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**COUNTERINTELLIGENCE
DIVISION**

**OFFICE OF NAVAL
INTELLIGENCE**

NEWS

LETTER



31 July 1964

IN MEMORIAM

This, the Summer edition of the Newsletter, will be the first since the Newsletter's inception to which "Hank" Schultz will not have contributed his editorial advice or comment. As most of you have been made aware, "Hank" died suddenly at his desk of a heart attack on 30 June 1964. His sudden and unexpected loss leaves a tragic void in the lives of his family and many friends within and without ONI.

Hank joined ONI as a Special Agent in 1948 after distinguished service as an Air Force B-24 pilot in Europe during WWII. He was shot down over enemy territory, escaped from his German captors, and after several months of evasion with the assistance of the European underground walked into neutral Switzerland where he was interned for the balance of the war.

Hank participated in several important investigations during his tenure as a street agent. He was thereafter promoted to what is now the Special Activities Division, where he served as assistant to the Division Head until his untimely death. Among his responsibilities was the control of ONI criminal and reciprocal investigations. Hank's keen investigative intuition could be seen in many of these cases.

Golf was prime among his outside interests. He was instrumental in initiating the annual Spring and Fall ONI Golf Tournaments. As a tribute to him, this tournament will henceforth be known as "The Hank Schultz Memorial Tournament." His friends and co-workers at ONI have contributed to a fund to purchase

a perpetual trophy to be awarded to the winner of this tournament.

"Hank" was one of the first to enroll in the Special Agents' Association. Accordingly, his widow received a check for \$2,000. the day after his death.

"Hank" was interred with full military honors at the National Memorial Cemetery at Arlington, Virginia. Countless numbers of his friends, including agents from as far away as New York, paid their respects to him at these ceremonies.

RETIREMENT

Frank B. Scott, most recently Head of both the Civilian Cases Branch and Agent Personnel Branch in NCISC and for over twenty years an officer and Special Agent in Naval Intelligence, was honored at a retirement luncheon in Washington on 13 July. Among those in attendance were Captain J. O. Johnson and Commander W. Vogt, Director and Deputy Director respectively, of NCISC, and Commander L. K. Jordan and Mr. C. R. Wilson of the Investigations Department. Captain Johnson and Mr. Wilson recalled "Scotty's" years of service and wished him well in the future; after which, on behalf of his many friends, he was presented an inscribed silver cigarette box by Special Agent Cleg Walker. Cleg, who is known to his local friends as the Tidewater Philosopher and Humorist and who is never at a loss for words when on his feet, paid a most appropriate tribute to Scotty when he said that he had always known him to remain silent rather than speak ill of another person. Scotty very sincerely said that he would miss his associates in the organization and has told us he will divide his time between his home in Mattoon, Illinois, and the Miami, Florida environs where he has an active interest in the ponies. He will also undertake some work for a national fraternity, Tau Kappa Epsilon, of which he is a past Grand Prytanis. Our most sincere best wishes go with Frank Scott, as well as thanks for his many years of service to ONI.

Special Agent Charles J. Bodnar (DIO-3ND) retired on 23 May 1964, and Special Agent Charles H. Fairbank (DIO-9ND) will retire on 31 July 1964.

Special Agent Bodnar commenced his employment with ONI in agent status on 28 October 1947; however, this service was pre-dated by six and a half years of commissioned service with Naval Intelligence in which he served both in 3ND and in the Philippines.

Special Agent Fairbank has had an even longer tenure as an agent, commencing his employment on 15 February 1942 but being called to active duty as a Naval Intelligence Officer on 15 April 1942. He returned to duty as an agent on 1 March 1948 and has most recently served as SRA, Minneapolis, Minnesota.

Our best wishes for a happy and rewarding retired life with its escape from due dates, expedites, and deadlines, go with each of them.

DEATH

Commander Daniel J. Lynch, U. S. Naval Reserve (retired), who formerly served as ADIO in both DIO-9ND and DIO-4ND and is well-known to many oldtimers, succumbed of natural causes at his Cape May, New Jersey, retirement home on

11 May 1964. His funeral in Philadelphia was attended by several representatives of DIO-4ND.

The late Special Agent Ray Kinniry, DIO-4ND, was honored at a law enforcement officer memorial ceremony on 15 May 1964 at Ravenna, Ohio. Ray's name was among those placed on a Courthouse Memorial to deceased local, state, and federal law enforcement officials.

AGENT PERFORMANCE

By the time you read this Newsletter, you will doubtlessly have read ONI INSTRUCTION 13430.1 issued 6 July 1964, Subj: Agent Performance - Evaluation of. If not, do so immediately! The reasons behind the necessity for issuing this Instruction are extremely regrettable and reflect adversely on each and every one of us who carry Special Agent credentials.

The following is an excerpt from the text of one of Mr. C. R. (Dick) Wilson's lectures to the Agents' Basic Training classes regarding agent conduct and appears to be particularly applicable at this time. Read and heed!

"An investigation report must be a document of total integrity. To that end, an investigation report is a reflection of the persons who worked on the case. If those persons are of good repute personally, if they have done a job of objective reporting, if they have compiled their facts accurately, there are no apologies which need be made for any written report. This means that there are no short cuts in the proper conduct of an investigation."

"Unfortunately, on infrequent occasions, an unprincipled agent may try to invent some short-cuts. This usually amounts to his 'dubbing in' a purported interview, to reporting a record check not actually made, or some other patent and deliberate fabrication and falsification. This is 'gun-decking'. It is notoriously disgraceful conduct and a complete breach of integrity and honesty."

"In those few cases where it has occurred, the agent has readily admitted his action. He has been at a loss to ascribe any logical reason for his conduct; it just seemed easy to do. Or, he had worked the case up to a point where he felt that he knew what the next person was going to say. Regardless of what flimsy excuse he has made, the fact remains that his report is suspect en toto; he has compromised himself, the Navy which he represents officially, and his country. He has stooped to the lowest form of conduct. By his reprehensible action, he has brought discredit not only to himself, but to his profession."

"Quite aside from the adverse operational aspects (this man's over-worked fellow agents are now going to have to reinvestigate his suspect case), is the sad fact that a previously well established reputation has been ruined. When an agent joins ONI, he can be assured that he has been investigated thoroughly and found to be well regarded and of good character. When he sets in motion anything which attempts to dilute the quality of his effort, it is probably an indication that he has lost interest in the type of work in which he is engaged. Therefore, when an agent's attitude reaches this level, the best course of

action is for him to get out of it; he should get out fast and before yielding to the temptation of submitting his first small, false data; he should get out while he can still hold his head high and know that his good reputation is still intact and unblemished. Any feeble rationalization attempts along the lines that his fabrications won't be caught are false assumptions; they are detected, and quite simply at that.

"Honor and integrity are hard won attributes; they should not be discarded lightly."

PROFESSIONAL NOTES

Results of Interview. It is apparent from review of investigation reports and promotion examinations that too many agents, including veteran agents and their supervisors, are unfamiliar with the Agents' Manual, Section 1-0606.1, regarding utilization of a "Results of Interview" format following an interrogation where the Subject has made oral admissions, or a confession, but has declined to reduce them to writing.

This document is to be made an enclosure to the 119; the text of the 119 itself need not repeat the detailed results of the interview/interrogation in that it can be merely summarized with a reference made to the enclosed report of "Results of Interview".

SECNAV INSTRUCTION 1900.9

All investigative personnel are enjoined to familiarize themselves with SECNAV INSTRUCTION 1900.9 of 20 April 1964, Subj: Policy and Procedures for the Separation of Members of the Naval Service by Reason of Homosexuality. This Instruction cancels and supersedes the old familiar SECNAV INSTRUCTION 1620.1. The changes are minor but significant.

ONI INVESTIGATIVE POLICY

The following is quoted from ONI NOTICE 5430 of 14 January 1955, Subj: Security Programs and the Investigative Process. The Notice is now cancelled, but this policy is as valid now as it has ever been:

"Policy of ONI. Quite apart from the legal considerations involved, elementary considerations of fair play in government and the importance of the individual in the American scheme of things require that we in ONI exercise the greatest impartiality in the investigative process, and give to the individual concerned every protection consistent with over-riding considerations of National Security.it has been since the beginning the settled policy of ONI to insist on thoroughness and impartiality in every investigation conducted by our agents. This has been stressed repeatedly over the years. No occasion is missed to drive home to each of our agents the need to follow all leads to a conclusion which satisfies him that he has come as close to finding the truth as he can: that he is not there to 'hang' anyone nor indeed to 'clear' anyone - but merely to search out the truth of the matter. The agents have been informed time and time again that each case is to be approached without prejudice, investigated thoroughly and with an open and alert mind, and reported fully and fairly".

"ROUTINE" BI's

If there are any "doubting Thomases" left among our agent corps who question the importance of a "routine" BI, let the following recent example awaken them. Based on a background investigation which had disclosed no derogatory information, Subject was granted a security clearance. He was later involved in a serious breach of security. A recheck of Subject's neighborhood revealed considerable, significant derogatory information and also made it patently clear that the first agent had conducted this phase of the investigation in a perfunctory, superficial manner treating the case as just another number for case production purposes.

Don't let this happen to you! Your background investigations are of individuals, each different, one from the other, and your investigative results affect national security.

NUCLEAR RELIABILITY PROGRAM

Now that the 30 April 1964 deadline date has come and gone on the critical billets of the Nuclear Reliability Program, we should like to commend all hands who participated in meeting the deadline. More than 80% of the investigations so identified were satisfactorily completed by 30 April. Reports received within a few days thereafter brought the total up to about 90%. All hands are reminded that the "RP" program is still in effect, and assigned due dates are mandatory and may not be waived. Extreme pressure and interest is being applied to this program, and DNI expects 100% compliance in meeting the assigned due dates.

PROCESSING OF CATEGORY 1 (BI) REPORTS

Nothing seems to have created more conflict with the "old system of doing things" than the issuance of ONI INSTRUCTION 5520.74 of 20 December 1963. Even though five months have elapsed since the Instruction became effective on 2 February 1964, many Districts and field activities continue to mis-direct their dissemination of Category 1 reports, resulting in much control administration of cases and reforwarding of reports in order to conform with the prescribed provisions. Most significant of the errors noted is the "traditional" transmittal of the original and copy of reports (in non-crash potential cases) directly to NCISC (ONI) instead of to the District or Activity controlling the case. In many instances the original and carbon copy are mailed directly to NCISC (ONI) by the producing activity, even though the dissemination block clearly indicates the "ONI (2)" is crossed out and dissemination to the control activity is vividly checked in red. In some cases dissemination to the control activity is completely omitted from the "copy to" block of the 119. Of lesser incidence (but still enough to "confuse and confound" the system) several components still persist in submitting their own pending reports, in their own controlled cases, as soon as the report is prepared instead of retaining all reports until the case is closed, and then submitting all reports and case material as a finished package.

It is apparent from this end of the line that most, if not all, of the errors committed are made by clerical and mailroom personnel who either have not gotten the word or "can't kick the habit of shooting everything to Headquarters". It is incumbent upon everyone involved in the preparation and handling of reports to be both well versed in the provisions of the Instruction

and diligent in adhering to the procedures prescribed therein. As the first, and most important echelon of case control, it devolves upon the Districts and field components themselves to assure that these factors are efficiently carried out.

NOCP's

Some confusion still exists with respect to dissemination of Notices of Case Pending to ONI; the following guide may assist in alleviating this:

- a. Category 1 cases (not requiring action by ONI); send ONI two (2) copies (two green).
- b. Category 1 cases (requiring action by ONI); send ONI four (4) copies (two green and two yellow).
- c. Category 2-7 cases (not requiring action by ONI); send ONI one (1) copy (green).
- d. Category 2-7 cases (requiring action by ONI); send ONI three (3) copies (one green and two yellow).

If verification of a prior NAC is requested by the NOCP, an additional yellow copy is required. This request, however, should be clearly set forth in the NOCP, i.e., "NCISC-22: Please furnish results of NAC completed NOV 1962." The extra copy will be endorsed and returned.

NOTE TO NOMINEES FOR ADVANCEMENT

In taking promotional examinations, it is not required that you type your answers. However, be reminded that your examinations are corrected by a board of humans, not of machines, and it is considerably easier for these humans to read typewriting. A typewritten examination can be corrected in a third of the time required for a handwritten examination. If you can type, you are urged to do so. And, remember, the board has no objection to receiving typed copies of your handwritten examination providing there is an appropriate certification to the effect that the text of the original corresponds to the text of the typed copy.

There is always a backlog of examinations to be corrected at ONI, and the procedures suggested above could facilitate prompt promotion action.

CASE CLOSED

Special Agent Bill Mendelson, Assistant Supervising Agent at DIO-5ND, Norfolk, Virginia, submitted the following item as an "agent interest" story:

In connection with an unrelated, round-the-clock surveillance of the Norfolk-SOQ, Special Agent Matt Hudgins and Lieutenant Don Barker were sitting in a car in the parking lot keeping the SOQ area under surveillance when they suddenly heard a woman's voice say, "No, no, please don't do that!" At first they thought a couple of young lovers were in the area, but, when a piercing

shriek suddenly rang out, Matt and Don jumped out of the car and ran in the direction of the noise. They observed a Navy Nurse, who turned out to be a LCDR, being struck repeatedly in the face and head by a sailor with what was revealed to be his plaster cast. Matt let out a bellow, and the sailor took off. Don raced over to help the Nurse, and Matt took after the sailor. All records of the 50-yard dash went down the drain, and Matt overtook his frightened quarry. At the last minute as he was about to place his "meat hooks" on the assailant, he ran right out of one shoe (which shows you how fast he was really running - even his shoes could not keep up with him!) and he went headlong through the air and just missed catching the suspect. However, the frightened sailor, having taken a good look at Matt's 6' 3" of brawn and muscle, ran cowering into some nearby bushes to hide, but old "eagle eye" Hudgins had him spotted. The base shore patrol was quickly summoned, and, with guns at ready, Matt went into the bushes and "put the collar" on the suspect. You have never seen a more grateful Navy Nurse nor a more subdued suspect, both of whom (for different reasons) will probably think that "Big Brother" watches everything and that ONI agents spring up out of nowhere.

DIO-17ND DOWN(ED) BUT NOT OUT BY TIDAL WAVE

The 27 March 1964 earthquake, and its subsequent Tsunamis (17ND'ese for tidal waves), which devastated Anchorage and other locations in Alaska, severely disrupted operations at DIO-17ND by causing several files to be watersoaked and by submerging and covering 95% of DIO-17ND consumable supplies, equipment, and furniture with salt water, mud, sand, and oil film. The actual earthquake damage to the building was reported as negligible; however, it is estimated that water inundated the building to a height of 5 to 6 feet.

No personnel were present in the building at the time of the earthquake and subsequent Tsunamis, and early evacuation to high ground prevented injury to DIO-17ND personnel and their dependents.

Due to the sustained, tireless efforts of DIO-17ND personnel, both military and civilian, the office was restored to operational condition insofar as possible within a remarkably short time.

If you have any outstanding leads at DIO-17ND, be patient: it takes time and effort to decipher virtually illegible, waterlogged papers.

WELCOME ABOARD

<u>Name</u>	<u>District</u>	<u>Name</u>	<u>District</u>
HUNTER, Jerry Lee	DIO-9ND	COOPER, James H.	DIO-9ND
CLEVELAND, Walter G.	DIO-9ND	MERRITT, Carl J.	DIO-1ND
MANETTI, Louis R.	DIO-4ND	HELD, John N.	DIO-5ND
CRAIG, Harry N., Jr.	DIO-3ND	O'ROURKE, John J.	DIO-9ND
LE CLERC, Leonard P.	DIO-1ND	OAKUM, Vernon P.	DIO-4ND
BUTLER, John E.	DIO-1ND	ORME, Robert T.	DIO-8ND
FUGI, Allan M.	DIO-12ND	NORMAN, M. John Jr.	DIO-3ND
MEYERS, George C.	DIO-9ND	MONIER, Donald R.	DIO-8ND

<u>Name</u>	<u>District</u>	<u>Name</u>	<u>District</u>
GIANASCHOL, Leroy D.	DIO-1ND	SPRADLEY, Roy H.	DIO-6ND
GLASS, Richard C.	DIO-4ND	DOYLE, James D.	DIO-5ND
SILER, Robert F.	DIO-5ND	HOUGHTON, Michael M.	DIO-9ND
WILLIAMS, Glenn T.	DIO-9ND	SCULLY, Raymond E.	DIO-8ND

TRANSFERS - OVERSEAS

<u>Name</u>	<u>From</u>	<u>To</u>
LACOSTA, Robert	ISU-Naples	ISU-Rota
BEDWAY, George T.	DIO-4ND	NCISA-Japan
HOLSTEIN, Everett G.	DIO-5ND	NCISA-Philippines
TAYLOR, Thomas H.	DIO-9ND	NCISA-Philippines
EISENSON, Edward L.	DIO-5ND	NCISA-Japan
FENTRESS, Thomas G.	DIO-6ND	ISU-Naples
HOEM, Harold J.	DIO-13ND	NCISA-Japan
TEEL, Roger C.	DIO-11ND	NCISA-Japan
ANDERSON, Maynard C.	DIO-9ND	NCISA-Philippines

SOURCE: Dictionary of United States Military Terms for Joint Usage, 1 February 1964, The Joint Chiefs of Staff

INTELLIGENCE - The product resulting from the collection, evaluation, analysis, integration, and interpretation of all available information which concerns one or more aspects of foreign nations or of areas of operations and which is immediately or potentially significant to military planning and operations.

COUNTERINTELLIGENCE - That aspect of intelligence activity which is devoted to destroying the effectiveness of inimical foreign intelligence activities and to the protection of information against espionage, individuals against subversion, and installations or material against sabotage.

COUNTERESPIONAGE - A category of counterintelligence, the objective of which is the detection and neutralization of foreign espionage.

COUNTERSABOTAGE - Action designed to destroy the effectiveness of foreign sabotage activities through the process of identifying, penetrating, and manipulating, neutralizing, or repressing individuals, groups, or organizations conducting or capable of conducting such activities.

COUNTERSUBVERSION - That part of counterintelligence which is devoted to destroying the effectiveness of inimical subversive activities through the detection, identification, exploitation, penetration, manipulation, deception, and repression of individuals, groups and organizations conducting or capable of conducting such activities.

SECURITY - 1. Measures taken by a command to protect itself from espionage, observation, sabotage, annoyance, or surprise. 2. A condition which results from the establishment and maintenance of protective measures which insure a state of inviolability from hostile acts or influences. 3. With respect to classified matter, it is the condition which prevents unauthorized persons

from having access to official information which is safeguarded in the interests of National Defense. 4. Protection of supplies or supply establishments against enemy attack, fire, theft, and sabotage.

SUBVERSION - Action designed to undermine the military, economic, psychological, morale, or political strength of a regime.

SUBVERSIVE POLITICAL ACTION - A planned series of activities designed to accomplish political objectives by influencing, dominating, or displacing individuals or groups who are so placed as to affect the decisions and actions of another government.

NOTICES AND INSTRUCTIONS

The following NOTICES and INSTRUCTIONS are among those recently published of interest to agents in the field:

ONI NOTICE 12352 of 6 April 1964, Subj: Separation of Agents; case accounting and turnover procedure. (Directed attention to the necessity for orderly turnover of equipment, investigative cases, etc., when agents are separated.)

ONI NOTICE 5521 of 27 April 1964, Subj: Special Agents Background Investigations. (Directed review of agents' investigative files to ensure that BI's are up to date)

ONI INSTRUCTION 12334.1 of 20 May 1964, Subj: Foreign Language Qualifications of Agent Personnel. (Established criteria and directed reporting to ONI of language qualifications of agent personnel.)

ONI INSTRUCTION 12000.10B of 25 May 1964, Subj: Naval Intelligence Agents, Pay Grade 11; allowance and promotion procedures. (Establishes allowances and prescribes procedures for nomination and examination for promotion of agents to PG-11.)

ONI INSTRUCTION 12430.1 of 6 July 1964, Subj: Agent Performance - Evaluation of. (Promulgated instructions for supervisory verification of investigative performance of agents. Directed submission of implementing instructions by 1 September 1964.)

ONI NOTICE 12235 of 6 July 1964, Subj: Special Agent Personnel for duty at the U. S. Naval Counterintelligence Support Center, Arlington, Va. (Solicits applications to fill vacancies at NCISC.)

ONI INSTRUCTION 05500.24 of 6 July 1964, Subj: United States Secret Service Protective Responsibilities; furnishing information in connection with (U)

SECNAV INSTRUCTION 1900.9 of 20 April 1964, Subj: Policy and procedures for the separation of members of the naval service by reason of homosexuality. (Prescribes the authority, criteria, policy, and procedures for the separation of members from the naval service by reason of homosexuality. Supersedes SECNAV INSTRUCTION 1620.1 of 5 June 1963.)