

April 21, 1973

The Honorable Sam J. Ervin Jr.
Chairman, Select Committee on Presidential Campaign Activities
United States Senate,
Senate Office Buildings,
Washington, D. C. 20017

Dear Senator Ervin:

You may or may not remember me, 53 years of age, full beard, 6', wearing a red or blue sports jacket. You kindly left the floor of the Senate to speak to me a day or two prior to the elections last November. Busy as you were, you may have forgotten me.

I have not forgotten you. I offered you the solution to the Watergate mystery in the two or three minutes of your time that you generously gave me. With your new and special responsibility in the Congress for seeking this solution, I am again offering my services. However, in view of the hazards for my associates and my country, I must honor three conditions:

1. I must go where the facts lead. I trust the Committee will not stop short of exposing foreign and domestic power structures within government that enjoy subversive influence upon the Presidency itself.
 2. The second condition is that an essential corroborative witness of my delivery of vital intelligence to the Federal Bureau of Investigation, Nancy Isbell Thompson, be subpoenaed with me at the same time. DC
 3. The third condition is that the sources of my foreign and domestic intelligence must remain unrevealed. I and I alone must determine when it is safe for my associates and my country to reveal them. MO.
- NANCY THOMPSON
BOX 3342, Modesto, CAL.

I shall not hesitate to refuse demands for sources that could dry up my intelligence or endanger my sources or my country. Moreover, it is not necessary. Intelligence is not evidence -- it just pinpoints where forensic evidence can be secured thru sworn testimony of hostile and friendly witnesses and through documentation.

In three conferences prior to the election I gave Mr. Phillip Parker, direct aide to L. Patrick Gray III, Acting Director of the Federal Bureau of Investigation, sufficient intelligence to enable the FBI to solve the Watergate case and to permit the American electorate to know the facts before the elections.

Two of these conferences were held in the offices of FBI counterintelligence at the Federal Triangle Building at 9th and D Streets NW, across Pennsylvania Avenue from FBI headquarters.

ENCLOSURE

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The last was held at the apartment of Nancy Isabell Thompson at 201 Massachusetts Avenue NE. Two Secret Service agents and an FBI arrest agent attended, as well as Mr. Phillip Parker, Nancy Isabell Thompson, and myself. Nancy also attended the two previous conferences between Mr. Phillip Parker and myself.

My refusal to name my sources was the reason given me by Phillip Parker for the FBI disregarding my intelligence. Foreign and domestic activist intelligence organizations, even reaching into the White House, have been penetrated by my private intelligence sources. I shall certainly continue to refuse to jeopardize any sources until the Congress develops the necessary forensic evidence by calling both hostile and friendly witnesses that excellent intelligence has exposed.

In brief, this solution, obtained by penetration of private, government and foreign intelligence sources, but not yet corroborated by forensic evidence before the Congress is as follows:

1. The United States Federal Reserve System keeps records of the serial numbers of all newly issued \$100 bills. A block of such recorded currency was issued to a Hong Kong bank. It was \$100 bills within this block of serial numbers that ended up in the possession of C. Gordon Liddy, S. Howard Hunt and Mrs. Hunt. The currency in the possession of Mrs. Hunt was retrieved by Chicago police from the airplane wreckage in which Mrs. S. Howard Hunt was killed.

DEAK AND COMPANY FAR EAST LTD

2. \$350,000 of this block of new \$100 bills was issued by a Hong Kong bank to Deak & Company Far East. This firm is located on the fourth floor of the Shell Building in Hong Kong.

Hong Kong

3. Deak & Company Far East Ltd. is nominally owned by Nickolas Deak, an American of Hungarian extraction. In World War II Deak was an American OSS agent assigned to liaison with the Soviet intelligence organization in the Balkan countries. Later, as a CIA agent or source Deak enjoyed de facto CIA protection in establishing currency exchange houses in New York, in Washington, in Hong Kong and throughout the world. Ostensibly the currency and gold manipulation activities of this firm were in the national interest because Deak would cooperate with the CIA in currency manipulation for economic warfare against foreign countries the CIA considers unfriendly to the USA. Such countries included Indonesia when it was under the Sukarno government.

Hong Kong

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4. Two principal clients of Nickolas Deak's currency and gold manipulation service at Hong Kong are the Soviet KGB and the big

American organized crime syndicate. Another famous client of Mr. Nicholas Deak is Mr. John Connally, former Secretary of the Treasury and gold speculator. An agent of Nicholas Deak's firm has met with Connally at his ranch in Texas.

5. Deak & Company Far East Ltd. was acting for its Soviet KGB client when it obtained \$350,000 of new serially numbered \$100 bills from a Hong Kong bank that serviced the company. (The American organized crime syndicate would not have made this fatal error. Needs may be rolling within the KGB for this mistake.)
6. Normally within the American organized crime political power structure, G. Gordon Liddy, Watergate defendant, became a conscious, knowledgeable KGB courier in calling at the Deak & Company Far East Ltd. offices in Hong Kong. He personally transported \$350,000 in new serially numbered \$100 bills to Washington, D. C. He turned these Soviet KGB funds over to another Soviet KGB agent, also an American citizen, through the office of the Dacar Chemical Company on the 9th floor of the office building that houses the Washington office of Deak & Company at 13th and K Streets. Liddy knew he carried Soviet funds.
7. The second American KGB agent, nationally known on the American political scene, picked up the \$350,000 at the Dacar Chemical office and delivered the currency to the offices of the Committee to Reelect the President. The pickup and delivery was accomplished within half a block on K Street.
8. The \$350,000, still in currency, was deposited in Maurice Stans' safe. Attorney General John Mitchell was aware of the fund but not of the Soviet source. Maurice Stans was aware of the Soviet source. He, like the CIA, cannot substantiate any political contributor or contributors as the source. He arranged this "political" contribution on his November, 1971 trip to the Soviet Union in which, as Secretary of Commerce, he negotiated multi billion dollar trade deals for American multinational corporations.
9. G. Gordon Liddy again became a Soviet KGB courier in picking up \$100,000 of the same Soviet KGB currency from Maurice Stans' safe. He personally transported the currency to Mexico. The primary purpose was the expenditure approval of a high ranking Soviet KGB agent, Manuel Garric Daguerre. Daguerre enjoyed KGB responsibilities well beyond Mexico.
10. In "laundering" the \$100,000 of currency, KGB courier Liddy was responsible for another KGB error. The four checks of a total of \$89,000 that were later delivered to Watergate defendant Bernard L.

Barker in Miami, along with \$11,000 of the original currency, were not signed by Manuel Ogarrío Daguerra. The signatures were forged by Liddy himself. This fact can be established by competent handwriting analysis.

11. Bernard L. Barker is also a high ranking Soviet KGB agent. He was with the KGB before he joined the CIA. His expertise is assassination. This specialization is the source of his command of the expenditure of such a large portion of the \$350,000 of Soviet KGB funds from Hong Kong.
12. James W. McLeod Jr., Eugenio R. Martinez, Frank A. Sturgis and Virgilio R. Gonzales were probably unaware of any Soviet KGB assassination plot that might be implemented by Bernard L. Barker. Implementation would normally be accomplished by others than the bugging team.
13. Barker, pursuing his expertise, sought the plans of the convention hall in Miami that later was to house the Democratic convention. His experienced attention was given to the large air conditioning ducts capable of concealing a rifleman. It is probable that either Barker or D. Howard Hunt, also an ex-CIA agent and also a KGB agent, "sold" their KGB superiors on the desirability of bugging the Democratic headquarters. The incredible blunder of the most sophisticated assassination plotters in the world was probably due to greed for a piece of the action and to Barker's excellent KGB reputation as an accomplished assassin. Funds for determining whether or not an assassination was necessary to assure the reelection of the President were channeled through the assassin who would be responsible for implementation if that course of political action became necessary.
14. I chose to use an honest, uninfilitrated channel to carry the most important intelligence to the President. This was the intelligence most immediately verifiable by the FBI and the Secret Service. I twice refused to accede to FBI demands that I first go through the Washington Field Office of the Federal Bureau of Investigation. I knew the latter channel to be infiltrated by both organized crime and KGB information sources. The honest channel I selected was Phillip Parker to L. Patrick Gray III to the President. The two items of intelligence calculated to insure the positive interest and reaction of the President were as follows:
 - (a) All serially numbered bills found in the possession of the Watergate defendants were originally issued to a Hong Kong bank and delivered to Deak & Company Far East within a block of \$350,000 of the serially numbered currency.

- (b) On August 28, 1972 an aborted attempt to assassinate the President and Senator George McGovern occurred. I warned the Secret Service in advance of this attempt.
15. During my last FBI conference, in the presence of an FBI arrest agent, the two Secret Service agents and Nancy Isabeil Thompson, I challenged Mr. Phillip Parker with my intelligence that the above two items of intelligence had been delivered to the President. Parker neither confirmed nor denied the informing of the President. I demanded of the FBI and the Secret Service, as a member of the American electorate, that the Hong Kong bank source of the currency be revealed to the American people before the election.
16. Also before the election, I gave Mr. Phillip S. Hughes, head of the federal elections office in the General Accounting Office (GAO), sufficient information to warrant a congressional demand upon the Federal Reserve System to name the bank the serially numbered bills were issued to. Mr. Hughes enjoyed responsibility under the GAO and the Congress to investigate certain financial aspects of the Watergate case if the law concerning the reporting of political contributions had been violated.
17. As an alternative to a congressional demand that the executive department of government name the bank the federal reserve notes were issued to, I suggested that the GAO publicly reject the performance of such a limited inquiry. I suggested public rejection of the probe as not within the GAO's legal competence on the grounds the GAO possessed no evidence whatsoever that any citizen of the USA contributed any of this \$350,000 to any political cause. The GAO confirmed that no supporter of the President's reelection made any political contribution to this \$350,000 fund as far as available evidence was concerned. This is true because the entire \$350,000 originated as Soviet KGB funds out of Hong Kong.
18. American organized crime's legitimate and illegitimate enterprises provided \$350,000 of "matching funds" for this conspiracy. The matching funds came from within the USA. This was the reason for the swelling of the fund in Maurice Stans' safe to \$700,000. This organized crime contribution was primarily earmarked for the "Department of Dirty Political Tricks," although the \$25,000 Dwayne Andreas amount went to support assassin Bernard Barker's activities.
19. In the late evening of August 27, 1972 I received extremely urgent intelligence that attempts were to be made upon the lives of both President Richard M. Nixon and Senator George McGovern the next day, August 28, 1972. Evidently the Soviet KGB had panicked, fearing exposure of their hand in the developing Watergate investigations. President Nixon was unaware of any assassination plot against either Senator McGovern or himself.

20. I immediately called the Secret Service. A black Secret Service agent interviewed me about 2:00 a.m. at Nancy Isabell Thompson's apartment in the Woodner Hotel Apartments in the 3200 block of 16th Street NW. Realizing the potential credibility and administrative gap inhibiting immediate Secret Service protective action, I notified this agent that if the Secret Service office did not call me back by 7:00 a.m. that I would call them. Shortly after 7:00 a.m. my call was referred to a Secret Service agent that spent many minutes denouncing me as a dangerous mental case fit only for a hospital.
21. Still relying upon sources that had been accurate in the past, I proceeded that morning to attempt to warn Lawrence O'Brien of the McGovern campaign headquarters. I reasoned that he might be able to bridge the credibility gap and warn Senator McGovern because of his more intimate knowledge of the Watergate case in which he was a civil plaintiff. His office on the 8th floor advised me he was out of town.
22. Turning toward the elevators I noticed the open door of a conference room with a man stationed at the door and television and news cameras inside. The man said that Senator McGovern was to hold a news conference there soon. After I turned away I realized the man I had spoken to had to be a Secret Service agent. Still trying to bridge the credibility gap, I reported to him my earlier warning to his Secret Service headquarters. After a Secret Service agent had, indeed, confirmed that I had warned of a plot to assassinate the two nominees that day, I was immediately escorted to the elevator.
23. I later confirmed that a rifleman had, indeed, been picked up along the route traveled by the President on August 28th. No news of this, however, reached the American public. I challenged the two Secret Service men with this information of an aborted assassination in the last meeting with Phillip Parker.
24. I now know that my efforts at the scene of Senator McGovern's news conference caused an abortion of a KGB attempt on his life. The KGB assassination ring enjoyed a source of information within the Secret Service. They had no choice but to assume that I was a member of American counterintelligence. After Nancy Isabell Thompson's apartment was bugged, I departed the Washington scene before dawn September 1, 1972, leaving information that Nancy and I were driving to St. Louis.
25. More recently I have determined that the information I challenged Mr. Phillip Parker with in paragraph 15 above was not precisely correct. The President did not receive the information of paragraph 14 (a) in a form conveying authenticity. In addition, the President did not receive the intelligence of paragraph 14 (b) at all.

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26. On the other hand, my later intelligence is that Patrick Gray III conveyed both items of intelligence to his immediate superior, Attorney General Richard C. Kleindienst, for the attention of the President. Nevertheless, the Soviet KGB intercepted this intelligence after it was intrusted to the Attorney General. The KGB was aware that the vital intelligence had not been made available to the President of the United States.

Senator Ervin, I know of no time in the history of the Republic that the liberties guaranteed by the Constitution, which were obtained at the cost of early patriots' lives, are under greater threat than they are today. My great, great, great, great, great grandfather, John Marshall, was the acknowledged "father of the Constitution." He was the only patriot that Congress has seen fit to honor by placing his statue in front of the Capitol.

John Marshall's descendant was impelled by conscience and gratitude to rise to meet this clear and present danger to our citizens' liberties and to our country. Can the Congress that has singularly honored John Marshall and his great work for freedom do any less?

Very sincerely and respectfully submitted,

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Approved:

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cc: Senator Edmund S. Muskie, Chairman
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The Washington Post