 a Special Agent of the Bureau was dispatched to the American Legation at Lisbon, Portugal to act as a liaison officer at that point. A Bureau Stenographer was also sent to Lisbon to assist this Agent in the clerical and stenographic work in connection with his assignment.

During the period from March to November 1943 the Bureau's SIS offices advised the Seat of Government of all travelers proceeding to the United States from the various countries in which they were located. During November 1943 it was ascertained that the domestic field was also submitting this information to the Bureau, having increased its coverage in this regard and, hence, it was possible for SIS offices to discontinue sending this information. (64-4104-521)

On August 19, 1943 a technical expert from the FBI Laboratory was dispatched on a confidential mission for the State Department to the American Legation at Lisbon, Portugal and the American Embassy at Madrid, Spain to test the security of these offices from possible technical surveillances on the part of the enemy.

The expansion of the SIS Division was continued until October 4, 1943, at which time the Director advised that the number of persons on SIS assignment should not be increased and that no additional employees should be sent on an SIS assignment without his personal approval. (64-4104-505) At that time the Bureau had 583 employees assigned to the SIS Division, including 94 employees assigned to the Seat of Government and the New York City SIS Office. As of October 1, 1943 we had the following coverage:

SPECIAL AGENTS UNDER COVER

<u>Location</u>	<u>Number of Men</u>
Buenos Aires, Argentina	thirty-four
Cordova, Argentina	one

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<u>Location</u>	<u>Number of Men</u>
La Plata, Argentina	one
Rosario, Argentina	one
Tucuman, Argentina	one
La Paz, Bolivia	four
Sucre, Bolivia	one
Bahia, Brazil	two
Belem, Brazil	one
Bello Horizonte, Brazil	two
Belterra, Brazil	one
Porto Alegre, Brazil	two
Recife, Brazil	one
Rio de Janeiro, Brazil	ten
Rio Grande, Brazil	one
Sao Paulo, Brazil	seven
Santiago, Chile	sixteen
Valparaiso, Chile	two
Barranquilla, Colombia	one
Bogota, Colombia	six
Buenaventura, Colombia	one
Medellin, Colombia	one
San Jose, Costa Rica	one
Havana, Cuba	four
Ciudad Trujillo, Dominican Republic	one
Cuenca, Ecuador	one
Guayaquil, Ecuador	one
Quito, Ecuador	four
Guatemala City, Guatemala	three
Tegucigalpa, Honduras	one
Chihuahua, Mexico	one
Guadalajara, Mexico	one
La Paz, Mexico	one
Mexico, D. F.	twenty
Monterrey, Mexico	one
Pueblo, Mexico	one
San Luis Potosi, Mexico	one
Managua, Nicaragua	one
Asuncion, Paraguay	one
Arequipa, Peru	two
Lima, Peru	thirteen
Montevideo, Uruguay	eight
Caracas, Venezuela	six
Caripito, Venezuela	one
Maracaibo, Venezuela	one

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SPECIAL EMPLOYEES UNDER COVER

<u>Location</u>	<u>Number of Men</u>
Buenos Aires, Argentina	one
Rio de Janeiro, Brazil	one
San Jose, Costa Rica	two
Havana, Cuba	one
Mexico, D. F., Mexico	two
Panama City, Panama	three
Lima, Peru	one

AGENTS ASSIGNED TO EMBASSIES, LEGATIONS AND CONSULATES

<u>Location</u>	<u>Number of Men</u>
Bahia Blanca, Argentina	one
Buenos Aires, Argentina	ten
Mendoza, Argentina	one
Rosario, Argentina	one
Cochabamba, Bolivia	two
La Paz, Bolivia	eight
Belem, Brazil	one
Bello Horizonte, Brazil	one
Corumba, Brazil	one
Curitiba, Brazil	one
Florianopolis, Brazil	one
Fortaleza, Brazil	one
Manaos, Brazil	one
Natal, Brazil	one
Porto Alegre, Brazil	one
Recife, Brazil	one
Rio de Janeiro, Brazil	six
Santos, Brazil	one
Sao Paulo, Brazil	two
Victoria, Brazil	one
Antofagasta, Chile	one
Arica, Chile	one
Concepcion, Chile	one
Coquimbo, Chile	one
Los Andes, Chile	one
Osorno, Chile	one
Puerta Arenas, Chile	one
Santiago, Chile	nine
Temuco, Chile	one
Valdivia, Chile	two
Valparaiso, Chile	three
Barranquilla, Colombia	one
Bogota, Colombia	two
Cali, Colombia	two
Cartegena, Colombia	one
Medellin, Colombia	one

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AGENTS ASSIGNED TO EMBASSIES, LEGATIONS AND CONSULATES (Continued)

<u>Location</u>	<u>Number of Men</u>
Limon, Costa Rica	one
Puentarenas, Costa Rica	one
San Jose, Costa Rica	three
Camaguey, Cuba	one
Havana, Cuba	eleven
Santiago de Cuba, Cuba	one
Ciudad Trujillo, Dominican Republic	two
Guayaquil, Ecuador	two
Quito, Ecuador	five
Guatemala City, Guatemala	two
Port-au-Prince, Haiti	two
Mexico, D. F., Mexico	nine
Managua, Nicaragua	two
Asuncion, Paraguay	two
Arequipa, Peru	one
Lima, Peru	five
San Salvador, El Salvador	one
Montevideo, Uruguay	five
Caracas, Venezuela	fourteen
Carapito, Venezuela	one
Ciudad Bolivar, Venezuela	one
Maracaibo, Venezuela	one

We also had Special Agents assigned as Liaison Officers at the following places:

Hamilton, Bermuda	
Ottawa, Canada	
London, England	two
Kingston, Jamaica	
Lisbon, Portugal	
Port-au-Spain, Trinidad	two

We had Agents assigned as Liaison Officers with the local Police Departments at the following places:

Rio de Janeiro, Brazil	
Sao Paulo, Brazil	
Santiago, Chile	
Bogota, Colombia	two
Havana, Cuba	
Quito, Ecuador	
Managua, Nicaragua	
Lima, Peru	

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We had Agents assigned as Plant Security Officers at the following places:

La Paz, Bolivia
Rio de Janeiro, Brazil
Santiago, Chile
Bogota, Colombia
Quito, Ecuador
Caracas, Venezuela

We had five Special Agents acting as traveling Legal Attaches and doing trouble-shooting work at various places, three of these individuals being under cover and the other two in the open.

We had four Special Agents on confidential assignment for the State Department outside the Western Hemisphere located in London, England; Stockholm, Sweden; Lisbon, Portugal; and Madrid, Spain.

We had radio stations with two radio operators at the following cities:

La Paz, Bolivia
Rio de Janeiro, Brazil
Santiago, Chile
Bogota, Colombia
San Jose, Costa Rica
Havana, Cuba
Ciudad Trujillo, Dominican Republic
Quito, Ecuador
Port-au-Prince, Haiti
Asuncion, Paraguay
Lima, Peru (four operators)
Montevideo, Uruguay

CLERICAL EMPLOYEES ASSIGNED TO EMBASSIES, LEGATIONS, AND CONSULATES

<u>Location</u>	<u>Number of Men</u>
Buenos Aires, Argentina	eight
Cochabamba, Bolivia	one
La Paz, Bolivia	three
Natal, Brazil	one
Recife, Brazil	one
Rio de Janeiro, Brazil	seven
Sao Paulo, Brazil	one
Santiago, Chile	eleven
Valparaiso, Chile	one
Bogota, Colombia	three
Cali, Colombia	one
Medellin, Colombia	one
San Jose, Costa Rica	two
Camaguey, Cuba	one
Havana, Cuba	four

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CLERICAL EMPLOYEES ASSIGNED TO EMBASSIES, LEGATIONS, AND CONSULATES (continued)

<u>Location</u>	<u>Number of Men</u>
Ciudad Trujillo, Dominican Republic	one
Quito, Ecuador	four
London, England	two
Guatemala City, Guatemala	two
Port-au-Prince, Haiti	one
Kingston, Jamaica	one
Mexico, D. F., Mexico (two under cover)	six
Managua, Nicaragua	one
Asuncion, Paraguay	two
Arequipa, Peru	one
Lima, Peru	nine
Lisbon, Portugal	one
Montevideo, Uruguay	three
Caracas, Venezuela	eight
Maracaibo, Venezuela	one

Furthermore, we had Translators assigned to Buenos Aires, Argentina; Santiago, Chile; Havana, Cuba; Mexico, D. F., Mexico; Lima, Peru; Caracas, Venezuela; Code Clerks at Buenos Aires, Argentina; Rio de Janeiro, Brazil; and Santiago, Chile; Photographers in Mexico, D. F. and Lima, Peru; and a Cryptographer in Mexico, D. F.

On October 19, 1943 a Special Agent was assigned as a Liaison Officer with the Army authorities in North Africa and Italy.

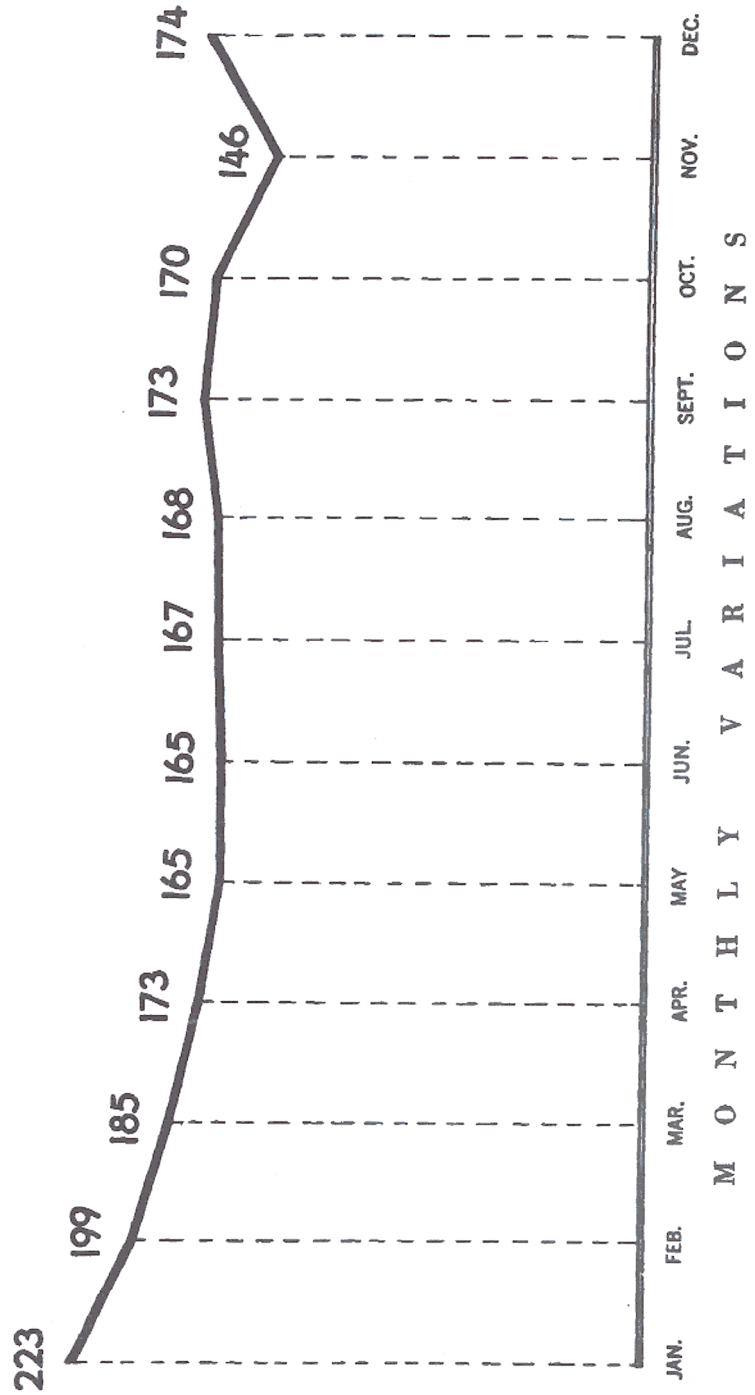
A letter dated October 25, 1943 was received from the State Department advising that the Bureau's SIS was probably duplicating the work of the State Department in the economic, political, industrial, and financial fields. (64-5002-162) Immediately following the receipt of this letter the Director issued instructions for all Bureau representatives to discontinue gathering any information along these lines and immediately instituted a drastic reduction program as regards the personnel assigned by the Bureau to SIS work. During November and December 1943 approximately 136 Special Agents were recalled from SIS assignment. On November 16, 1943 the State Department advised that they were becoming worried over the Bureau's reduction of SIS personnel in Latin America. (64-4104-517) On November 17, 1943 the State Department advised that a number of complaints had been received from various Ambassadors because of the Bureau's reduction in SIS personnel assigned to their various posts. (64-5002-163) On December 27, 1943 the State Department directed a letter to the Bureau requesting us to resume our work in the economic, political, industrial, and financial fields. The Bureau complied with this request on the part of the State Department but kept the number of personnel on SIS assignment in a static condition.

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES ON SIS ASSIGNMENTS FOR THE YEAR

1944



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5. 1944

As of March 1, 1944 the Bureau had the following personnel on SIS assignment:

SPECIAL AGENTS ON ASSIGNMENT

<u>Location</u>	<u>Under cover</u>	<u>Assigned to Embassies, Legations and Consulates</u>
Bahia Blanca, Argentina		eight
Rosario, Argentina		one
La Paz, Bolivia		two
Bahia, Brazil		one
Belem, Brazil		two
Curitiba, Brazil		one
Natal, Brazil		one
Rio de Janeiro, Brazil	six	four
Sao Paulo, Brazil	four	two
Antofagasta, Chile		one
Concepcion, Chile		one
Santiago, Chile	six	six
Valdivia, Chile		one
Valparaiso, Chile	one	two
Barranquilla, Colombia		one
Bogota, Colombia	three	two
Cali, Colombia	seven	two
Medellin, Colombia	one	
San Jose, Costa Rica		one
Havana, Cuba	two	nine
Ciudad Trujillo, D. R.		two
Cuenca, Ecuador	one	
Guayaquil, Ecuador	one	two
Quito, Ecuador		one
Guatemala City, Guatemala	one	two
Port-au-Prince, Haiti		one
Tegucigalpa, Honduras	one	
Mexico, D. F., Mexico	sixteen	nine
San Luis Potosi, Mexico	one	
Veracruz, Mexico	one	
Managua, Nicaragua		one
Asuncion, Paraguay		two
Arequipa, Peru		one
Lima, Peru	four	four
San Salvador, El Salvador		one
Montevideo, Uruguay	six	two
Caracas, Venezuela	one	five
Maracaibo, Venezuela		one

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SPECIAL EMPLOYEES UNDER COVER

<u>Location</u>	<u>Number of Men</u>
Buenos Aires, Argentina	one
Rio de Janeiro, Brazil	one
Santiago, Chile	one
San Jose, Costa Rica	one
Havana, Cuba	one
Quito, Ecuador	one
Mexico, D. F., Mexico	two
Panama City, Panama	three
Lima, Peru	two

SPECIAL AGENTS ASSIGNED AS LIAISON OFFICERS WITH THE BRITISH AT THE
FOLLOWING POINTS:

Hamilton, Bermuda
Ottawa, Canada
London, England (two)
Kingston, Jamaica
Lisbon, Portugal
Port-of-Spain, Trinidad

We had Special Agents assigned as Liaison Officers with the local police and as Plant Security Officers at the following places:

<u>Police Liaison</u>	<u>Plant Security</u>
Porto Alegre, Brazil	La Paz, Bolivia
Rio de Janeiro, Brazil	Rio de Janeiro, Brazil
Sao Paulo, Brazil	
Santiago, Chile	Santiago, Chile
Bogota, Colombia	Bogota, Colombia
Quito, Ecuador (two men)	
Lima, Peru	
Caracas, Venezuela	Caracas, Venezuela

We had three Special Agents on confidential assignment outside the Western Hemisphere. As of this date, a Bureau Inspector, assisted by the Assistant Chief of the SIS Division, was making an inspection of SIS offices. We had the following clerical and special personnel on assignment:

<u>Clerical</u>	<u>Radio Operators</u>	<u>Special</u>
Buenos Aires, Argentina - 8		Code Clerk Translator

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<u>Clerical</u>	<u>Radio Operators</u>	<u>Special</u>
La Paz, Bolivia - 1	1	
Natal, Brazil - 1		
Rio de Janeiro, Brazil - 6	3	Photographer
Sao Paulo, Brazil - 1		
Santiago, Chile - 5	1	Code Clerk Translator
Bogota, Colombia - 4	2	
San Jose, Costa Rica - 1	1	
Havana, Cuba - 5	3	Translator
Ciudad Trujillo, D. R. - 1		
Quito, Ecuador - 2		
London, England - 2		
Guatemala City, Guatemala - 2		
Port-au-Prince, Haiti - 1		
Kingston, Jamaica - 1		
Mexico, D. F., Mexico - 11		Cryptographer Photographer Translator
Managua, Nicaragua - 1		
Asuncion, Paraguay - 1	2	
Lima, Peru - 4	3	
Lisbon, Portugal - 1		
San Salvador, El Salvador - 1		
Montevideo, Uruguay - 1	3	
Caracas, Venezuela - 3		Translator

We also had, as of this date, two Radio Operators in a constant travel status acting as relief Operators at the various SIS stations. As of March 1, 1944, a Special Agent of the Bureau had been approved for assignment as Liaison Officer to the American Embassy at Madrid, Spain and was making preparations for his departure in the immediate future.

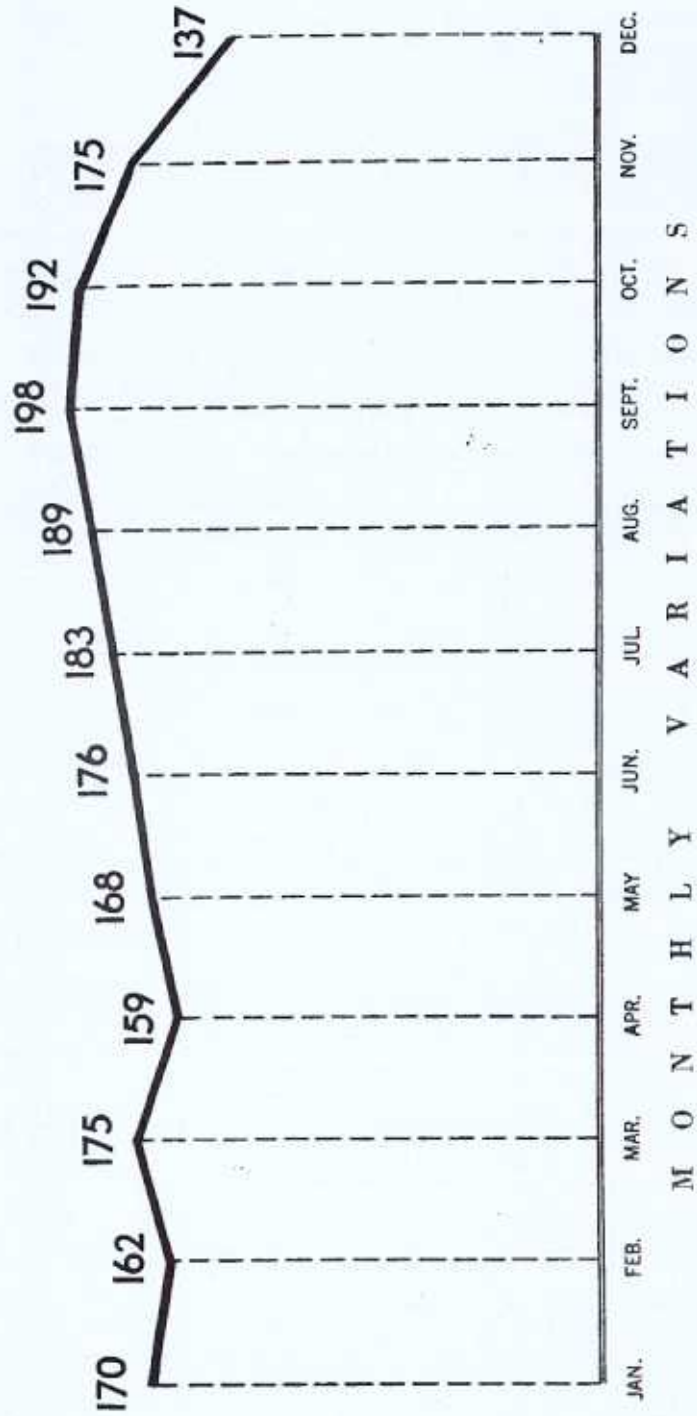
On February 27, 1944, Special Agent Quenton H. Plunkett, who was assigned as a Liaison Officer with the Colombian National Police at Bogota, Colombia, was killed in the crash of a private airplane near Marulanda, Colombia.

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES
ON SIS ASSIGNMENTS FOR THE YEAR

1945



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In June, 1944, Special Agent John F. Sullivan, the Bureau's representative in Kingston, Jamaica, British West Indies, was recalled, since it was believed that it was no longer necessary to maintain representation in Jamaica.

In August, 1944, Special Agent [] was sent to Curacao, Netherlands West Indies. Prior to this time the Bureau had had no representation in Curacao. It should be noted that this representation established for the first time contact with the Dutch, and this direct contact was maintained until December, 1945. b7C

In September, 1944, Special Agent [] was sent to Tegucigalpa, Honduras, as Legal Attache. United States Ambassador to Honduras John D. Erwin had insisted that no Legal Attache be assigned to his Embassy, but the State Department authorized the sending of a Legal Attache to that country over the objections of the Ambassador. b7C

By January 1, 1945, the Bureau personnel assigned to foreign fields was as follows:

Special Agents	158
Special Employees	10
Clerical Employees	79
Miscellaneous Employees	4
Radio Employees	16
	<u>267</u>

Of this total, three clerical employees and seven Special Agents had been approved for recall and had been advised to proceed to the United States for assignment to the domestic field.

6. 1945

As of January 1, 1945, the Bureau had the following personnel on SIS assignment:

Special Agents on Assignment

<u>Location</u>	<u>Undercover</u>	<u>Assigned to Embassy, Legation or Consulate</u>	<u>Police Liaison</u>	<u>Security Officer</u>
Buenos Aires, Argentina	6	11	0	0
La Paz, Bolivia	0	3	0	0
Bahia, Brazil	0	1	0	0
Curitiba, Brazil	0	1	0	0
Natal, Brazil	0	1	0	0
Porto Alegre, Brazil	0	1	1	0
Rio de Janeiro, Brazil	5	3	1	1

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Special Agents on Assignment (Continued)

<u>Location</u>	<u>Undercover</u>	<u>Assigned to Embassy, Legation or Consulate</u>	<u>Police Liaison</u>	<u>Security Officer</u>
Sao Paulo, Brazil	0	2	1	0
Antofagasta, Chile	0	2	0	0
Santiago, Chile	4	6	1	0
Valparaiso, Chile	0	1	0	0
Barranquilla, Colombia	0	2	0	0
Bogota, Colombia	5	3	2	0
Cali, Colombia	0	1	0	0
San Jose, Costa Rica	0	1	0	0
Havana, Cuba	3	5	2	0
Curacao, N.W.I.	0	1	0	0
Ciudad Trujillo, D.R.	0	2	0	0
Guayaquil, Ecuador	0	2	0	0
Quito, Ecuador	0	1	2	0
London, England	0	2	0	0
Guatemala City, Guatemala	1	2	0	0
Port-au-Prince, Haiti	0	2	0	0
Tegucigalpa, Honduras	1	1	0	0
Mexico City, Mexico	17	8	0	0
Managua, Nicaragua	0	2	0	0
Asuncion, Paraguay	0	2	0	0
Arequipa, Peru	0	1	0	0
Lima, Peru	5	2	1	0
Lisbon, Portugal	0	2	0	0
San Salvador, El Salvador	0	1	0	0
Madrid, Spain	0	1	0	0
Basel, Switzerland	1	0	0	0
Montevideo, Uruguay	2	3	0	0
Caracas, Venezuela	1	4	1	0
Maracaibo, Venezuela	0	1	0	0
Total:	51	84	12	1

Special Employees Undercover

<u>Location</u>	<u>Number of Men</u>
Buenos Aires, Argentina	2
San Jose, Costa Rica	1
Havana, Cuba	1
Mexico City	2
Panama City	3
Lima	1
Total:	10

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Special Agents
Assigned as Liaison Officers:

<u>Location</u>	<u>Number of Men</u>
Ottawa, Canada	1
Paris, France	5
Rome, Italy	3
Port-of-Spain, Trainidad	<u>1</u>
Total:	10

Clerical and Special
Personnel on Assignment

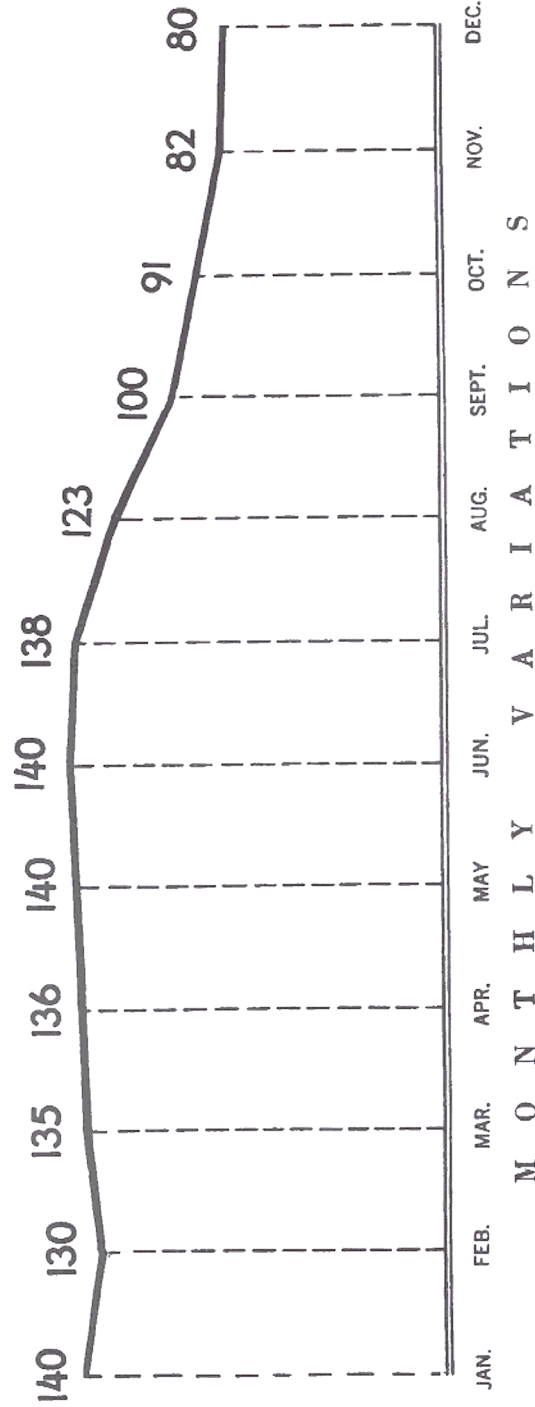
<u>Location</u>	<u>Clerical Personnel</u>	<u>Radio Operators</u>	<u>Special Personnel</u>
Buenos Aires, Argentina	6	1	1
La Paz, Bolivia	3	1	0
Natal, Brazil	1	0	0
Rio de Janeiro, Brazil	7	1	0
Sao Paulo, Brazil	1	0	0
Santiago, Chile	6	1	0
Bogota, Colombia	4	2	0
San Jose, Costa Rica	2	1	0
Havana, Cuba	7	1	1
Ciudad Trujillo, D. R.	1	0	0
Guayaquil, Ecuador	1	0	0
Quito, Ecuador	3	1	0
London, England	2	0	0
Guatemala City, Guatemala	2	0	0
Port-au-Prince, Haiti	1	0	0
Rome, Italy	1	0	0
Mexico City, Mexico	11	0	1
Managua, Nicaragua	1	0	0
Asuncion, Paraguay	2	1	0
Lima, Peru	4	3	0
Lisbon, Portugal	2	0	0
San Salvador, El Salvador	3	1	0
Madrid, Spain	1	0	0
Port-of-Spain, Trinidad	1	0	0
Montevideo, Uruguay	2	2	0
Caracas, Venezuela	<u>4</u>	<u>0</u>	<u>1</u>
Totals:	79	16	4

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES ON SIS ASSIGNMENTS FOR THE YEAR

1946



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7. 1946

On May 4, 1945, a Bureau Agent was sent to Panama to function as Legal Attache in the American Embassy in that city. However, this Special Agent did not have the usual jurisdiction of our Legal Attaches throughout Latin America, and he was restricted to purely liaison activities. It was found that this arrangement did not work satisfactorily and after refusal of the military authorities to grant the Bureau appropriate jurisdiction in Panama, the Legal Attache there was instructed to close his office on May 14, 1946.

In the latter part of 1945, the Bureau determined that due to peacetime conditions our representation in the Caribbean area could be reduced; therefore, on December 20, 1945, the office of the Legal Attache at Curacao, N.W.I. was closed and on January 1, 1946, our liaison representative with the British at Port of Spain, Trinidad, was removed.

As of June 1, 1946, the following employees were on SIS assignment abroad:

Special Agents	133
Special Employees	7
Clerks	95
Radio Employees	<u>21</u>
Total	256

8. 1947

Between June 1, 1946 and May 1, 1947, all SIS personnel were recalled to the United States except for those remaining at Liaison Posts in Madrid, Spain; Paris, France; London, England; Ottawa, Canada; Mexico City, Mexico; Havana, Cuba and Rio de Janeiro, Brazil. The closing dates of the various SIS Offices are set out below:

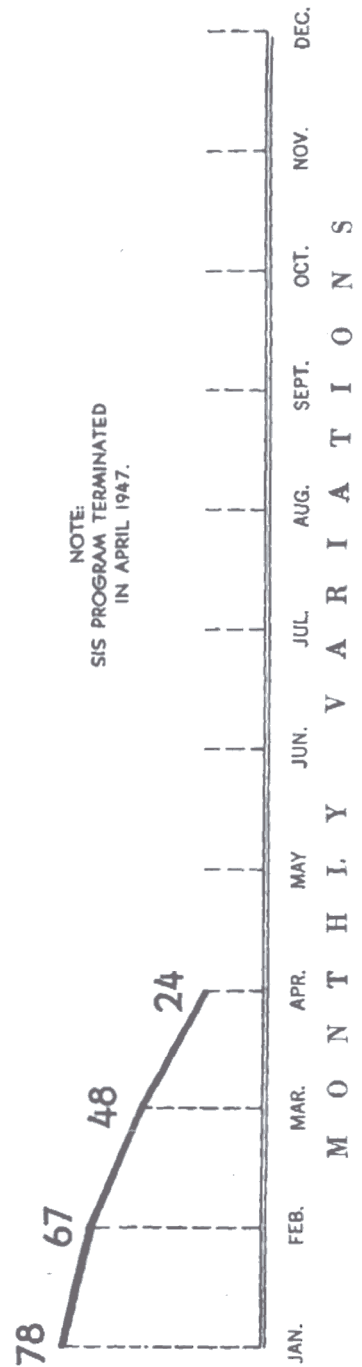
	<u>1946</u>
Panama, R. P.....	August 9
Ciudad Trujillo, D. R.....	August 15
San Jose, Costa Rica.....	August 15
Tokyo, Japan.....	August 30
Lisbon, Portugal.....	September 13
Rome, Italy.....	October 8

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NUMBER OF SPECIAL AGENTS AND SPECIAL EMPLOYEES
ON SIS ASSIGNMENTS FOR THE YEAR

1947

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1947

Rio de Janeiro, Brazil..... January 20 (Police
Liaison Agent remained)
Asuncion, Paraguay..... February 3
Montevideo, Uruguay..... February 6
Buenos Aires, Argentina..... February 10
Santiago, Chile..... February 24
LaPaz, Bolivia..... March 3
Lima, Peru..... March 7
Quito, Ecuador..... March 12
Bogota, Colombia..... March 17
Caracas, Venezuela..... March 20
Managua, Nicaragua..... March 27
Tegucigalpa, Honduras..... March 31
San Salvador, El Salvador..... April 2
Guatemala City, Guatemala..... April 4
Mexico City, Mexico..... April 8 (Two Police
Liaison Agents remained)
Havana, Cuba..... April 14 (Police
Liaison Agent remained)
Port-au-Prince, Haiti..... April 28

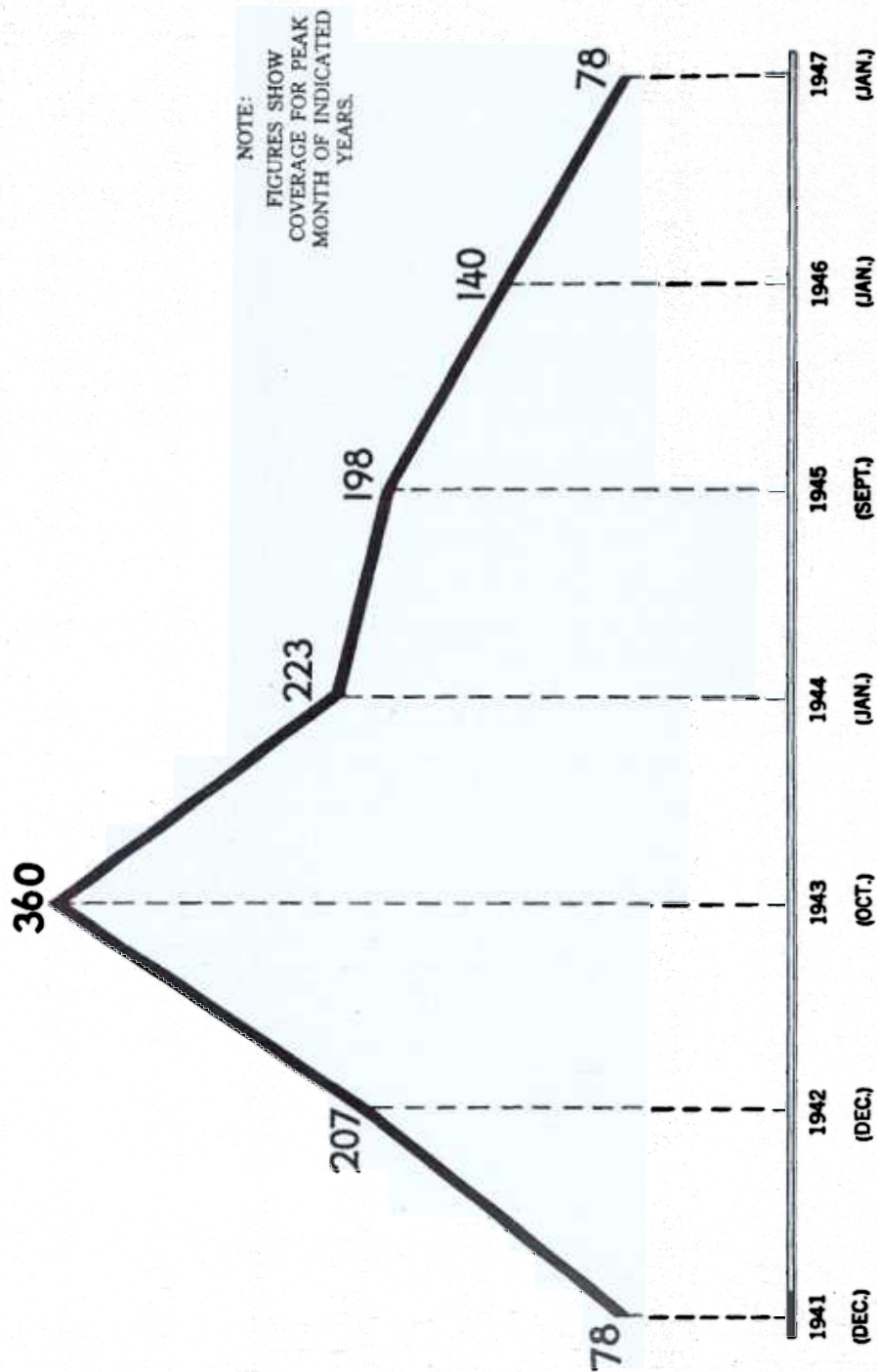
As of May 1, 1947, only 10 Special Agents and 9 Clerical Employees
remained on foreign assignment at the various Liaison Posts.

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MAXIMUM COVERAGE BY SPECIAL AGENTS AND SPECIAL EMPLOYEES ON SIS ASSIGNMENTS

1941-1947



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9. Development of Legal Attache System

At the inception of the SIS program, Agents were sent to the various sections of the Latin American countries with only general instructions as to what types of information should be obtained and how the investigations should be conducted. It had become apparent by Autumn of 1942 that the endeavors of the various Agents within the countries needed to be correlated and directed. It was with this thought in mind that one Agent in each country was designated in charge of activities in that particular country. His duties consisted of correlating the efforts of the Agents, keeping them in touch with Bureau instructions, assigning work in special cases, and in general having the general relation to the men in that particular country that a Special Agent in Charge has to the Agents in the various domestic Bureau field divisions.

It was approximately at the same time that the Bureau was successful in placing an Agent in the Embassies in the various countries in Latin America who were, with the consent of the State Department, designated as Legal Attaches. The Legal Attaches were designated as in charge of the Bureau's activities in the various countries and it was the responsibility of each Legal Attache to properly correlate and direct the work of the Bureau in that country. By June 30, 1944, the Bureau had Legal Attaches stationed in the United States Embassies in the following places in the Western Hemisphere:

Lima, Peru
San Salvador, El Salvador
Port of Spain, Trinidad
Montevideo, Uruguay
Caracas, Venezuela
Buenos Aires, Argentina
La Paz, Bolivia
Rio de Janeiro, Brazil
Santiago, Chile
Bogota, Colombia
San Jose, Costa Rica
Havana, Cuba
Ciudad Trujillo, Dominican Republic
Quito, Ecuador
Guatemala City, Guatemala
Port au Prince, Haiti
Mexico, D.F., Mexico
Managua, Nicaragua
Asuncion, Paraguay

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In addition to the foregoing Legal Attaches in the Western Hemisphere, Legal Attaches had also been stationed for liaison purposes in the Embassies at London, England, Lisbon, Portugal, and Madrid, Spain.

As time passed and the work of the Agents within each of the countries was more closely correlated and as additional Agents were assigned, the administrative organization of each country, headed by the Legal Attache, was patterned more and more after the domestic Bureau field office. By following this method it was also possible to develop the administrative organization of the Bureau's work in each country in a manner uniform with the Bureau's organizations in other Latin American countries and uniform in so far as possible, under the circumstances, with Bureau field offices in the United States. As this development of the administrative organization in each country progressed it was found that the picture of the Bureau's activities became much more clear which allowed assignments to be made in a manner to develop the information desired by the Bureau with the expenditure of a minimum amount of effort on the part of the Agents. Such organization also eliminated duplication of effort and other unnecessary and wasteful practices which are the result of uncorrelated investigative activities on the part of a number of Agents.

10. Operations Outside the Western Hemisphere

While the President's Directive placed the responsibility for the intelligence security of the Western Hemisphere on the FBI and [redacted] b1

[redacted] nevertheless from time to time the Bureau was called upon by the War Department or State Department for special temporary assignments or for assignments as a coordinating liaison unit on a more or less permanent basis within the Eastern Hemisphere. The Bureau, as a result, established offices in various cities in the Eastern Hemisphere which will be dealt with separately below: b1 (S)

a. London, England

At the request of the State Department the Bureau's foreign liaison facilities were extended to London, England, on November 16, 1942, where an office was equipped as part of the American diplomatic mission under the title, Office of the Legal Attache. The activities of the Bureau's representative in London grew to the point where it was later necessary to have the personnel increased to include the Legal Attache, an Assistant Legal Attache, and two clerical employees. [redacted] b1 (S)

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[redacted] b1

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[redacted] (Assistant Director H. H. Clegg and Inspector L. A. Hince in 1939, and Special Agent [redacted] and Inspector [redacted] in 1942, and Special Agent [redacted] in 1944)

b7C

With the conclusion of the European phase of the war, the personnel in the office of the Legal Attache in London was reduced to include only the Legal Attache and one stenographer.

[redacted] b1

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(64-4727)

b. Lisbon, Portugal

On August 8, 1943, a liaison office with a Legal Attache was established as part of the American diplomatic mission at Lisbon, Portugal, and due to enemy activities the number of Bureau employees was later increased to include two Special Agents and two clerical employees. This office functioned until August, 1946, at which time it was closed as the European phase of the war was over and the office had, as a result, fulfilled its purpose. (64-7085)

c. Madrid, Spain

As a result of State Department approval, the Bureau on April 15, 1944, assigned a Special Agent to the Embassy at Madrid, Spain, to serve in the capacity of Legal Attache. The Legal Attache, assisted by one stenographer, has represented the Bureau in a police liaison capacity in Madrid since that time. (66-16299)

d. Rome, Italy

In cooperation with the War Department, for liaison purposes an Agent was assigned on October 1, 1943, with the Advance Intelligence Group of the AFHQ which progressed as the Italian campaign advanced. With the taking of Rome, an office was established in that city and a total of seven Bureau Agents and one stenographer were assigned to work in close cooperation with the Army. The office in Rome was closed in October, 1945, as a result of a recommendation by General Edwin L. Siebert, G-2 Chief, European Theater, that the total personnel of the Bureau in Italy, France, Germany and Austria be reduced to two Agents. (66-16294) One Special Agent, however, served as Legal Attache assigned to the U. S. Embassy in Rome in a police liaison capacity until October, 1946.

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e. Paris, France

In cooperation with the Army, two Special Agents of the Bureau were assigned to Paris, France, on September 13, 1944. These Agents were later assisted by six additional Agents for a short time in 1945, who, upon the surrender of Germany in May, 1945, moved into Germany with SHAEF Intelligence on June 7, 1945, and opened an office at Frankfurt, Germany. At the request of Ambassador Jefferson Caffrey, two of the Bureau's Special Agents were assigned as Attaches to the United States Embassy in Paris at which post they began their liaison duties on June 30, 1945. The liaison office at Paris has continued to operate subsequent to the close of the war with one Special Agent and a stenographer with outstanding success in its police liaison capacity. (66-16300)

f. Frankfurt, Berlin, Heidelberg and
Freising, Germany

On June 7, 1945, liaison units were opened at Frankfurt, Berlin, Heidelberg and Freising, Germany, in coordination with Army activities in that area. The purpose of these offices was to handle investigations of treason cases involving American citizens in the European area and for the obtaining of all matters of interest in connection with the Bureau's investigations in the Western Hemisphere which matters of interest were available to the Allied intelligence services in Europe. The Agents assigned to the German liaison office, with headquarters at Berlin, were withdrawn in October, 1945, and the office closed as a result of a recommendation by General Edwin L. Siebert, G-2 Chief, European Theater, that the total personnel of the Bureau in Italy, France, Germany and Austria be reduced to a total of two Agents. This recommendation was approved by General Eisenhower and in view of the fact that the Bureau could not operate with such limited personnel the office was closed. (66-16320)

g. Vienna, Austria

In the late summer of 1945, two Special Agents were assigned to Austria in an Army liaison capacity. One Special Agent set up his office in Vienna and the other at Salzburg, Austria. Both Agents were withdrawn in October, 1945, as the result of a recommendation made by General Siebert.

In addition to the above-listed operations in the Eastern Hemisphere, other Bureau operations outside the Western Hemisphere were as follows:

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h. Pacific Theater Assignments

In March, 1945, two Special Agents of the Bureau were sent to Manila, P.I., as liaison Agents under General Douglas MacArthur. Two additional Agents were sent to Manila in July, 1945. The personnel of the Bureau's Manila liaison office was reduced after the departure of General MacArthur and his Staff for Tokyo, Japan, in September, 1945. The Manila office was closed prior to September, 1946, at which time the Philippine Islands received their independence from the United States.

On September 2, 1945, Special Agent [] arrived at Yokohama, Japan, with the first echelon of the Counter-Intelligence Corps of the Army. He was followed on September 15, 1945, by Inspector [] and Special Agent [] who arrived in Tokyo with Brigadier General Elliott E. Thorp in command of intelligence activities in the Asiatic Theater. The Bureau's Army liaison at Tokyo, Japan, continued until August 30, 1946, at which time the office was closed inasmuch as it had completed its mission and on-the-spot liaison with the Army was no longer deemed necessary. (66-16335)

i. Special Assignments

In addition to the foregoing assignments, special temporary assignments on behalf of the War Department were undertaken by a number of the Bureau's Special Agents including Assistant Director P. E. Foxworth, [] H. D. Haberfeld, [] and [] whose duties called them to travel to the African, European, Near East and Asiatic areas to assist in matters of such special confidential nature as to necessitate the employment of Bureau personnel.

Special Agent [] of the Bureau Laboratory departed for Lisbon, Portugal, on July 3, 1945. He was assigned to make an inspection of German cryptographic equipment in Portugal, Spain and England. This inspection furnished the Bureau with information which it had not previously possessed concerning the German microdot machine.

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F. ORGANIZATIONAL DEVELOPMENT AT SEAT OF GOVERNMENT

The SIS Division maintained a supervisory staff at Washington, D. C., whose purpose was to follow and supervise the work of the SIS agents and employees in the foreign field. The group at the Seat of Government was charged with a variety of duties including the selection of Special Agents from the domestic field of the Federal Bureau of Investigation, the Training and placement of the agents in the various posts in the Western Hemisphere, the supervision of reports submitted by the SIS agents and the correlation of reports from the agents on foreign assignment. After the proper correlation of the information received, it was the further duty of the staff at the seat of government to furnish comprehensive data to the various interested agencies of the Federal Government and to the domestic offices of the FBI.

The supervisory group at the Seat of Government followed the efficiency and productiveness of the various agents in the foreign field and where necessary recommended removal or transfer to other posts of assignment. The supervisors in addition guided the agents on assignment in the proper obtaining of intelligence matters and the expenditure of money therefor.

As the program progressed the supervisors at the Seat of Government were so assigned that information emanating from certain countries would always be handled by certain individuals who due to their familiarity with the affairs of those countries became expert in the conditions existing in the territory under their supervision.

The supervisory staff at the Seat of Government maintained complete financial records pertaining to SIS work and made all disbursements to the agents on assignments which included salaries, expenses and expenditures for confidential informants, and other incidental expenses. All such expenditures were made through a bank in New York City, and in no way was Washington, D. C., or the District of Columbia reflected in any of the transactions.

During the Fiscal Year of 1943-44 the work being performed by the agents in Latin America became so integrated with the work being performed by Bureau representatives in Europe that it was necessary to establish a supervisor at the Seat of Government to coordinate all matters of an espionage or subversive activity nature which were reported from the European sphere that necessitated attention in Latin America. The duties of this supervisor were to examine the incoming material, coordinate it with the information at the Seat of Government, and properly distribute it to interested governmental agencies, as well as to the Legal Attaches in Latin America.

It was also during the Fiscal Year 1943-44 that arrangements were perfected for the use of two traveling attaches to travel from one Embassy to another when the need for their services arose. These attaches were kept

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currently informed as to SIS policy and procedure, and in turn passed this information on to the Legal Attaches in the countries visited by them. They discussed personnel problems and administrative problems with Bureau representatives in Latin America and kept the Bureau constantly and currently advised as to the situation in each country. They were also able to pass on new ideas as to investigative techniques and ideas being used in other SIS offices. They were under the direct supervision of the supervisory staff at the Seat of Government.

Due to the growth of SIS coverage it was found that a breakdown of supervision was needed and as a result, in September, 1943, the SIS Division was separated into three units, namely the Operations Unit, the South American Investigative Unit and the Caribbean Investigative Unit. In the early part of 1945, the two investigative units were combined into one unit for supervision purposes inasmuch as SIS Operations had been curtailed considerably and SIS personnel reduced.

During the fiscal year 1944-45, it became necessary to establish a supervisor at the Seat of Government to examine material received from Bureau representatives in the Pacific Theater, to coordinate the information and properly distribute the material to the interested Governmental agencies and to the interested SIS and domestic field offices.

It was during the same fiscal year that four supervisors were designated at the Seat of Government as the Monograph Unit and they worked exclusively on the compiling of various monographs for which the necessary information was furnished by the agents on foreign assignment. This method assured the rapid completion of monographs containing up to the minute material for the benefit of agents going on foreign assignment for the first time as well as for those who had returned from assignment for in-service or another assignment. These monographs also provided the Director of the Bureau, other Bureau officials, and other Governmental officials with accurate up to the minute information pertaining to the many topics covered by the monographs. The Monograph Unit was abolished in June, 1946, in view of the fact that the Bureau at that time began preparing to withdraw from the foreign intelligence field.

As the Bureau curtailed its activities in connection with foreign intelligence matters, the supervisory staff at the Seat of Government was likewise reduced to the point where, with the complete withdrawal of the Bureau in 1947 from the foreign intelligence field, only one supervisor remains at the Seat of Government to supervise the foreign liaison work in connection with the Liaison representatives located in Rio de Janeiro, Brazil, Havana, Cuba, Madrid, Spain, Paris, France, London, England, Mexico, D. F., and Ottawa, Canada.

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IV. GENERAL OPERATIONS

A. PLANT SURVEY PROGRAM

1. Background.

The first survey of industrial facilities in Latin America was begun in the fall of 1941 by an undercover SIS representative (H. B. Judell). This agent, in order to establish himself better in Venezuela, took a job as safety consultant with [redacted] in Venezuela. He then proceeded to survey the facilities along the lines which he had learned at the Bureau. His work proved so successful that before he was finished he had made surveys of the [redacted] facilities in western Venezuela and Aruba, N. W. I. Many of the recommendations made by this agent have been adopted by these companies and indirectly his work was responsible for new legislation in Venezuela regarding plant protection. His findings were distributed to the War and Navy Departments and were said to be very constructive and beneficial. (64-3900-147)

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The first official plant surveys by the Federal Bureau of Investigation in South America were instituted subsequent to a request made on June 15, 1942 by the Bolivian Foreign Office to the American Embassy in Bolivia that the United States Government make available three specialists in plant survey work to make suggestions for the protection of the Bolivian tin mines against sabotage. Three Bureau agents were sent to Bolivia shortly thereafter and made plant surveys of facilities of strategic importance in that country. (64-1016-X)

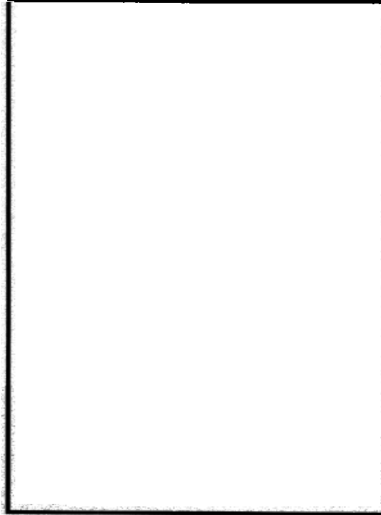
An extensive plant survey program was instituted as of January 1, 1943 in Latin America. This program came into existence as a result of a request on part of the State Department that F. B. I. representatives be attached to Latin American Embassies as "security officers", and that they be qualified to give instructions to authorities and industrialists in the various countries in regard to the protection of plants against sabotage. An agreement was had with the Army and Navy officials in Washington that the F. B. I. would be responsible in the other American Republics for conducting surveys in the nature of plant surveys with respect to plants and other facilities vital to the production, manufacture and transportation of strategic materials for use in behalf of the United Nations War Effort, and that the program would include the matter of furnishing technical advisers and instructors to the local government industries and officials with regard to plant survey and plant protection matters. (64-1016-1X)

The plant survey program instituted was educational and advisory in nature and not an operational program designed to investigate sabotage or to under take for the Bureau the responsibility of preventing sabotage.

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Eighteen Special Agents, specially qualified in plant survey work were selected from the field and sent to Latin America in January, 1943 on special assignment to survey plants and facilities vital to the Allied war effort. Arrangements for the surveys were made by the State Department. The following eighteen Special Agents who comprised the plant survey teams had completed their assignments and returned to the Bureau's domestic field by May 15, 1943:



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At the beginning of the Plant Survey Program, it was suggested by Mr. Berle and agreed to by the Bureau that the FBI furnish "security officers" to be attached to Embassies under Legal Attaches in those countries who requested the services of such Agents. These "security officer" in addition to performing regular SIS work, were to act as advisers in plant survey matters in their countries of assignment. Such Agents were stationed in Latin America in the countries that asked for the services of "security officers". (64-1016-X4)

In addition to plants surveyed by the Bureau, the British Industrial Security Organization in Latin America furnished reports to the Bureau on Strategic British-owned facilities in Latin America. Reports on twelve such plants were distributed to interested agencies of the United States.

2. Surveys Made.

The following organizations were surveyed by Bureau representatives in Latin America. It is pointed out that in a number of instances more than one facility belonging to an organization was included in the survey of that organization.

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Argentina

Pan American-Grace Airways in Argentina

Bolivia

American Smelting and Refining Company
Bolivian Power Company
Bolivian Tin and Tungsten Corporation
Cia. Minera y Agricola Oploca
Compania Aramayo de Minas en Bolivia
Hochschild Mines
International Mining Company
Lloyd Aereo Boliviano
Pan American-Grace Airways in Bolivia
Patino Mines
Sociedad Empresa Estano de Araca

Brazil

Baro Branco Minas	Port of Natal
Dutina Mine	Port of Pelotas
Cresuma Mine	Port of Porto Alegre
Companhia Paulista de Estradas de Ferro	Port of Recife
Joao Joronimo Mine	Port of Rio Grande
Pennair do Brasil	Port of Rio de Janeiro
Pan American Airways	Port of Santos
Port of Bahia	Port of Sao Luis
Port of Cabedello	Port of Vitoria
Port of Fortaleza	Standard Oil Company of Brazil
Port of Maceio	The Atlantic Refining Company
Port of Manaus	The Caldic Company
	The Texas Company

Chile

Andes Copper Mining Company	Las Salinas Oil Depot
Anglo-Chilean Nitrate Corporation	Lautaro Nitrate Company
Braden Copper Company	Pan American-Grace Airways
Chile Exploration Company	Port of Antofagasta
	Port of Valparaiso

Colombia

Aerovias Nacionales de Colombia	Ferrocarril del Pacifico
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Cuba

Compania Nacional Cubana de Aviacion	Nicar Nickel Company
Cuban Electric Company	Natahambre Mines
Cuban American Manganese Company	

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Ecuador

All America Cables and Radio, Inc.
Aserrio La Victoria Balsa Mill
Aserrio San Pedro Balsa Mill
Asseradero Forbon Balsa Mill, aka Sr. Jorge Raad Mill
Aserrio America Balsa Mill
Aserrio Aurora Balsa Mill
Aserrio Santa Nora Balsa Mill
Asserradero Las Mercedes Balsa Mill
Balsera Guayaquil, S. A., Balsa Mill
Cia. Aserradora San Vicente (Balsa Mill)
Cotopaxi Exploration Company
Ecuador Balsa Mill
Ecuadorean Balsa Wood Company
Empresa Electrica Del Ecuador, Inc.
Federico Figueroa Balsa Mill
Florida Balsa Mill
Hanna Balsa Mill
Inca Balsa Mill
International Balsa Company
Josefina Balsa Mill
La Propicia Balsa Mill, aka Padovani Mill
La Maria Balsa Mill
La Esfuera Balsa Mill, aka Sr. Plaza Mill
Libertad Balsa Mill, Esmeralda, aka Estupian
Libertad Balsa Mill, aka Granada Mill
Moderno Balsa Mill
Pan American-Grace Airways, Inc.
San Jose Balsa Mill, aka Plata Brothers Mill
San Pablo Balsa Mill
Santa Marta Balsa Mill, aka Luis Zatzizabal Mill
Segundo Tambaco Balsa Mill
Sociedad Ecuatoriana de Asseradero, aka Eduardo Garcia Mill

Peru

Cerro de Pasco Corporation	Northern Peru Mining and
Docks of Callao	Smelting Company
Gancho Azul Oil Company	Panagra Airlines
International Petroleum Corporation	Peruvian Corporation
Vanadium Corporation	(British Railroads)

Uruguay

Ancas Distillery and Refinery	Port of Montevideo
Artigas (Armour) Meat Packing Company	Swift and Company (Meat Packing)
National Meat Packing Company	Usina Power Company

Venezuela

Gulf Oil Company	Pan American Airways
Lago Petroleum Corporation	Royal Dutch Shell Company
Mende Grande Oil Company	

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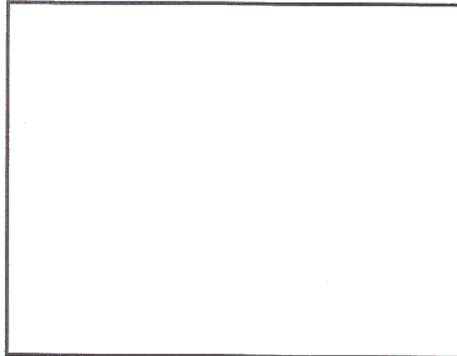
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Facilities of the Pan American Airways have also been surveyed in Costa Rica, Guatemala, Honduras, Nicaragua, and El Salvador.

It will be noted that general surveys were not conducted in Argentina and Mexico. This is due to the fact that the Argentine Government did not see fit to grant permission for Bureau personnel to make surveys there, and because Ambassador Messersmith in Mexico would not request the Mexican Government to allow surveys to be made in that country, stating that he felt it unnecessary for such surveys and would assume all responsibility in the event sabotage occurred. The Army and other interested agencies were fully advised of these circumstances which existed in Argentina and Mexico and which precluded the Bureau from carrying out its Plant Survey Program in these countries.

3. Surveys of U. S. Diplomatic Facilities.

From time to time, beginning in June of 1940, the State Department requested representatives of the Bureau to survey and check the security of diplomatic communications, code rooms and the individual personnel therein on an individual special basis, in various diplomatic missions. The following Special Agents of the F. B. I. acted as couriers, code clerks, and the like on special assignment for the State Department in England, Sweden, Scotland, Finland, Spain, France, Switzerland, Holland and Germany, and in the course of their duties traversed a great deal of Continental Europe: (62-63992-15)



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At the request of the State Department a series of surveys was begun on August 20, 1943 and an exhaustive technical inspection of the properties occupied by the American Governmental Missions in Portugal, Spain and Spanish Morocco was made for illicit telephone taps and concealed listening devices.

At Lisbon and Madrid a check was made of the following properties

Lisbon, Portugal

The Chancery

Madrid, Spain

Ambassador's Residence and
Chancery

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New Chancery Building
Consulate Building
Office of Military Attache
Office of Naval Attache

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[REDACTED]
Office of Petroleum Mission
Office of Passport Control
Casa Americana (OTI)
Office of United States Commercial
Company

Consulates

Barcelona, Bilbao, Malaga, San
Sebastian, Sevilla, Valencia
and Vigo

Private residences of officials

Morocco, North Africa

Tangier, Morocco Legation
Private residences of officials

In the Spanish check, arranged telephone taps were found on the telephones of the Ambassador, Councilor of Embassy, Office of Military Attache with the Embassy outside line, OTI Office, and in the office lines of the Consulates at Barcelona and Bilbao, while telephone hookups were such in the Consulates at San Sebastian, Valencia and Malaga as well as in the home of the San Sebastian Consulate that could be used as microphone hookups when the telephones were not in use. In addition, similar telephone pickup taps were also found on the private Ritz Hotel telephones of the Military Attache, the Assistant Military Attache and the Director of the United States Commercial Company. Similarly, these were found on the private telephones of a Vice Consul at the Palace Hotel and in the private home of the Economic Attache. The check of the facilities at Lisbon, Portugal, reflected negatively. At Tangier, Morocco, six telephone taps were found on the lines of the Legation while the lines of the Military Attache were so wired as to act as a microphone tap when the telephone was not in use. (65-41977-39)

The State Department directed special correspondence to the Bureau in appreciation for the excellent work done on the surveys and requested that similar surveys be conducted on other American diplomatic installations abroad. As a result, a trained Special Agent [REDACTED] departed Washington, D. C. on December 21, 1944, to conduct a survey of the Embassies at Naples and Rome, Italy; the Hague, Holland; Antwerp and Brussels, Belgium; Bern, Switzerland; and Paris with all of the Consulates in France.

During the period from August 23 to November 30, 1944, the telephone installations of the American Embassies in Buenos Aires, Argentina; Santiago, Chile; and Rio de Janeiro, Brazil, were surveyed from a security standpoint. Three indications of telephone line tapping were located in Buenos Aires and four in Rio de Janeiro. No technical equipment was found connected to any of the taps except in one instance in Rio de Janeiro where one of the taps constituted a surveillance [REDACTED] of the six most important trunk lines of the Copacabana Hotel. The Copacabana Hotel is presently used as a residence by General Kroner, the Military Attache, and Lieutenant Commander McLernan of the Naval Attache's office. Until just several weeks ago, Mr.

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Winans of the Embassy Staff also used this hotel as his headquarters. All telephone lines in Santiago, Chile, were found to be in good condition with no indication found of any tampering.

In Buenos Aires, definite and conclusive evidence was found of a previous tap having been placed on the private magneto telephone circuit between the Ambassador's office and the Embassy residence. The point of tap was located on top of the Fiat Automobile concern operated by Italians and Argentines. One point of tampering was discovered on a private unlisted telephone line of the Charge d'Affaires. This particular telephone line was wired through three exchange offices and at one office a pair of wires had just recently been removed from the actual voice circuits of the unlisted line. The third tap found at Buenos Aires was on the switchboard extension phone of the Naval Attache working in a building separate from the Embassy and Consulate proper. The multiple or reappearing terminals of this telephone line appeared in a basement terminal box approximately three blocks from the Office of the Naval Attache in a large department store. It was necessary to obtain carpenter tools to break open the terminal box. During the investigator's absence, a male employee of the department store committed suicide by shooting himself through the heart a short distance from the terminal box. (62-39749-443)

In Rio de Janeiro, a tap was located on the unlisted telephone assigned to the radio room utilized by the office of the Legal Attache. A tap was also located on the listed phone supplying the residence of the Legal Attache. A tap was also found terminating in the Censorship Room of the American Chancery on a terminal block with no cover. The fourth instance of tampering found in Rio de Janeiro has already been covered in the opening paragraph of this subsection, with hotel lines tapped at a telephone exchange office.

Six weeks' time was required for the physical survey at Buenos Aires, but only two weeks' time was required at Santiago and three weeks' time was required at Rio de Janeiro. It was estimated that two man years would be required to complete the survey of telephone communications of all Embassies and Consulates throughout Latin America, including Mexico, Central America, South America, and the West Indies.

On January 8, 1945, Special Agent [] arrived in London for the purpose of resuming the security checks he had been making for various State Department establishments on the European Continent. These security checks had proven very effective in the past, and the State Department requested that [] be returned to complete this work. As an example of the effectiveness of this project, there are cited the two instances in which taps were discovered on Embassy telephone lines in the State Department establishments in Madrid. In March, 1945, Special Agent [] of the Laboratory was sent to Europe to assist [] in this work. b7C

After completing the work at London, [] went to Paris, France, Bern, Switzerland, and Warsaw, Poland. Westcott also traveled through most of the legations which the United States maintains in Europe. b7C

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One of the more valuable accomplishments of this security check the discovery at the Embassy in The Hague, Netherlands, true readings of secret, confidential and restricted machine-coded messages available to scrutiny by anyone. These messages were left exposed in open files which were placed on the tops of desks in the Embassy. Our representative pointed out that with one of these and an encoded copy of the same text, the particular code could have been broken. He stated that this was in violation of secret State Department regulations which require that only one true reading of messages be made and that this true reading should go to the code room encoding. The paraphrases of this message are then supposed to be prepared by the code room for the necessary files.

It was further disclosed that the clerk handling the code room affairs in The Hague had not been properly instructed in the State Department regulations. Our Agent pointed out that as a result of the departure from correct procedure, there was a good possibility that the entire machine-coding system had been compromised. The matter was taken up with the American Ambassador at The Hague and arrangements were made to follow the correct procedure exactly. (64-31819)

A recheck was also made at the American Embassies at Brussels, Belgium and Paris, France for the purpose of determining whether those establishments were following the procedure prescribed by the State Department in the transmission of codes.

B. POLICE LIAISON AND TRAINING OF LAW ENFORCEMENT OFFICIALS IN LATIN AMERICA

1. Visits to Bureau By Latin American Officials.

The police departments of the various Latin American countries greatly facilitated, in most instances, the Bureau investigations in those countries by making available their records, their informants, and in many cases the services of their investigators. Early in the S. I. S. program the fact was recognized that these police departments would be an invaluable asset to the program if their enthusiastic aid could be obtained. In most instances that aid was freely and promptly given while in other cases it was necessary to actively cultivate the good will of the department. Aside from regular police liaison developed with the various police agencies the Bureau provided training at Bureau Headquarters for certain leading Latin American police officials and, after proper requests from the Latin American countries had been cleared through the State Department, assistance in police training was given by the Bureau within the various countries themselves.

Under this program, General Manuel Benitez y Valdes, Chief of the Cuban National Police visited the Bureau at Washington in October, 1942. He was accompanied by Special Agent [redacted]; Dr. Israel Castellanos, Chief of the Cuban Bureau of Identification; Comandante Antonio Fernandez de Velasco, Aide to General Benitez; and Captain Mariano Paget y Diaz, Chief of the Cuban Bureau of Investigation of Enemy Activities. (64-30837)

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Majors Jorge Hernandez y Mendez and Rodrigo Mendez y Soto, respectively Chief of Public Security and Instructor General of the National Police of Costa Rica arrived in Washington in June, 1943, and were given three weeks' training by the FBI (64-22965-91)

Colonel Hector Salgado, Chief of the Carabineros of Ecuador, visited the Bureau in February, 1943, for the purpose of studying Bureau technic and methods of operation. (64-20676-48)

Dr. Flinio Brasil Milano, Chief of the Political Police for the State of Rio Grande do Sul, Brazil, was the guest of the FBI in July and August, 1943. (64-29833-205-138)

In September, 1943, Dr. Manuel Pulido V., Director of Investigations of the Venezuelan National Police, visited the Bureau and was given a six weeks' course of training in the following subjects: cryptanalysis and radio intercept analysis; document identification; chemical microscopy; spectrograph, toxicology, and secret writing; firearms identification, explosives, demolition, and sabotage devices; radio equipment and special sound equipment, alien enemy control work; sabotage; espionage; practical photography and casting; Fascism and Nazism; Japanese activities; law enforcement in wartime; internal security matters; moulage; operations of translation unit; visa and exit control; field office technical equipment; fingerprint identification and latent fingerprints; with National Police Academy; training films - FBI Front (in Spanish) March of Time pictures on Bureau; mechanics of arrest; study of Bureau field offices (this included a two weeks' field trip comprising a study of field offices at New York, Chicago, and Milwaukee); study of police departments - detailed study of Milwaukee Police Department (Chief of Police Joseph Kluchesky took the Doctor on a tour of his department). (64-29833sub228)

In April, 1944, Major Jacquin Luiz Amaro da Silveiro, Special Delegate for Political and Social Order in the Police Department of the Federal District of Rio de Janeiro, was a guest of the Bureau. He visited several field divisions, was given a course of instruction at the Seat of Government and at the graduation exercises of the Twenty-Fourth Session of the National Police Academy he was a guest of honor. An album containing a pictorial history of his visit was prepared and presented to him and to the United States Ambassador to Brazil. After his return to Brazil Major Amaro was very enthusiastic in his praise of the Bureau. (64-29833-205-138)

Jorge Garreton y Garreton, Director General of Investigations of Chile, arrived in the United States June 26, 1944, as a guest of the FBI for a six weeks' course of study and a tour of the New York, Chicago, Detroit, and Milwaukee Field Divisions. An album of pictures taken during Garreton's visit to the United States was prepared for presentation to him. (64-26289-168x)

Other Latin American Police Officials who have visited the Bureau are General Ramon Jimenez Delgado, Chief of Police of the Federal District of

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Mexico in August and September, 1944; Jorge Toriello, civilian member of the Revolutionary Junta in Guatemala who visited the Bureau in December, 1944; and Walfrido Bredo Guimarnes, Director of the State Prison Society of Sao Paulo, Brazil. After [redacted] visit to the Bureau he requested the Bureau to assign a Police Liaison Agent to his department in [redacted] and also requested that officials of his department be permitted to take courses of instruction given by the FBI at the Seat of Government. b7D

a. Visitors To The Bureau

There are being listed below the names of prominent police officials from other countries who have visited the Bureau since January, 1945.

Mr. Juan Varleta Olivares - Official of the Police Laboratory, Santiago Chile. He visited the Bureau on January 19, 1945. He was Particularly interested in spectrographic and blood examinations. Work done in the sections of the Laboratory was explained to him and he was given a tour of the Bureau.

Inspector Emile Maxmilian Ensberg - Dutch Guiana National Police. He was given a special tour in March 1945.

Dr. Carlos Febres Cordero - Inspector General of the National Offices of Investigation and Identification, Caracas, Venezuela. He visited the Bureau on March 19, 1945, and was given a tour of the Bureau and introduced to several Bureau officials. He appeared very enthusiastic and well pleased with the attention he received while here.

Major Federico Mindello Carneiro Monteiro - Former Director of the Division of Political and Social Police of the Federal Department of Public Security in Rio de Janeiro, Brazil; now Assistant Military Attache at the Brazilian Embassy in Washington, close friend of Police Liaison Agent Rolf L. Larson. He was given a tour of the Bureau on August 3, 1945.

Joaquin de Oliviera Sampaio - Representative of the Brazilian Chief of Police, on a purchasing mission to the United States, was given a special tour of the Bureau on August 4, 1945.

Mr. W. J. Van der Kroef - Formerly in charge of the Dutch Police in Curacao, N.W.I. He was in the United States for a few weeks en route to Australia and Dutch East Indies to act as Commissioner of Police in one of the major cities. He was given a tour of the Bureau on July 27, 1945.

Chief Gilbert B. Brook, Sr. - Lago Oil and Transport Company Police, Aruba, N.W.I. He was given a tour of the Bureau and Armory on August 22, 1945.

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Captain Santiago Barbosa - Formerly commanded the Fourth and Fifth National Police Divisions in Bogota, Colombia; now Assistant Military Attache at the Colombian Embassy in Washington. He was b7C b7D

[REDACTED] He was given a tour of the Bureau in October, 1945.

Major Abel Modesto Quintero - Formerly Inspector General of the Panamanian Secret Police; now Military Attache at the Panamanian Embassy in Washington. He was given a tour of the Bureau on December 6, 1945.

Ambassador Joaquin Vallarino - Panamanian Ambassador. He accompanied Major Quintero, above, on a tour of the Bureau, December 6, 1945.

Brigadier General Ramon Jimenez Delgado - Chief of the Police of the Federal District of Mexico. He was invited to attend the graduation exercises of the FBI National Academy held on March 29, 1946. The General accepted and was accompanied to the United States by Captain Jorge Katthain and Colonel Carlos Espinosa, Head of the Identification Division of the Police of the Federal District of Mexico. The party was in the United States for approximately seven days, and was accompanied at all times by Bureau Agents acting as escorts. General Jimenez was a guest of honor at the graduation exercises. He and the other members of his party were very grateful for the entertainment and other courtesies provided them during their stay in the United States.

During the first quarter of 1946 the following individuals visited the Bureau and were given tours of the facilities in Washington:

W. A. Calver - Scotland Yard

Captain Gonzalo Ruiz - Guardia Civil of Ecuador

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[REDACTED]
Felipe Gomez Mont - Professor of Penal Law at the Technical Institute of the Judicial Police of Mexico. He was given a tour during the afternoon of May 28, 1946.

2. Police Liaison Agents Training School.

The first training school for Bureau Police Liaison Agents began February 5, 1945 and continued for one week. The curriculum included general problems of police liaison in Latin America, materials available at the Bureau for use by Police Liaison Agents, police organization and methods in

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Latin America, technique of contact with Latin American Police Officials, Bureau policy on Latin American liaison, the origin and history of the various fingerprinting systems, police organization in the United States, and police records.

This school was attended by the following agents, six of whom were already operating as Police Liaison Agents in Latin America; all of them possessed the necessary language qualifications and general ability:



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3. Police Liaison By Countries.

Bolivia

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b7C In February, 1942, Police Liaison Agent [redacted] broached the subject of a school for police officers in Bolivia to Colonel Zacarias Murillo who was then Director of the National Police in Bolivia and was formerly Chief of Police at La Paz for about ten years. Colonel Murillo planned to reorganize the National Police completely and enlisted the aid of Agent [redacted] in this connection. (64-4194-34)

In May, 1942, Colonel Murillo and [redacted] conferred to plan for the forthcoming school, and it was agreed that classes composed of not more than thirty trainees be instructed as soon as material for instruction was received from the Bureau. (64-4194-66)

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At the same time in May, 1942, Bureau representatives at La Paz, Bolivia, furnished Colonel Murillo with memoranda concerning approximately eight Axis nationals deemed dangerous to the Allied cause in Bolivia. Colonel Murillo indicated that he planned to insist that these Axis personalities be deported. As a result of the Colonel's attitude it appears that he was "kicked upstairs" by the President and was appointed Prefect of one of the northern departments of Bolivia and was replaced by Colonel Carlos Boria Galvarro. It is probable that the Bolivian Government transferred Murillo rather than be embarrassed by his insistence that these Axis nationals be deported. (64-4194-79)

In view of the foregoing circumstances plans for FBI instruction to Bolivian Police Officials were temporarily bypassed. However, in August, 1942, Agent [redacted] was informed by the Bolivian National Police Director that a training course for the Bolivian special investigative organization was being considered. Plans for the assignment of an FBI Agent to the Bolivian Police did not materialize but Special Agent [redacted] was assigned to La Paz as an undercover personal adviser to President Penaranda. This assignment was terminated by the Bolivian Revolution in December, 1943.

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From April, 1943, to September, 1944, Special Agent [] functioned very efficiently as Police Liaison Agent attached to the Embassy in La Paz, Bolivia. He obtained excellent cooperation and in fact had four agents of the Bolivian National Police assigned to work exclusively on Bureau cases. In September, 1944, [] was called to the United States b7C to his health.

Officials of the Bolivian National Police later negotiated with the Legal Attache in La Paz regarding the assignment of a Bureau Police Liaison Agent to Bolivia. The United States Ambassador to Bolivia forwarded to the State Department the full text of a request from the Bolivian Government for the assignment of such an agent; however, he pointed out that the regime appeared to have virtually autonomous power which in the past they had exercised in a most brutal manner. He indicated that unless care were exercised, the Bureau Agent in charge of the contemplated police training school might inadvertently become involved in some future outrage with the resultant impairment of the prestige of the United States Government.

The State Department replied to the request of the Bolivian Government, stating that it is not possible at that time to assign a police instructor due to the acute shortage of qualified personnel. The real reason was that the State Department did not desire to grant further recognition to the new Bolivian Government. The State Department believed that under the regime at that time in power in Bolivia the methods taught by such a police instructor might at a later date be used against the United States. The State Department further felt that since the Bolivian Government was not officially recognized, the assignment of such an agent would give the Bolivian Government an opportunity to impress upon other Latin American countries that the United States was in complete accord with its government.

Brazil

In August, 1943, Special Agent [] was assigned to Rio de Janeiro, Brazil, to serve in a liaison capacity. Since the Brazilian Police desired instruction this Agent arranged to have Bureau lectures delivered in Lima, Peru, translated into Portuguese. This series of between 25 and 30 lectures was given by Special Agent Larson to the Chiefs of the various sections in the Rio de Janeiro Police Department. He had several copies of these lectures printed and each auditor was presented with a full set of lectures after he attended the course. (64-29833-205-35) b7C

The Bureau Police Liaison Agents assigned to Porto Alegre and Sao Paulo, Brazil have modeled their assignments after that of [] and have delivered the same course of lectures.

Almost daily consultations were held by Special Agent [] at Porto Alegre with Dr. Plinio Brasil Milano, former Chief of the Political Police and later a higher police official. So well known was [] in his capacity as liaison officer that he was approached by general newspaper and police reporters to provide material for articles concerning the Bureau's work for country-wide publication.

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Similarly Special Agent [] at Sao Paulo was so favorably regarded in his assignment with the police there that complete cooperation of all matters of interest to the Legal Attache was taken as a matter of course.

On May 23, 1944, Special Agent [] held a conference for the Directorship of Investigation and Preventive Services in Porto Alegre. On May 26, 1944 he held a similar conference for the Delegacy of Political and Social Order. On May 30 in his conference with the Directorship of Investigation and Preventive Services [] delivered a lecture entitled "A Study of an Information Service." He also showed a film treating investigation of the Baumgartner Case. These conferences were well attended. b7C

On June 9, 1944, Special Agent [] began a series of sixteen lectures before the Sao Paulo Police Department which were well received. Attendance varied between 100 and 120 officials and films were shown in connection with these lectures. A great deal of publicity appeared in the Brazilian newspapers as a result and [] being known openly as an FBI Agent was so described in the papers. (64-29833-205-119) b7C

Special Agent [] at Porto Alegre has contributed numerous articles to the police magazine "Vida Policial" including several interesting Bureau case memoranda. Practically every issue of this magazine mentions the Bureau and one recent issue carried a facsimile of the Director's letter to Dr. Flinio Brasil Milano expressing appreciation for two copies of the publication. b7C

Of interest is the following incident. In the latter part of July, 1944, our Liaison Agent in Rio de Janeiro learned that Brazilian authorities had arrested one Mauricio Uzandro Bogado. He requested the Bureau to furnish all available information concerning the subject, as there were indications that he had been arrested in the United States. A search of the Bureau's records revealed that an individual named Alejandro Almargo had been arrested in New Rochelle, New York, on April 24, 1942, and was possibly identical with Bogado. Almargo had obtained \$5,000 under various pretenses and later had escaped from a psychiatric institute in Eastview, New York where he had been confined as a dangerous lunatic. Authorities in Eastview and New Rochelle were extremely interested in apprehending Almargo. The Bureau furnished our Liaison Agent in Rio de Janeiro with the fingerprints of Almargo in an effort to identify Bogado with Almargo. He was identified. (64-29897-11)

It is interesting to note that two investigators of the Brazilian Police have been assigned to the Police Liaison Agent at Rio de Janeiro. They make use of their official capacities for investigations assigned to them by our Police Liaison Agent and are available to assist him on other matters. It is estimated by the Legal Attache and the Liaison Agent that approximately sixty per cent of the investigation of the Rio de Janeiro Office is currently being handled by the Liaison Agent through these investigators and informants and contacts in the Rio Police Department.

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At Porto Alegre, Brazil, Police Liaison Agent [] is following up his series of lectures at the Rio Grande do Sul Police Department with an English course, which is attended by twenty-five high ranking officials of the Department.

The monthly magazine, "Vida Policial" (Police Life), which is published by the Rio Grande do Sul Police Department at Porto Alegre, ran a series of feature articles entitled "FBI na Guerra e na Paz" (FBI in War and in Peace) which is based on Bureau material furnished to the Department by the Bureau through Liaison Agent [] b7C

When preparations were being made to close the SIS Office in Rio de Janeiro, Brazil, Officials of the Embassy and Heads of the various Police Department in Rio de Janeiro requested that an Agent be left there to serve in a liaison capacity with the Brazilian Police. The Bureau complied with these requests and Agent [] remained in Rio de Janeiro. b

Chile

In October, 1943, Special Agent [] was assigned as Police Liaison Agent with the Chilean Police. He avoided as much as possible acting as a mere instructor for the police although he did deliver Bureau lectures on those subjects in which the Director General Jorge Garreton expressed an interest. He devoted most of his time to that section of the Chilean Police which handles subversive activities and counterespionage. (64-29833-13) b7C

Garreton worked very closely with [] and the Legal Attache in various cases; particularly the clandestine radio PQZ Case which resulted in the apprehension of some sixty subjects, the recovery of over five radio transmitters and currency valued at \$200,000. During the course of this investigation Garreton was accompanied on all the raids by [] and allowed the latter to question all the subjects fully and completely. [] also acted as a consultant with the Chilean Police in the planning of the raids and the apprehensions.

During the visit of Jorge Garreton to the United States [] successfully maintained close contact with the Acting Chief of Investigaciones, a rival of Garreton. Although Garreton had frequently been contacted by the Office of the Legal Attache in Santiago prior to the assignment of a Police Liaison Agent, a very marked improvement in the cooperation afforded by the Chilean Police was noted after [] assignment.

Jorge Garreton resumed office as Director of Investigaciones December 1, 1944, after his trip to the United States and a trip to Argentina during October, 1944. Upon his return to Santiago, he advised Police Liaison Agent [] that while in Argentina he and a Chilean companion were kidnapped by a group of unknown assailants and after being beaten with a rubber hose, were thrown into a ditch in Palermo Park, Buenos Aires. One assailant was identified by his companion as Heinz Lange, b7C

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a leading German espionage agent and subject wanted in connection with the investigations of IDZ and PQZ. Garreton is of the opinion that the assault was an attempt on the part of Germany to liquidate him due to his anti-Nazi investigations in Chile.

After assuming office and prior to [] departure, Garreton arranged a tour through Investigaciones for [] and Acting Legal Attache []. Photographs were taken with Director Garreton and also of various departments under his direction, including the Technical Police Laboratory. b7C

Upon [] departure, Director Garreton gave a small private dinner for him. On this occasion, he expressed his hope that [] would return to Chile and spoke of the excellent relations which his department had had with []. Garreton again requested [] to thank the Director and all his friends at the Bureau for the excellent treatment which was afforded him during his visit to the United States.

Colombia

In the fall of 1940, Special Agent [] as an accredited representative of the Bureau, gave a series of lectures at Bogota, Colombia, before the Brigade Commanders of the Seven Brigade Headquarters located throughout Colombia. (64-4010-23) b7C

Among the subject discussed by Agent [] were the following: espionage, counterespionage, records, manner of obtaining information, evaluation of information, detentions, surveillances, inspections, the problem of securing information in the present European conflict.

Considerable success was enjoyed by the Bureau in a police school conducted at Medellin, Colombia, in the fall of 1942. The lectures consisted of seven sessions of one hour and twenty minutes each, and the average attendance at each of the periods of instruction amounted to 250 trainees. This school was attended by Police Officers, Army Officers and public officials, and it was conducted by Special Agent []. The lectures started on October 23, 1942, and were concluded on November 11, 1942. General intelligence topics were discussed such as: general considerations of totalitarian activities, espionage, counterespionage and sabotage.

As evidence of the benefit derived from these sessions it is to be noted that at the conclusion of the course, Special Agent [] was advised by Major Ochoa, Chief of the Municipal Police at Medellin, that the trainees had already begun to turn in reports regarding persons suspected of engaging in subversive activities. (64-4601-14,17) Later Special Agent [] work was carried on by Special Agents Quenton E. Plunkett and []. Special Agent Plunkett was killed in an airplane crash in an isolated region in Colombia.

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On September 9, 1944, Special Agent [] arrived at Bogota, Colombia, to act as Police Liaison Agent. Shortly after his arrival Special Agent [] was also assigned at Bogota as Police Liaison Agent with the Colombian National Police.

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Police Liaison Agent [] gave a ten-week series of lectures to the detective section of the Colombian National Police. These lectures were given four times a week and an average of eighty detectives were present at each lecture. These lectures included investigative techniques, scientific investigation, espionage, sabotage, etc.

[] also gave an eight-week series of two classes a week to eighteen first lieutenants in the police school at Bogota. These lectures included sabotage, espionage, and surveillance.

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Dr. Ruiz Franco of the Identification Section of the Colombian National Police had requested Police Liaison Agent [] to survey the identification system in operation and to offer suggestions as to the records and operations of this unit. It is of interest in this connection that Radio Operator [] who formerly worked in the Single Fingerprint Section of the Bureau, accompanied [] and they spent about fifteen hours looking over the files, talking to the fingerprint experts, and making suggestions to improve their work.

Bureau films "Men of the FBI," "Don't Talk," "Counterespionage" and "Mechanics of Arrest" were shown on three separate occasions to the Colombian National Police conferences attended by highest Colombian Police Officials, the Detective Section attended by one hundred twenty detectives and officials, and to the Colombian National Police Academy attended by two hundred fifty officers and men. These films were well received and numerous requests were made by police officials for another presentation. In connection with these showings a film secured from the office of the Coordinator of Inter-American Affairs, entitled "Dominating the Police Horse" was also shown.

On November 17, 1944, the Legal Attache gave a supper for General Carlos Vanegas, Director General of the Colombian National Police and nineteen other department heads. The above films were shown upon this occasion and were very well received.

During the period between August 20 and September 4, 1945, Police Liaison Agent [] at the request of the Departmental Governor, conducted a police school in Medellin, Colombia. Ninety students, including detectives, officers, and agents of the Departmental and Municipal police, attended the classes which were held for eight hours each day. At the inaugural and closing session of the school ranking governmental and police officials made speeches lauding the Bureau and the Director and expressing appreciation for the value of the school given by Agent [].

On his return to Bogota from Medellin, Agent [] was requested to give a series of lectures to a select group of detectives in Bogota. He gave an hour lecture each day over a period of three weeks. This school was also extremely well received.

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On November 5, 1946, at a ceremony held at the Police School in Bogota, Colombia, General Carlos Vanegas M., Director General of the Colombian National Police, conferred on Police Liaison Agent [] the "National Police Medal". General Vanegas expressed personally to Agent [] in the presence of the gathering, his pleasure in being able to confer the medal and expressed again his appreciation for the services which have been rendered to the Colombian National Police by Agent [] and former Police Liaison Agents. Ambassador John C. Wiley stated to the Legal Attache that he was highly gratified and pleased to know that the Colombian National Police had recognized in this manner the assistance given them by Agent []

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Costa Rica

During the latter part of October, 1945, Special Agent [] was transferred from Colombia to Costa Rica. His arrival in San Jose was heralded by complimentary news articles accompanied by pictures of Agent [] When he was introduced to Costa Rican police officials the latter were extremely enthusiastic and appeared to be genuinely interested in receiving whatever help, suggestions and guidance [] might be able to offer them. Colonel Daniel S. Gallegas, Sub-Secretary of the police, requested [] to spend two or three weeks making survey and study of the police system in Costa Rica in order that a suitable curriculum might be selected for a school. This was done and on December 3, 1945, the school was inaugurated. Honorary guests at the inauguration ceremony included the President of Costa Rica, Teodoro Picado; United States Ambassador, Hallett Johnson; and high ranking officials of the Costa Rican Government. The school was attended by approximately two hundred students and it lasted twelve days. At the termination of the school, President Picado expressed his appreciation for [] work and the leading police officials stated very strongly that the school had been of inestimable value to their organization. (64-29833-209-50)

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Cuba

In February, 1942, Special Agent [] was assigned to work with the Police Department in Havana, Cuba. Both General Manuel Benitez y Valdes, Director of the Cuban National Police, and Captain Mariano Fajet, Chief of the Central Control Office, expressed a desire for the Bureau to conduct a police school in Havana. (64-4253-4) Such a police school was conducted, having started on March 18, 1942, and concluded after a series of lectures on the following subjects: photography and its application in national defense, road blocking, crime prevention, recording data at the scene of the crime, searches of persons and places, technical aspects of sabotage methods, fingerprint identification, codes, ciphers and secret messages, ballistics, detection of deception, documents, espionage and counterespionage. (64-4253-13,37)

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The school was attended by thirty-eight men including police officers, patrolmen, naval and military intelligence officers, and plain clothes detectives. The affair received favorable publicity in Havana daily newspapers. The lectures were given by Special Agent [] in the motorized Radio Section of the National Police at Havana. The classes were enthusiastically received and conscientiously attended by the trainees, some of whom took excellent notes which they maintained in bound notebooks. b7C

At the conclusion of the school Agent [] was presented with a book entitled "Criminal Espionage" written by Lt. Juan Francisco Padron, Chief of the Cuban Federal Bureau of Information. On the first page of this book, Lt. Padron wrote the following dedication:

"Mr. []
To the distinguished professor and member of the renowned
Federal Bureau of Investigation of the
United States of America as a demonstration
of esteem and affection for the great American
nation

From your affectionate friend,
Lt. Juan Francisco Padron" (64-4254-36)

As a result of this police school, there has been a noticeable improvement in the investigative technique of the Cuban Police as well as a closer bond of cooperation existent between SIS personnel and the Cuban officers.

No Special Agent originally was specifically designated to function as Liaison Officer with the Cuban National Police since the Cuban National Police were extremely cooperative with all Special Agents assigned in Havana who might be considered as Liaison Officers. The Agents acting as Police Liaison have been attached to the Office of the Legal Attache but the Cuban Police established and furnished an office at their headquarters for use by the Police Liaison Officers. This office had the name "FBI" on the door.

Comandante Mariano Faget de Diaz, Director of S.I.A.E., the section of the Cuban Police devoted to national defense and subversive activities, requested our Police Liaison Officer, Special Agent [] to assist him in drawing up a curriculum for a retraining school for S.I.A.E. Agents. The following course was suggested by the Bureau: b7C

- 1 hour - Making notes in class
- 1 1/2 hours - Jurisdiction of Cuban Police
- 1 1/2 hours - Searches of persons
- 1 1/2 hours - Searches of places
- 3 hours - Report writing
- 3 hours - Communications and law enforcement
- 1 1/2 hours - Development of confidential informants
- 18 hours - Classification of fingerprints
- 6 hours - Latent fingerprints

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- 3 hours - Technique and mechanics of arrest
- 3 hours - Interviews, confessions, and pretexts
- 6 hours - Descriptions of persons and portrait parle
- 1½ hours - Testimony and courtroom behavior
- 1½ hours - Crime prevention
- 1½ hours - Espionage investigations
- 1½ hours - Sabotage investigations

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Comandante Faget requested Special Agent [] to conduct one and one-half hour classes daily on these subjects for one month.

Despite the fact that General Manuel Benitez and Comandante Mariano Faget were separated from the Cuban National Police in the summer of 1944 Special Agents [] and [] acting as Police Liaison Agents maintained excellent relations with that organization. Colonel Antonio Brito succeeded General Benitez as Chief of Police for a short time and offered our Liaison Officers all the facilities of the Police. Major Jose Valdez Machado succeeded Major Faget for a short time as head of the Bureau of Investigation of Enemy Activities and was exceedingly cooperative with our Police Liaison Agents as he had been prior to his promotion. The new President of Cuba, Ramon Grau San Martin, prior to his taking office indicated that he desired to pattern the Cuban Police after the FBI and to make it a civilian organization completely divorced from the Army.

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It is interesting to note that Bureau representatives have maintained excellent relations with present chiefs of the Cuban National Police as well as with the deposed chiefs who might possibly return to power. Major Faget in the United States on September 28, 1944, expressed to the Director his desire to work closely with the FBI should he again return to power.

A complete change in ranking personnel of the Cuban National Police marked the first two months of the presidency of Dr. Ramon Grau San Martin in Cuba. The new appointments included several of Grau's terrorist supporters, who were bitter enemies of the former Cuban police officials. Major Mario Salabarría, newly appointed head of the vital SIAE Division, had a police record, including robbery, extortion and murder. He was thirty years old, had no former police experience and had been unemployed for the past ten years. Cuban Army Colonel Jose R. Carreno was appointed Chief of Police. His assistant, Lt. Colonel Efraim Callava, formerly served for a short period as director of the Police Academy. The Inspector-General of the organization, Colonel Miguel Angel Fernandez de la Velasco, was a revolutionary and an alleged kidnapper. Police Captain Roberto Meoqui Lezama was alleged to have been an active member of one of the Cuban terrorist organizations. Hundreds of former police officials and agents resigned or were discharged. Many sought refuge in the United States and Central American countries in order to escape the threatened revenge of the terrorists. Despite these sweeping changes, Bureau representatives in Cuba continued close relations with the new officials, who promised that the same cooperation exhibited in the past would continue. President Grau openly expressed his admiration for the Bureau, and Dr. Luis A. Collado, Sub-Secretary of Defense who appeared to be supervising the work of the police, assured SIS personnel of full cooperation.

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Ecuador

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In February of 1943 Special Agent [redacted] was assigned as Police Liaison Officer to Ecuador, the assignment having been made pursuant to the desire of Ecuadoran officials, principally Colonel Hector Salgado, Commandant of the Carabineros of Ecuador, and Colon Eloy Alfaro, Ecuadoran Ambassador in Washington.

Early in February a training school was started in Quito for the Agents of Seguridad. Some twenty-five of these Agents attended the course, which was of six weeks duration. Upon completion of the course, Agent [redacted] was made an Inspector of Police ad honorem. (64-29833-212-22)

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In this school and in subsequent schools conducted the following subjects were expounded: technique and mechanics of arrest, sabotage investigations, espionage investigations, auditory tests, use of pretexts in investigations, investigations to locate fugitives, reporting procedure and report writing, interviews, detection of deception, the cardinal rules of arrests and apprehensions, searches of persons, sources of information, confidential informants, rules and precautions on the firing range, offensive and defensive tactics, disarming adversaries, burglary investigations, blood and other body fluids, precautions against enemy aliens in time of war and registration of aliens, suggested regulations governing alien travel control and alien registration and interviews under pretext involving alien investigations.

In March, 1943, and intermittently for several months, a course of lectures was given the cadets in the Officers Training School for Carabinero Officers. The cadet course was composed of an average of sixty-five or seventy Officer Candidates. During July and August, 1943, the training program was extended to the Guayaquil Officers and non-commissioned Officers of the Carabineros, about one hundred in number, and also to twenty Agents of the Guayaquil Seguridad Office. On the completion of the training course in Guayaquil, a similar course was started in September of 1943 at the third largest city in Ecuador, Cuenca, which was attended by some thirty-five Officers and non-commissioned Officers of the Carabineros at that point.

Early in October of 1943 using curricula which were prepared with the assistance of Bureau Agents as advisers, Colonel Hector Salgado founded the following three schools in Quito:

- (1) School for the training of National Comisarios (Police Judges): This course was of four months duration and was made up of forty men, consisting of approximately half Carabinero Officers and one-half civilians who had already been Comisarios.
- (2) The School for Jefes de Seguridad: This school, likewise, consisted of civilians and Carabinero Officers.
- (3) The third school was comprised of the School for Seguridad Agents and was made up of fifty-five Carabinero non-commissioned Officers.

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The Schools for Comisarios and Jefes de Seguridad were completed early in January of 1944 and the School for Seguridad Agents terminated in May, 1944. As of January 1, 1944, all the police functions in Ecuador were consolidated under the direct control of the Carabineros under Colonel Salgado. Pursuant to this consolidation, there was founded in early January the Fundamental Police School in Quito to train youths between the ages of twelve and sixteen for subsequent entrance into the Carabinero ranks or specialized police schools. In this, as in other police training schools in Ecuador, Bureau personnel acted in an advisory capacity and participate in the actual instructions.

The most tangible results of the Bureau Police Training Program in Ecuador were a much closer collaboration on investigation. This was primarily brought about due to the fact that many ex-pupils in Bureau training school were assigned throughout the Republic, either as Jefes de Seguridad or Agents or as Comisarios, and possessed at least a rudimentary knowledge of investigative technique and many of them through close association with Bureau personnel in Ecuador were extremely cooperative. Through Colonel Salgado, several Carabinero Officers were chosen to work full time with Bureau personnel in Ecuador on actual investigations and covering leads assigned to them. The program consisted of close collaboration with Ecuadorian Carabineros with the ultimate end in view of the establishment of at least a semblance of uniform investigative technique and reporting, which would be a direct aid to the Legal Attache's Office in Quito.

Special Agent [] conducted a great deal of work for various and successive classes of the National Police unit known as the Carabineros, headed by Colonel Hector Salgado, who was at one time a guest at the Bureau. [] not only successfully covered his assignment but was the subject of a request through diplomatic channels by Colonel Salgado and the Ecuadorian Foreign Minister to be returned to Quito for additional assistance. Advice and counsel were sought of the Bureau's Police Agents at Quito in connection with the development of a system and training to be given in the Fundamental Police Schools organized in Quito in January 1944 for pre-school training of youths from twelve to sixteen years of age for entrance into the Carabineros forces. The work of the Liaison Agents in Ecuador solidified to the greatest possible degree the cooperation which it is possible to secure from the Ecuadorian Police in connection with SIS work. An interesting example of this cooperation occurred in connection with the deportation of dangerous and undesirable aliens in Ecuador from a list drawn up from the Office of the Legal Attache for presentation to the President of Ecuador. The President issued the necessary instructions for former pupils of [] in the Carabineros to assist him in the arrest and deportation of these aliens.

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On May 28, 1944 a revolution began in Guayaquil, Ecuador, as a result of which the Ecuadorian Government was overthrown. Since the Carabineros were on the losing side in this revolution and since the Bureau Liaison Agents had worked mostly with the Carabineros, the Bureau considered transferring two of the Liaison Agents to Bogota, Colombia, to fill vacancies there, assuming that the value of the Liaison Agents had diminished following the revolution. Ambassador Robert M. Stratton was consulted and he

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immediately objected to the transfer of the Agents and so informed the State Department by cable. He requested that the Bureau leave all three Agents assigned in Ecuador and no further consideration was given to their transfer after he had expressed his opinion concerning their importance.

Special Agents [] and [] Police Liaison Agents in Quito, with ease secured contacts within the new Ecuadoran Police regime, equally as valuable as those enjoyed with the de Carabinero force. In fact the new Government of Ecuador advised its diplomatic mission in Washington that it desired to organize and train the police of Ecuador so that that police system would be a non-military, non-political body, modeled after the FBI. The Ecuadoran Government stated that Special Agent [] was without doubt the best qualified man to direct this reorganization and training program.

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[] and [] assisted as part-time instructors in the school of Sub-Officials and classes of the new Guardia Civil which replaced the Carabineros. Upon the graduation of thirty-two Police Officers, August 9, 1944, Ecuadoran Police Officials expressed their thanks to the Office of the Legal Attache for the assistance rendered and [] and [] signed each diploma along with other instructors.

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On October 25, 1944, the Minister of Foreign Affairs addressed a request to the United States Ambassador for a police mission to aid in further instruction and preparation of the Guardia Civil. The Ambassador was very interested; however, no action could be taken by the Bureau without a formal request by the Ambassador to the State Department and proper clearance from the State Department. It was suggested to our Legal Attache that, for the present, instructions and material could be furnished the Ecuadoran Police through Bureau personnel already assigned to Ecuador.

Guatemala

For some time officials of the Guatemalan National Police and particularly Jorge Toriello, Civilian member of the Triumvirate in the Revolutionary Junta, negotiated with our Legal Attache and the Ambassador regarding arrangements for two police liaison agents to assist in the training program of the Guatemalan Police.

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The Ambassador on December 8, 1944, recommended the assignment of two such Agents to the State Department and the State Department approved such request.

Shortly after his arrival in Guatemala City, Police Liaison Agent [] was requested to conduct a school. This school was inaugurated on April 16, 1945, and lasted until July 16. It was attended by seventy-six students, including the Director of the Guardia Civil and all the Assistant Directors. Another similar school was given by Agent [] during the period between January 15, and April 15, 1946. The latter school was attended by eighty-two students.

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At the opening and closing ceremonies of the schools at Guatemala, the Guatemalan officials were very effusive in expressing appreciation to the Bureau for having sent Agent [] to Guatemala. Colonel Sandoval, Head of the Guatemalan police, sent a letter to the Director stating that the services of Agent [] had been of great value and assistance to the Guatemalan police. b7C

During July and August of 1948, Police Liaison Agent [] conducted a short course of training for four agents of the Guatemalan Judicial Police and ten agents from the Guardia Civil in the use of camera and photostat equipment. Colonel Victor M. Sandoval, Director General of the Guardia Civil, had requested that Agent [] give the school in order that the Guatemalan Police would have personnel familiar with the use of cameras and photostat equipment. Sandoval was very grateful for the efforts of Agent [] in conducting the school. (64-29833-213-115) b7C

Haiti

When Special Agent [] was the SIS representative at Port-au-Prince, Haiti, he endeavored through contacts with President Lescoot of Haiti to formulate plans for police training schools. President Lescoot seemed to take no interest in this matter because of the attitude of Comtran Rouzier and other police officials in Haiti. The President freely admitted that Rouzier's post was created for him as a political expedient so that he might be employed by the administration and that Rouzier was in no way qualified for police work. President Lescoot requested Agent [] to work officially with Lt. Jacques Etienne who was very cooperative toward the Bureau b

Later Special Agent [] who acted as Civil Attache and Police Liaison Agent was decorated by the Haitian Government for his work as Liaison Officer with the Haitian Police. (64-29833-217-14)

The Civil Attache in Port-au-Prince, Haiti maintained close contact with personnel of the Garde d'Haiti, which functions as the Military and police force of that Republic. Lieutenant Jacques Etienne, Chief of the Criminal Research Bureau of this organization, requested the aid of the FBI Laboratory in the examination of certain handwriting specimens of three suspects in a case involving the forgery of two checks. The FBI Laboratory report, forwarded to the Civil Attache to be made available to Lieutenant Etienne, pointed out that the handwriting of suspect Willy Jean was identical with that appearing on the two forged checks, except for the signature which probably was traced. Upon receiving this evidence, Haitian police officials succeeded in obtaining a confession of guilt from Jean. Restitution for the full amount of the checks was made by subject's brother, Grevy Jean, Chief Magistrate of the Supreme Court of Haiti. (64-29833-217)

Honduras

During the early part of 1945, the Honduran National Police made inquiry concerning the possibility of having a Bureau Agent sent to Tegucigalpa

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for the purpose of establishing an identification unit for the Honduran police. The request was sent through formal diplomatic channels and Agent [] was selected for this assignment. He arrived in Tegucigalpa on April 5, 1945. After conferences with the head of the Honduran National Police and with President Tiburcio Carías Andino, Agent [] assisted in the selection of two students who were to begin the study of fingerprints. Formal classes were started on April 15, 1945. Each day was divided into classroom instruction and actual practice in the classifying and taking of fingerprints. While instruction continued, work was completed on the necessary file cabinets and other furnishings for the identification unit. On May 18, 1945, the two students were believed to be sufficiently qualified to begin practical work and on that date a program was started whereby all persons arrested by the police in Tegucigalpa on felony charges were fingerprinted.

Shortly after July 1, 1945, three additional students entered this school to be trained by Agent []. In addition to being instructed in the system of classification, they were also given training in the use of the iodine fuming cabinet, the process of dusting for latent fingerprints, and the use of the fingerprint camera.

On January 24, 1946, another identification office was opened in San Pedro Sula, second city of the Republic of Honduras. One of the employees from Tegucigalpa who had been trained by Agent [] was placed in charge of the office in San Pedro Sula and was aided in getting it started by Agent [] who remained in San Pedro Sula for about ten days.

The Honduran National Police intended to establish fingerprint offices in the capitals of all the departments of the country. The National Congress appropriated a sum sufficient for this purpose. In order to take care of this expansion, it was necessary to train sixteen more employees.

The officials of the Honduran police are very appreciative for the work which has been done by Agent [] and General Reina, Director General, has already advised Mr. Hoover of the success of the efforts of Agent [] (64-29833-218-121)

Mexico

Although there was no FBI Liaison Agent in Mexico as yet, a step in this direction was taken by the Bureau during the visit to the United States of General Ramon Jimenez Delgado, Chief of the Police of the Federal District of Mexico. After attending the International Association of Chiefs of Police Convention in Cleveland, Ohio, with Special Agent [] Delgado was accompanied to New York and Washington, where he met Bureau officials and stated plainly that he wanted an FBI Representative in Mexico City to work with the police. Prior to Delgado's departure from Mexico for the United States, he consulted with our Civil Attache in Mexico, who advised the Bureau of the General's itinerary and plans, thus enabling us to facilitate his travel and receive him in Washington.

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Following the visit to the Bureau of General Ramon Jimenez Delgado, Chief of the Mexico City Police Department, in a letter to the Director he requested an exchange of Police Liaison Agents between the Bureau and his department. The Bureau approved the acceptance of a representative of the Mexico City Police Department to attend the National Police Academy School beginning January 8, 1945, and an invitation was extended by the State Department through diplomatic channels.

General Jimenez requested the Bureau to send one of its "outstanding Agents to act as technical adviser." The Bureau did not deem it advisable to exchange representatives with Mexico at the time. However, a police training school was held at Mexico City by Special Agents [] and [] from June 2, 1947 to September 24, 1947 which school was received with much enthusiasm. Special Agent [] remained in Mexico City as Police Liaison Agent subsequent to the completion of the training school. He is attached to the Office of the Legal Attache in that city. (64-29833-211)

Nicaragua

Special Agent [] was sent to Managua, Nicaragua, in the early part of 1942 for the purpose of organizing a police school for law enforcement officials. This idea was not carried through, however, due chiefly to the fact that the President of Nicaragua stated that he did not want Agent [] to conduct the school but to serve in an advisory capacity in the Police Department itself.

As a matter of interest, it is noted that Agent [] was the near victim of an assassin who fired a shot at him on the morning of June 13, 1942, shortly after Lt. Aguirre, Director of the Office of Naval Defense of Nicaragua, experienced a similar near-catastrophe a few days previously. At the suggestion of President Somoza of Nicaragua, Agent [] went armed.

Although there was no course of instruction given Nicaraguan Police, it is believed that the results of such a school were otherwise obtained in that Agent [] was afforded the utmost cooperation and assistance by Nicaraguan Government officials who showed the greatest respect for him and the Bureau on numerous occasions. (64-4233)

Special Agent [] took over Special Agent [] duties after the return of the latter to the United States. However, it was necessary to recall Special Agent [] to the United States and discontinue the assignment because of the delicate internal situation prevailing in Nicaragua in January of 1944.

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Panama

During the period between January 21, and May 4, 1946, Police Liaison Agent [] conducted a training school for the detectives of the Panamanian National Secret Police. This school was attended by fifty-five detectives. The President of Panama, as well as United States Ambassador Hines, showed a lot of interest in the organization of the school and Agent [] was praised highly for his work in connection with the training program. The Head of the National Secret Police made plans for a school to be conducted by Agent [] on the other end of the Isthmus in Colon. These classes lasted until the latter part of July, 1946.

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President Jimenez personally expressed his thanks to Agent [] and has told [] that he considered that the Bureau rendered inestimable service to the government of Panama, in allowing Agent [] to provide instruction for the local secret police.

Police Liaison Agent [] left Panama in August, 1946 when the Office of the Legal Attache in the Embassy was closed. A number of letters were received from the Head of the Panamanian Secret Police, the Minister of Government and Ambassador Hines praising Agent [] highly for the work which he had done with the Panamanian Police. He had been in Panama since August, 1945 and had conducted schools in Panama City and in Colon. (64-29853-225)

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Peru

Former Special Agent [] proceeded to Lima, Peru, in January, 1942 for the purpose of conducting a course of instruction for officers of the intelligence section of the Peruvian Army. Preliminary arrangements were completed and the plans called for the school to begin on June 10, 1942 at 9:00 a.m. Two days before this school was to be instituted Agent [] resigned from the Bureau. His action left only Special Agent [] available in Lima to proceed with the course of lectures which [] had prepared and studied for several months. It should be noted that Special Agent [] had arrived in Lima only a few days prior to the time that the first lecture was scheduled to begin. He nevertheless proceeded to give some of the lectures and to have others of them read by one of the Peruvian instructors.

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The trainees attended a series of 158 hour lectures from June 19th to August 7th inclusive. Thirty-six hours out of this total were devoted to Bureau lectures. In attendance at the convention were ten members of the Investigative Division of the Peruvian Government, each of whom had served in this capacity from ten to seventeen years. All of these men were thoroughly investigated by and approved by the Peruvian Army for attendance. Those lectures not pertaining to subjects covered by the Bureau consisted of training by Peruvian Army officials. The subject covered by Agent [] pertained primarily to sabotage, espionage, counterespionage, and Fifth Column activities.

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Following this course of instruction a second school was instituted in August, 1942, and concluded on November 6, 1942. Special Agent [] conducted a series of lectures, the topics of which were similar to those mentioned above. The effectiveness of his instruction is best illustrated by the benefits which were later derived in the form of a newly instituted intelligence unit of the Peruvian Army. The attendance of this latter school consisted of six Army lieutenants, seven Army captains, two aviation captains, three Naval captains, all between twenty-five and thirty-five years of age. One of the primary purposes of the course contemplated the sending of its participants to various strategic points in the country considered to be spots of possible danger in the event of a national emergency. However, it appeared that neither the air corps nor the navy would allow any of the former students at the school to conduct intelligence investigations. Almost half of the students who graduated from the first intelligence school resigned their positions. b7C

On March 26, 1943 Special Agent [] was assigned as Police Liaison Officer attached to the Office of the Legal Attache. Although b he maintained excellent contacts with the Police there and secured excellent cooperation, he delivered no lectures to the Police. It is of interest to note that at one time the United States Ambassador to Peru requested the Liaison Agent to secure from the Bureau an offer to train a Peruvian Police Official in Washington. It was the Ambassador's intention to strike a bargain with high Peruvian Police Officials by promising one of them training in the FBI in return for the expulsion of the head of Casa Bayer, a notorious German commercial firm.

An outstanding example of the value of Police Liaison work in Latin America was in connection with the apprehension of the Nazi agent Erich Gimpel in December of 1944. Gimpel had formerly lived in Peru, had married there but was deported along with other Axis nationals, interned in the United States for a short time and returned to Germany. Following the apprehension of his associate, another German agent William Colepaugh, the Bureau was conducting a nation-wide search for Gimpel. The only identifying information available concerning him was his name and a description which was furnished by Colepaugh. When it was ascertained that Gimpel had previously resided in Peru our Legal Attache at Lima was immediately notified and within a few hours, through the cooperation of the Peruvian Police, Liaison Agent [] had secured photographs of Gimpel, fingerprint cards, had interviewed his wife, and was en route to the United States by plane. b7C

During the last week in December, 1945, Ambassador William D. Pawley who was then in the United States came to the Bureau and personally requested that two Bureau agents be sent to Lima, Peru, to act as instructors and advisers to the Department of Investigations. Ambassador Pawley emphasized that he had a strong personal interest in this respect since he wished to demonstrate to the Peruvian police that he was anxious to assist

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them in any way possible. Two agents, [] and [] were selected and trained for this assignment and arrived in Lima around the first of April, 1946. Since their arrival they have been studying the setup of the Peruvian police with the wholehearted cooperation of the Minister of Government and Chief of Police. These Agents remained in Peru until our SIS Office was closed on March 7, 1947. During the course of their assignment they conducted schools for the Department Chiefs, a school for the sub-officials and a course in defensive tactics for a selected group of men from the Division of Investigation. At the request of the Peruvian Army they also gave a series of five conferences for members of the Intelligence Division of the Army. They also laid out a "Practical Pistol Course" and furnished a short course of instruction to a group of ten members of the Division of Investigation.

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[] and [] received much favorable publicity in the Peruvian newspapers and in the police magazines. Full credit was given to the Director and the Bureau for having sent them to Peru. Dr. Horacio Cespedes, Head of the Division of Investigation, wrote a personal letter to the Director, advising of the satisfactory manner in which the Agents had served in Peru and expressing his personal appreciation to the Director for having made their services available. (64-29833-225-133)

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Paraguay

On December 2, 1944, United States Ambassador to Paraguay forwarded a dispatch to the State Department in which he indicated that he considered the assignment of a Police Liaison Agent to Paraguay advisable and stated further that he considered that the advantages to be obtained outweighed any possible objections which might be raised by the Brazilian Ambassador due to the presence in Paraguay of a Brazilian Police Mission. The Legal Attache in Asuncion had indicated that the importance of such an assignment to the Bureau could not be overemphasized and that both the Ambassador and the Chief of Police would be favorably impressed by the success of this work. The Chief of Police there was planning a post-graduate school to provide adequate training in technical police work to graduates of the existing police school and all police officers and members of the detective force would attend. The first job of the Police Liaison Agent would be to help plan the organization and curriculum of the new school.

The State Department was advised of the Bureau's approval of the assignment of a Police Liaison Agent to Paraguay pending the request from the Paraguayan Government and approval of the State Department.

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During September, October and part of November, 1946, Police Liaison Agent [] conducted a series of classes for police officers of the Paraguayan National Police. At the same time, Agent [] assisted the Identification Division of the Asuncion Capital Police Department in setting up an efficient identification section (64-29833-224)

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Uruguay

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In November, 1943, Superintendent [] and Inspector [] were sent to Montevideo, Uruguay, at the invitation of the latter government to assist in the reorganization of the police system there. Previously, Uruguayan Police Officials had approached our Legal Attache and the Ambassador with regard to a similar mission from the United States. However, the sending of such a mission was contingent upon furnishing the Uruguayan Police Department certain equipment.

[] and [] left Montevideo on November 1, 1944, to return to [] having completed a year in Uruguay. Among personnel of the Police Department in Montevideo, there were rumors that these individuals had performed a dual mission, since they devoted very little time to the actual study of police problems. There was however no definite truth to these rumors. Upon completion of their mission, they submitted a report to the Chief of Police, Juan Carlos Gomez Folle, which was later printed in Spanish in the Police Bulletin. Practically the entire report was devoted to praise of the Montevideo Police Department and to pointing out the two factors which were found necessary for the Montevideo Police Department to reach a peak of efficiency, e.g., time, so that people could be educated to respect law and order, and money. According to Police officials, the classes were very unsatisfactory since neither of these individuals spoke Spanish and interpreters had to be used. They reported that these individuals had not accomplished anything and that they fell considerably short of expectations. [] and [] were very fond of drinking and enjoying themselves and spent their time in that manner. In general, their presence in Uruguay was regarded as a joke.

It is recalled that in 1943 our relations with the Montevideo Police Department were not very good. However, it was interesting to note that during the stay of [] and [] in Montevideo, the relations of our Legal Attache with police officials there improved tremendously.

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Venezuela

In January of 1944 Special Agent [] was assigned as Liaison Officer with the Venezuelan National Police. His principal activity there consisted of advising that police organization and he became very closely associated with Dr. Jose Ramon Sanz-Febres, Director of the National Service of Security and Foreigners and with Dr. Manuel A. Pulido, Chief of the National Office of Investigations, who had been a guest of the Bureau in Washington.

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Special Agent [] worked closely with the Venezuelan police in organizing a curriculum and program for training officers of that organization. Dr. Sanz-Febres wrote the Bureau praising [] work and requesting that his assignment in Caracas be extended indefinitely. The Caracas newspapers featured articles outlining the accomplishments of the Bureau and described Agent [] as an excellent example of the Agents of the FBI.

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At the request of the National Police of Venezuela during 1945 Agent [] conducted two classes a week at the National Police School before a group of 151 students, 51 of these students were being trained for work with the Department of Investigations and the remaining number were to become employees of the Venezuelan National Guard which was a uniformed police body. Although a Revolution in Venezuela occurred during the latter part of 1945, the new police officials were very friendly with Bureau representatives and appeared anxious to improve the efficiency of their organizations. (64-29833-228) b7C

Netherlands, West Indies

During the latter part of September, 1946, the Police of Willemstad, Curacao, N.W.I., made it possible for the Bureau to apprehend Antonio Navarro Fernandez, international swindler. Navarro was in Curacao when the police there were advised that the Bureau desired to apprehend him. The police arranged to have him deported and placed him on a plane for Miami, Florida where he was taken into custody. Mr. M.P. Gorsira, Inspector of Police at Willemstad, was primarily responsible for this action. A letter of appreciation was sent to him and an invitation was extended to him to attend a future session of the FBI National Academy. This invitation was accepted and Mr. Gorsira attended the Academy session which began on January 7, 1947. (1-4604)

Other Countries

Although no schools were given in the other Latin American countries where the Bureau had Police Liaison Representatives, the latter continued to work closely with the local police in matters of mutual interest. Despite many changes which took place in various countries among the police officials, Bureau representatives were able to make friends quickly with the incoming officers and were often called upon to furnish advice as to investigations, reorganization plans, etc.

Recapitulation

A review of the Bureau's Police Liaison Program reflected that 32 Agents were used in liaison capacities with the Police of 15 different Latin American countries. It is felt that the work of these Agents during six years contributed materially to the success of the SIS Program as a whole. Through their personal contacts with Latin American Police Officials the Liaison Agents greatly enhanced the prestige of the FBI and at the same time, because of their relations with the Police, they developed information of great value to the various Embassies and the Bureau. The many courses of instruction given by our Agents did much to improve police organizations in Latin America and to promote closer international police cooperation.

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4. Proposed Police Conference, Buenos Aires, Argentina,
May 27, 1942.

During the second meeting of the Ministers of Foreign Affairs of the American Republics, July, 1940, it was resolved to hold an American Conference to consider methods of maintaining the most complete and effective defense against unlawful acts affecting the institutions of the American states. (64-5008-1)

Plans were consummated for this conference to be held starting on May 27, 1942, at Buenos Aires, Argentina. The original plans drawn up by the State Department called for the Bureau to send a representative to the affair. The Bureau believed that Assistant Director Foxworth was the logical choice to represent the Bureau at this conference. (64-5008-14) However, the State Department expressed a policy of playing down the conference inasmuch as it was believed malapropos to exchange police data in any meeting in which the Argentines had membership especially in view of the fact that the conference was to be held at Buenos Aires. (64-5008-15, 16) The State Department named Carl Spaeth as the official representative of the United States to attend this conference, and suggested that an appropriate FBI man be commissioned to go along as an adviser and observer and "to keep quiet and merely report". In view of this situation it was not believed advisable by the Bureau to send a "lesser light" to the conference especially as it was to be played down. As the result, the Bureau withdrew completely from the affair and sent no representative at all to Buenos Aires. (64-5008-21)

During the proceedings, which took place in Buenos Aires between May 27, 1942, and June 9, 1942, there was proposed an Inter-American Police Union as a "permanent technical organization composed of police delegations of the contacting parties and which shall have an exclusively technical examination and have an exchange of police records as well as for research, compilation of statistics, and coordination of police regulations". The resolution further provided for the utilization of the Vucetish Fingerprint System as a basis for an Inter-American identification system and that fingerprints be transmitted by the parties to the agreement in conformity with the Inter-American system. This latter proposal was most objectionable to the Bureau inasmuch as the Henry System is most commonly utilized throughout the world and is being presently used by the Bureau. The Bureau's fingerprint files are, of course, by far the largest in the world.

In view of this information, the Bureau advised the State Department that it would not be represented in any Inter-American Police Union as such membership would serve no useful purpose. (64-5008-28)

After conversations with members of the Argentine delegation at the conference, the State Department concluded that the Argentines

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would refuse to accept any resolution which would provide regulations of activities of Axis Nationals and Nationals of other non-American states. (64-5008-48)

5. Proposed Pan American Police Conference 1943.

During November, 1942, the Bureau considered plans for holding a four-day Pan American Police and Intelligence Conference to discuss collaboration and cooperation in international problems. There are set out hereinafter the results of a survey conducted by SIS Attaches in Latin America for the purpose of considering qualified delegates from the various countries for such a conference if held.

Some difficulty was anticipated in Argentina inasmuch as the Chief of the Capital Police, General Domingo Martinez, has been repeatedly reported as pro-Nazi. Therefore, the name of Inspector General Lorenzo Galatto of the Division of Investigaciones, Capital Police, was submitted inasmuch as he was believed to be pro-Allied in his sympathies and in a better position to cooperate more fully with the SIS program than any other member of the local police.

No recommendation was made by the Bureau's representative in Bolivia, inasmuch as a new Director General of Police was about to be appointed, and it was felt that the delegate should be a representative of the new police department.

Major Olyntho de Almeida Franca e SA was recommended as being best able to represent the Republic of Brazil. He enjoyed the confidence and trust of the Brazilian President, was in full control of his police organization in the State of Sao Paulo, was extremely pro-American, and had cooperated with the United States Government on all matters. It was also recommended by the SIS Attache that in the event Major Franca were invited, that Elpedio Reali, one of Franca's Chief Lieutenants and the investigator who broke the Christensen espionage case, also be extended an invitation to act as Aide to the Major.

Jorge Garreton, Director of General Investigaciones, Santiago, Chile, was recommended to be the delegate for that Republic. Although he had not openly cooperated with our Attache, it was believed that he knew some members of his Police Department were cooperating and had not interfered with them. He was very loyal to Chile and refrained from expressing pro-Allied or pro-Nazi sentiments.

As delegate from the Republic of Colombia, the Bureau's representative recommended Luis Hernandez Ruiz, Director of the Department of Investigation and Identification, a lawyer and Leftist.

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