

April 1944

IWATA, TSUNEO: "BUDDY"

In April 1943, the District Intelligence Officer, Twelfth Naval District, received a request for an investigation of the subject person from the Professor of Naval Science and Tactics at the University of Colorado, where the subject had just been employed as an instructor in the Japanese language for naval students at this school.

An investigation report made by that district in the latter part of April 1943 disclosed no pertinent derogatory data regarding the subject, with the exception of course, of his always questionable Japanese ancestry. The investigation was considered as closed at that time.

In September 1943, however, the subject's case was reopened when a Twelfth Naval District survey report on the Mitsubishi Trading Company, Ltd., disclosed the fact that Iwata as a former employee of this organization probably carried his activities far beyond the scope of what would constitute the performance of clerical duties with this concern. Indications in this report were that the subject had been assigned by Mitsubishi to gather and disseminate information on military, political, and economic subjects relating to the United States and that during the two years of his employment with Mitsubishi he was the author of reports forwarded to Tokyo on the awarding of War Department contracts to the United States aircraft industry, on the development and disposition of the United States Navy, on the development of the U. S. Naval Lighter-than-Air Base at Sunnyvale, California, and on the general economic strength and structure of the United States. Subject was well qualified educationally to be of great service along these lines by reason of his graduation from one of the leading American universities on the West Coast in 1939. His employment with Mitsubishi occurred during the years 1939-41, a critical period in Japanese-United States relations. It was further indicated that Mitsubishi was one of the leading centers of Japanese espionage in the U. S. and that they supplied military information to agents of the Japanese armed forces. The bulk of this activity fell upon the subject and one other Nisei also employed by Mitsubishi in their general affairs department.

Investigation of the subject was thereupon intensified and carried on in the Third, Ninth, Eleventh and Twelfth Districts. The closing report submitted in March 1944 by the District Intelligence Officer, Twelfth Naval District, disclosed the fact that the subject had been president of the Turlock Social Club, Turlock, California, which was an organization for the young Japanese. An annual festival held by this club was described by

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one reliable informant as a Shinto ceremony. It was also disclosed as a place where the former Japanese Consul at San Francisco visited regularly and one of its members was suspected of being a Japanese agent. Numerous other contacts with Japanese of an extremely questionable nature were uncovered and set forth as a result of the reopening of this case. It is also interesting to note that although the subject was described by some informants as an intensely loyal American with no pro-Japanese leanings, a questionnaire executed by him in February 1944 revealed that between 1936-40 he had invested \$4,000. in Japanese Government Bonds.

All facts developed in this case were once again reviewed by the officer in the Office of Naval Intelligence who passes upon the suitability of personnel to serve as instructors of Naval personnel at Boulder and on 24 April 1944, Op-16-B-3 was advised that the subject's release from the Boulder school had been ordered.

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