

OPERATION TOUCHDOWN: THE STORY OF WILFREDO GARCIA ESPIONAGE CASE

Submitted by retired SA Jeff Norwitz

The year was 1988. The “Cold War” was raging. And January temperatures in Moscow were as frigid as relations between the US and USSR. In warm Kremlin offices, Soviet spymasters were elated. The past four years were an unprecedented success stealing American secrets. Traitors such as Morrison, Howard, Pelton, Pollard, Walker, Whitworth, and Lonetree delivered the Soviets an exceptional understanding of US intelligence and military operations. Some Russians even believed that if war broke out, espionage had given them guaranteed victory over the decadent West.

Yet, as KGB leaders congratulated themselves, a message arrived from their Consulate in San Francisco reporting the conviction of a US Navy sailor for espionage. The local newspaper revealed a scheme to pass submarine secrets to their embassy in the Philippines. But a Navy spy had been caught before he consummated the crime. Angered, the Kremlin learned how they were cheated from receiving a stunning cache of classified documents by the Naval Investigative Service and the FBI.

Simultaneously at Mare Island Naval Shipyard in Vallejo, California Special Agent in Charge John V. Olson leaned his chair back and recalled the past two years of work by his Special Agents and support staff. Olson scanned the general court martial record of trial and smiled. MA1 Wilfredo M. Garcia, himself a security official, was convicted of espionage, conspiracy to commit espionage, and larceny. Olson could finally relax. Since 1986, his NISRA was the focus of relentless attention from Washington Headquarters and the NIS Northwest Regional Office at Treasure Island.

The closing Report of Investigation sat on his desk. It listed three case Agents and fourteen participating Agents from nine offices in two countries and aboard an aircraft carrier. Case Agents were Michael Lynch, Jeffrey Norwitz, and Richard Hanf (FBI). Participating Agents were F. Agas, Danny Fernandez, Cecilia Gomez, T. Goodman, James Kenworthy, E. Maniwang, H. McCarver, J. Moreschi, Joseph Razzano, Gregory Redfern, Richard Stout, Patrick Lasola (AFOSI), Timothy Munson (FBI) and Larry Wages (FBI). Having served almost thirty years in law enforcement, Olson had seen his share of complex investigations. And this one topped the list.

Olson began to review the case. As sometimes happens, the espionage case against MA1 Wilfredo Garcia actually developed from an unrelated investigation. In this instance, SA Cecilia Gomez successfully indicted a civilian Vallejo businessman



Case agents Jeff Norwitz and Mike Lynch in 1988 shortly after conviction was announced.

for bribery of a federal official and the US Attorney in Sacramento was moving forward with serious charges. At the last minute, the accused business owner wanted to bargain. He was willing to reveal a spy-ring working at the shipyard if all charges against him were dropped. Consequently, an espionage investigation was initiated with SA Michael Lynch as primary case Agent. This writer became case Agent after SA Lynch transferred to Naples, Italy.

Spying at Mare Island? This was a startling development. Located twenty-seven miles northeast of San Francisco, Mare Island Naval Shipyard was a submarine construction and refit facility. There were usually three Sturgeon-class boats there in various stages of overhaul. Shipyard safes were full of submarine secrets – the sort of thing the KGB and GRU would pay dearly for. Here was an opportunity to uncover potential espionage in lieu of the bribery prosecution.

The choice was clear but the process of turning this criminal defendant into a cooperating witness was not. He had an extensive history of dishonesty, collusion, and complicity in unlawful behavior. Controlling him as an asset was a challenge. Similarly, bridging hurdles between military and civilian, classified and unclassified, and numerous stakeholders in the Navy and Justice Department was quite intricate. But in his hip pocket, SAC Olson had a silver bullet. From

the time he was a young Special Agent he learned that liaison with counterpart agencies and establishing personal friendships with others in law enforcement paid dividends.

As part of his liaison effort, Olson had cultivated the two Mare Island security forces. Naval Station Mare Island was served by a police department with general patrol functions as well as gate operations. On the other hand, the shipyard industrial area had its own investigations staff with security clearances and full access to the sensitive work areas. Known as Shipyard Investigations Branch, it was headed by Mr. Tom Starr who was a well-respected and trusted friend of NIS. This was

fortunate because Garcia worked for Starr and had unquestioned admission to sensitive and classified shipyard operations. Starr maintained strict confidentiality throughout the investigation and aided investigators in surveillance of Garcia and others.

The FBI Resident Agency in Vallejo was headed by Senior Resident Agent Richard Hanf who was a no-nonsense street Agent from the Hoover years. The FBI Vallejo Resident Agency was a small office and two Agents did it all. From white-collar crime and persons crimes to foreign counterintelligence, SRA Hanf and SA Larry Wages were the ideal team.

Hanf and Olson met in 1983 and soon became good friends. The two had an unshakable trust and a common mission. Catch bad guys. And they were very successful. Not only did they work hard but they played hard together. The base handball court was the battleground. Olson's attitude shaped the NISRA culture. He demanded Agents develop relations with counterparts. Olson also empowered Agents with independent decision-making. Hanf and Wages were frequently found in NIS spaces and vice-a-versa. Hanf had been part of the original bribery investigation and so was already "in battery" when the accused businessman agreed to flip rather than go to prison.



SA Jeff Norwitz monitoring surveillance stakeout equipment.

The business owner became a cooperating witness (CW) in return for having federal bribery charges dismissed and for receiving transactional immunity. He immediately shocked Agents by identifying the suspect as a sailor and a shipyard investigator who repeatedly passed classified documents to the CW who subsequently copied and arranged for the documents to be taken to Manila. The sailor had relatives in Manila who planned to sell the documents at the Soviet Embassy there.

NIS and FBI Agents conducted comprehensive surveillance of Garcia which corroborated CW's information and collected evidence against Garcia. Photo and video surveillance, latent prints, plus court-ordered technical means captured CW meeting with Garcia on many occasions. However, because Garcia was a trained security practitioner, clever techniques were necessary to gather evidence of his

complicity in espionage and large-scale larceny of government property.

At the same time, extraordinary work by NIS Agents in Manila and Subic Bay was ongoing. The initial plan was for undercover Agents, pretending to be foreign intelligence officers, to buy the documents from Garcia's relatives. Alas, these efforts failed and Agents feared losing the documents altogether. After coordination with the US Embassy and Philippine officials, SA Danny Fernandez obtained a search warrant for the off-base residence. During a crucial midnight phone call, Olson directed SA Fernandez to do whatever was necessary to secure the classified material. NIS Agents and local Philippine police entered the residence unannounced fearing the documents would be lost. A near-gun battle broke out between police and perpetrators yet SA Fernandez and the courageous NIS Agents in Manila recovered the documents before passage to the Soviets.

Back at Mare Island, Garcia was apprehended once Agents knew the documents were safe. Special Agents Lynch and Hanf began what turned out to be an eight-hour interrogation of Garcia. Using all manner of legal tactics and interspersed with rest periods, the two finally obtained Garcia's confession. The signed admission was so legally sound, the defense stipulated to the entire confession at trial.

Garcia explained that his job as an investigator with Shipyard Investigations Branch gave him notional access to the entire industrial area. For example, classified information was occasionally reported unsecure and it was Garcia's job to safeguard the documents and investigate the compromise. Garcia would either not report the incident or make unauthorized copies for himself. Likewise, he sometimes found himself in a secure area where classified material was openly available. He took the documents unobserved. After removing them from Mare Island, he transferred the documents to the CW knowing they would be taken to the Philippines.

Garcia was sentenced in 1988 to serve twelve years in prison, reduction to E-1, and a dishonorable discharge. In 1992 Garcia agreed to be questioned by the FBI for Project Slammer, a ten-year benchmark study which focused on interviewing



Surveillance photo of Garcia as he departs from meeting with CW.

thirty incarcerated spies in order to determine their motivations and learn methods by which they committed their crimes. He was released in 1995 from a federal facility in Texas.

From a national security standpoint, the Garcia case is cited in the US Senate's "Report of the Select Committee on Intelligence" (Jan 1987 to Dec 1988) evidencing the growing national security threat of espionage. The case was also mentioned in the FY 1990-91 Director of Central Intelligence, Congressional Budget Justification, DoD FCI Program (p.19) to defend increase FCI funding to the Naval Investigative Service Command.

The two principal Navy prosecutors each achieved remarkable career success. Then Lt Jonathan Fink, USN JAG, retired as a Captain having held many JAG leadership positions. Then Lt Jane Gilliland Dalton, USN JAG, retired as a Rear Admiral having achieved unparalleled respect in the Navy and in academia. This writer still communicates with Fink and Dalton. Hanf retired from the FBI and Olson did the same from NIS. Yet, they remain close friends to this day.

The Garcia case highlights two immutable law enforcement axioms. Excellent personal relations result in excellent professional and organizational successes. Furthermore, empowering subordinates drives innovation, creative solutions, and career success.

NOTES

1 I/TOUCHDOWN was the case title while still classified. The case control number was 17DEC85-12MA-0433-3CNA/F

2 In the 1980s, NIS offices and their managers were titled differently than they are today. A NISRA was headed by a Special Agent in Charge.

3 The Mare Island Naval Shipyard was the first United States Naval Station established on the Pacific Coast. The Navy purchased the original 956 acres in 1853 and commenced shipbuilding operations in 1854. As shipbuilding technologies advanced from wooden sail vessels to steel construction and nuclear propulsion, the shipyard underwent vast transformations during its years of operation. In the early 1920s, the Navy initiated construction and maintenance of submarines here. During World War II, it reached peak capacity for shipbuilding, repair, overhaul, and maintenance. Following the War, Mare Island was considered to be one of the primary stations for construction and maintenance of the Navy's Pacific fleet of submarines. It was responsible for the construction of over 500 naval vessels and overhaul of thousands of other naval vessels. In addition to shipyard operations, ordnance manufacturing and storage was another key mission for nearly the same time period--including those used prior to the Civil War. Source: Department of the Navy BRAC PMO <www.bracpmo.navy.mil>. Mare Island was closed in 1996 by the Base Realignment and Closure process. The NCISRA at Mare Island was disestablished the same year.

4 The Soviet KGB (State Security Committee) and GRU (Main Intelligence Directorate of the General Staff) were very active in San Francisco prior to the dissolution of the USSR in 1991. NIS Special Agents in the FCI arena worked closely with their FBI counterparts to safeguard submarine technology and operations.

5 At trial, SA Fernandez relived the raid for the court and had all members spell-bound. It was clear the actions of the NIS agents prevented passage to the Soviets.

About The Author....

Jeff Norwitz has four decades of national security experience at the military, municipal, federal levels and as an author and educator. Prior to joining NCIS in 1985, he was an Army 2LT guarding nuclear weapons and a Deputy Sheriff in Colorado Springs. His NCIS tours took him to California, Virginia, Okinawa, and Rhode Island as well as afloat with USS Belleau Wood ARG. Jeff represented NCIS for 8 years at the Naval War College as a professor of National Security Studies and held the John Nicholas Brown Chair of Counterterrorism at the War College during which time he lectured extensively across the country and overseas to allied militaries and to international academia. Jeff has also lectured at the United Nations, Harvard University, and The Geneva Centre for Security Policy. Jeff is a celebrated author. His articles have been published in the Naval War College Review, Military Review, Journal of Homeland Security, Singapore Home Team Academy Journal, and Officer Review. His scholarly work also appears in *Terrorism and Counterterrorism: Understanding the New Security Environment* (McGraw-Hill, 2003); *American Defense Policy*, 8th ed. (Johns Hopkins University Press, 2005); *Practical Bomb Scene Investigation* (CRC Press, 2006); *Defending the Homeland: Historical Perspectives on Radicalism, Terrorism, and State Responses* (West Virginia University Press: 2007); *Armed Groups: Studies in National Security, Counterterrorism, and Counterinsurgency* (Naval War College: 2008); and *Homeland Security and Intelligence* (Westwood: Praeger Publishers, 2010). After retiring from NCIS in 2009, he and his wife moved to a remote mountain top in central Colorado. Jeff has three grown children, one of whom serves in the United States Air Force. He maintains a web page at www.jeffnorwitz.com

Jeff

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GENERAL ADMINISTRATION

25JAN88

FROM: 0002 GEN: 02-0030
TO: WWXX
SUBJ: RESULTS OF GCM ICO MA1 WILFREDO GARCIA, USN

1. ON 22JAN88, A MILITARY JURY FOUND MA1 WILFREDO GARCIA, USN
GUILTY OF ESPIONAGE, SUCCESSFULLY CONCLUDING A TWO YEAR LONG
JOINT NIS/FBI INVESTIGATION. GARCIA WAS CHARGED WITH TWO
SPECIFICATIONS OF VIOLATING ARTICLE 81, CONSPIRACY TO COMMIT
LARCENY; FOUR SPECIFICATIONS OF ARTICLE 92, VIOLATING OPNAVINST
5510.1G; TWO SPECIFICATIONS OF ARTICLE 108, SELLING CLASSIFIED
DOCUMENTS; TWO SPECIFICATIONS OF ARTICLE 121, LARCENY OF
CLASSIFIED DOCUMENTS; AND THREE SPECIFICATIONS OF ARTICLE
134/TITLE 18 USC, SECTION 793, ESPIONAGE. THE JURY CONVICTED HIM
OF NINE OUT OF THE THIRTEEN SPECIFICATIONS, INCLUDING TWO FOR
ESPIONAGE AND ONE FOR CONSPIRACY TO COMMIT ESPIONAGE. GARCIA WAS
SENTENCED ON THE SAME DAY TO TWELVE (12) YEARS CONFINEMENT,
REDUCTION TO E1, FORFEITURE OF ALL PAY AND ALLOWANCES AND A
DISHONORABLE DISCHARGE.

2. MY CONGRATULATIONS GO TO THOSE AGENTS AND STAFF OF NISRA'S
MARE ISLAND, SUBIC BAY, MANILA AND ALL OTHERS WHO PARTICIPATED IN
THIS MAJOR ESPIONAGE INVESTIGATION WITHOUT WHOSE EFFORTS THIS
CONVICTION WOULD NOT HAVE BEEN POSSIBLE. MCKEE

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