

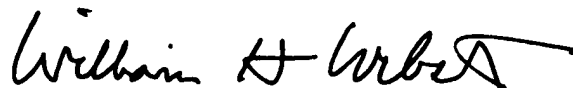
U.S. Department of Justice
Federal Bureau of Investigation

The Unseen Conflict -- Foreign Espionage Operations Against The United States



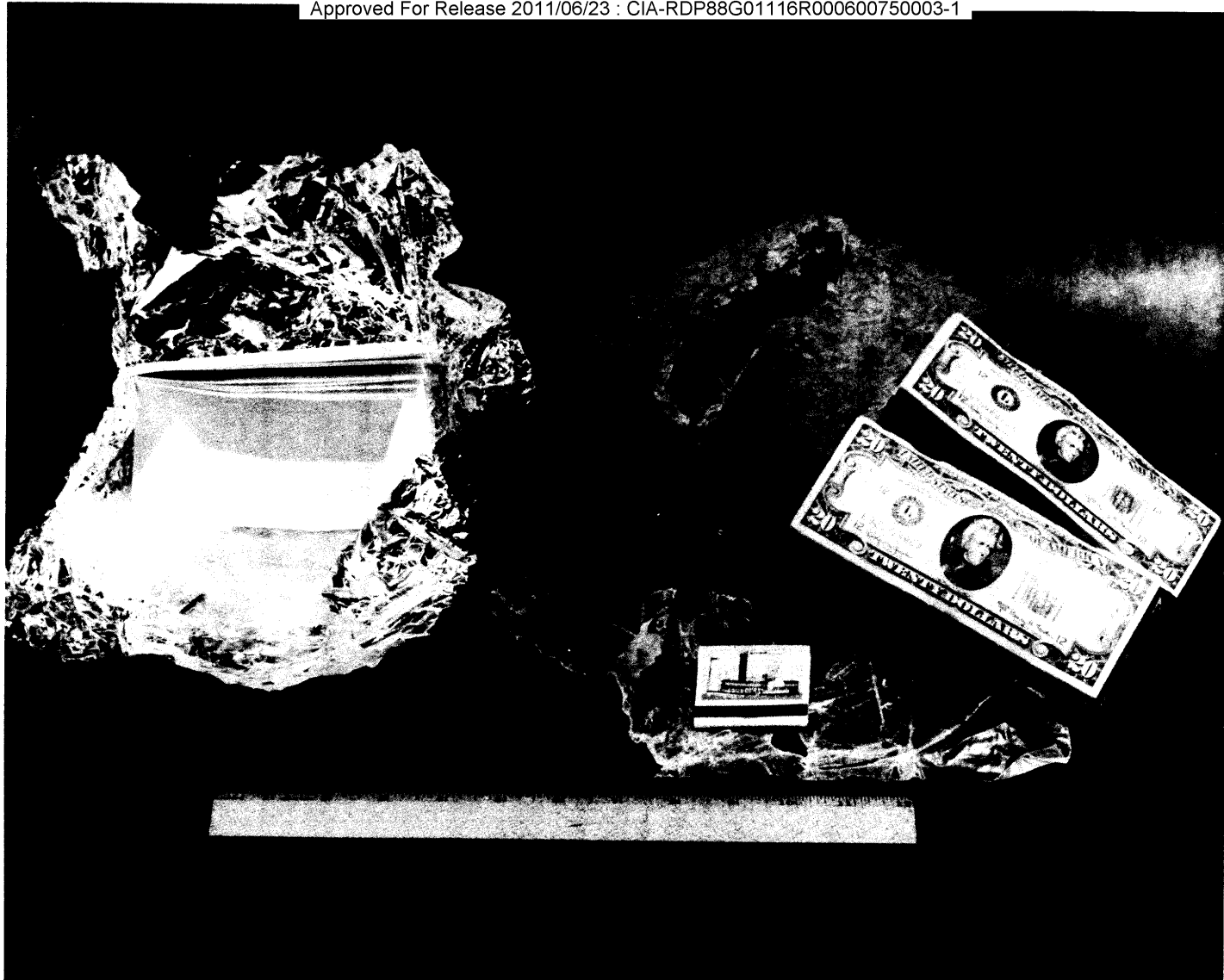
FOREWORD

On the eve of World War II, the President called on all citizens to report to the FBI information relating to possible espionage and sabotage. Since then, our work in safeguarding the Nation's security has continued to grow. Today, the FBI is responsible for the detection and prevention of espionage, sabotage, and other clandestine intelligence activities within the United States, by or on behalf of foreign powers, through such lawful foreign counterintelligence operations as are necessary. And just as in wartime, we are heavily dependent on an enlightened and supportive citizenry. It is hoped that this pamphlet, which has been produced by the Intelligence Division of the FBI, will serve to heighten Americans' awareness of the presence and dangers of foreign intelligence efforts to obtain sensitive information.

A handwritten signature in cursive script, reading "William H. Webster". The signature is written in dark ink and is positioned above the typed name and title.

William H. Webster
Director

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INTRODUCTION

Recently, in a rural area just outside a major U. S. city, an individual parked his car on the roadside near a telephone pole. Although it was nighttime, the man had no difficulty finding the object of his drive in the country. He retrieved a rock and quickly drove from the area.

The rock (much like the one featured in the illustration, that was used in an actual case) was peculiar--it was hollow and crammed with twenty-dollar bills. The man, who was employed by the U. S. Government, was acting as an agent of the Soviet intelligence services, and the payment was for services rendered. Included with the money were written instructions detailing future missions for the agent.

Fortunately, in this case the American was also acting on behalf of the FBI as a "double agent" in a foreign counter-intelligence operation. This type of operation is one of several tools used by the FBI to monitor and neutralize foreign espionage efforts in the United States.

The above episode was just one incident of many in the effort to detect and prevent espionage and other clandestine intelligence activities in the United States. It is true that major espionage cases often receive front-page coverage. For the most part, however, the conflict between American counterintelligence forces and hostile, foreign intelligence services remains "unseen," shrouded in secrecy.

It is the purpose of this pamphlet to shed some light on the targets and strategies of hostile intelligence services. By itself, the FBI cannot be successful in this conflict. To achieve success, the support and often the assistance of informed citizens, particularly those who have access to classified information, must also be enlisted.

THE THREAT

Intelligence collection--the world of espionage and counterespionage--is a popular subject of fiction. It has been the topic of innumerable books, short stories, television serials and movies. The role of the spy, the "Secret Agent," has become so sensationalized and exaggerated that it is easy to think that spies exist only in the minds of fiction writers, or that spying belongs in the same category as science fiction and westerns. Do not believe it.

Spies do exist, and several hundred spies, or "intelligence officers" as they are officially known, who are affiliated with what the FBI terms the "hostile intelligence services," now operate within the United States. These intelligence officers in turn operate "agents." The bulk of these spies have been dispatched by the Soviet Union, but the USSR's allied nations in Eastern Europe, as well as Cuba and other nations, also operate officers and agents within the United States.

The main objective of the hostile services is the wholesale collection of information. The most prized item is, of course, classified U. S. Government material. Unclassified material can also be of inestimable value. Increasingly, advanced U. S. technology--much of which is barred from export to the Soviet Union, Soviet Bloc countries, Cuba and the People's Republic of China--has become a major intelligence target.

Within the past decade, the number of intelligence officers pursuing these targets has swollen. Since 1972, the number of communist country officials assigned to the United States has increased by over 100 percent. It has been the experience of the FBI, confirmed by the experience of counterintelligence services of our allies, that roughly one out of three communist country officials is an intelligence officer--in plain language, they are spies.

Furthermore, the number of business representatives, scholars, and the like from these countries has more than doubled since 1972. A large number of these individuals are also working for or on behalf of their respective intelligence services, thus greatly increasing the potential for espionage operations.

Stark evidence of the effectiveness of the Soviet KGB (Committee for State Security) and other hostile services, and the threat posed by them to the United States, was afforded in several recent espionage cases successfully developed by the FBI. The most damaging of these cases include:

--in 1977, Christopher John Boyce and Andrew Daulton Lee were convicted of selling to the Soviets highly sensitive data relating to U. S. satellite systems;

--in 1978, William Peter Kampiles pled guilty to charges of espionage, after admitting that he had sold to the Soviets a technical manual relating to one of America's most important spy satellites;

--in late 1980, Henry David Barnett, a former CIA employee who tried to regain a position with the U. S. Intelligence Community, admitted that he had attempted to become a "mole" (i.e., a deep penetration agent) at the behest of the KGB, and had already sold CIA secrets to the Soviets;

--in 1981, Joseph George Helmich pled guilty to charges of espionage, after admitting he had sold to the Soviets, in the early 1960s, a large amount of information relating to a "Top Secret" U. S. communications system;

--and in late 1981, an American citizen, William Holden Bell, and a Polish intelligence officer were arrested and convicted of espionage, after a large amount and variety of military-related technology was passed to Warsaw and, presumably, to Moscow.

In all of these cases, considerable damage was done to U. S. national security interests. For instance, the Central Intelligence Agency concluded that as a result of the Bell operation, the Polish and Soviet Governments would save "hundreds of millions of dollars in research and development efforts by permitting them to implement proven designs developed by the United States and be fielding operational counterpart systems in a much shorter period of time."

HOSTILE INTELLIGENCE SERVICES' STRATEGY

In their task of gathering intelligence information, the intelligence services have a large array of tools. Satellites gather photographic data. Aircraft and vessels gather electronic intelligence. But a further source of data, and potentially the most valuable to a hostile nation, is the so-called "human source," i.e., the spy.

Probably the greatest achievement an intelligence organization can have is the placement or recruitment of an agent in a sensitive position in a national defense or intelligence element of an opposing Government. In addition, the penetration of private institutions involved in sensitive national defense-related research and development work can be of great value. Americans who have been recruited by hostile intelligence services can also be used to serve as middlemen to acquire technology that has been embargoed from export to the Soviet Union, Soviet Bloc countries, Cuba and the People's Republic of China. Even if an American does not have access to classified material or embargoed technology, he can be used as a so-called "spotter," who can supply personal data (perhaps unwittingly) about Americans who do have access to targeted material.

Therefore, the central mission of hostile intelligence service officers in the United States is the assessment and recruitment of Americans as agents. To this end, intelligence officers and their agents are constantly in contact with Americans and are evaluating them as potential recruitment targets. If an American appears to have potential for development as an agent, several different techniques or approaches may be used to recruit him.

Financial Consideration/Greed

The man appeared to be quite successful--he held a job as an engineer with a top defense-related U. S. firm and, on the surface, was a model citizen. This was not the case, however, for he was in deep financial trouble. But there was a way out of his difficulties. He had recently been befriended by an East European businessman who, upon hearing of the engineer's difficulties, offered monetary assistance. The price would be small--merely supply the businessman with unclassified technical data from the engineer's firm, which he did.

The engineer later realized, however, that even by supplying unclassified data, he had compromised himself. Eventually, his "friend" would request classified information. Inevitably, the businessman did ask for classified material, and the engineer was only too willing to fulfill the requests of the East European.

Needless to say, the East European "businessman" was no businessman, but a professional intelligence officer using his business association as a "cover" for clandestine intelligence collection. The engineer had become entangled in a full-fledged espionage operation. He was provided with concealment devices in which to hide stolen documents, executed clandestine meetings overseas and, before being arrested by the FBI, was paid in excess of \$100,000 for his labors.

Of the various tactics used by spies, those geared to exploit an American's material needs are perhaps the most common and the most effective. Many Soviet and other communist agents believe that Americans, as capitalists, are hopeless materialists and can be swayed by appeals to greed. And the technique is often used: an intelligence officer will initially solicit innocuous material, responding with gifts or small sums of money, and then gradually attempt to acquire more sensitive information.

Blackmail/Hostage Situations

A U. S. Government employee, while traveling in the Soviet Union, was approached by an attractive woman. The exchange of conversation and the flow of vodka created an atmosphere which led the American to venture the proposition, "I suppose it's quite obvious that this representative of a 'decadent Western society' would like to make love to you." The proposition was quickly, perhaps too quickly, accepted.

Little did the American realize that the woman was a KGB agent, and that the ensuing events of the evening were being filmed by the KGB. Little did he realize that hostile intelligence services use blackmail overseas, and that he had become involved in a classic, compromising situation. The situation left him vulnerable to a blackmail attempt by the KGB.

Luckily, the American blunted the threat of any KGB coercion by revealing the full details of his unfortunate encounter to Federal authorities upon his return to the United States.

Hostile intelligence services can play rough in their drive to compromise and recruit U. S. citizens when Americans are visiting communist countries. Attempts at compromising Americans, through sex and other ploys, while they are touring the Soviet Union and other East European countries, are not at all uncommon. At the same time, it should be emphasized that this approach is seldom, if ever, employed within the United States (although knowledge of any personal vulnerabilities of Americans is sought in the United States for exploitation abroad).

Another tactic employed by the hostile intelligence services is the exploitation of hostage situations. If a foreign intelligence service learns that a targeted individual has relatives in Eastern Europe, the USSR, Cuba or the People's Republic of China, the individual is regarded as being in a potentially vulnerable position. First will come gentle persuasion. An intelligence officer may produce "letters" from relatives calling for an American to "cooperate." If that doesn't work, the intelligence officer may suggest that harsh measures could be applied to the relatives. There is no easy answer to the American who finds himself approached in this manner, because the ability of the hostile intelligence service to apply pressure through the target's family is unquestionable.

Appeal to National Pride

An employee of a leading computer firm who was of East European descent was invited to tour his native country. Upon arriving in Eastern Europe, he was treated graciously by government officials and was provided with a personal "guide" to accompany him on the tour. The "guide" was in reality an operative of an East European intelligence service, whose assignment was to assess the individual's potential for recruitment as an agent. A year after the computer specialist had returned to the United States, he was contacted by an official from his native country. The official arranged a luncheon date with the specialist. At lunch he attempted to elicit computer-related information. The inducement used was an appeal to the sense of pride in the specialist's native land.

This case had a positive outcome. Recognizing the irregularity of this contact, the computer specialist immediately contacted the FBI. This was fortuitous, for the "official" was, in actuality, a full-fledged intelligence officer.

This particular recruitment approach is favored by intelligence officers of the Eastern European and Soviet Bloc countries and is aimed at emigrants from those countries. In some cases, unwitting emigrants have been goaded into cooperation by East European "diplomats." They did not realize that the "diplomats" were intelligence officers and that the information supplied to the intelligence officers was not intended to help their native land, but was actually headed for Moscow.

Exploitation of an Emotional Involvement

A recent espionage case revolved around a U. S. Government employee who supplied classified documents to an agent. What made this case unusual was the fact that the American received no monetary payment for his treachery. He became ensnared in espionage because he wished to be reunited with his lover, who had become stranded in a communist country. An agent of that country, recognizing the American's vulnerability, was only too willing to come to his assistance--for a price. In return for his services, the communist agent demanded classified data. The American complied and soon became reunited with his lover, but not for long. His activities were uncovered by the FBI, and he was eventually convicted and sentenced to 15 years in prison.

"False Flag" Approaches

In another maneuver, a hostile intelligence officer misrepresents himself as a citizen of a country friendly to the United States. This is called a false flag approach. Thus, a targeted American may be duped into handing over sensitive information by being led to believe that he is aiding an ally of the United States.

In a variation of this tactic, an intelligence officer or a hostile intelligence service agent poses as a representative of a noncommunist country or entity, towards which a targeted American is particularly sympathetic.

This approach was used in a case which occurred during the mid-1970s. An American of Armenian extraction was approached by another Armenian who said that he was a "distant relative." The relative claimed he was working for Armenia, with the assistance of the Soviet Union, in a drive to reclaim lost Armenian lands from Turkey. The distant relative was, in actuality, a KGB agent who eventually duped the unsuspecting immigrant into giving him classified information.

Approaches Based on Ideology

If a hostile intelligence service officer or agent believes that an individual has communist sympathies, he may make an appeal for information based on ideology. This type of approach is now less frequently observed than in the 1950s and 1960s. A "pitch" for information may also be geared to take advantage of an American's desire for international harmony and world peace. An intelligence officer can also exploit an American's concern for a single issue, such as nuclear disarmament, by claiming to have a similar concern, and thus ingratiate himself with the American.

In a case which occurred in the mid-1970s, an American scholar in Europe who already was sympathetic towards the Soviet Bloc was approached by a hostile service. The student eventually agreed to cooperate with the service in working for "world peace and harmony." He became an agent of a communist country.

The student returned to the United States and, at the direction of his handlers, attempted to gain employment with the U. S. Government in a position which would give him access to highly sensitive data. But his identity as an agent was detected, and he was effectively neutralized.

Exploitation of an American's Naivete

This approach may be used against an impressionable individual. A common tactic for a hostile intelligence officer is to exploit traditional American beliefs, such as freedom of speech or the conviction that scientific advancements should be allowed to benefit all mankind, in an attempt to elicit information.

An intelligence officer or agent in the role of a "student" or "researcher" may urge an American "colleague" that knowledge has no political boundaries or that the field of science is beyond politics. In the interests of scholarship and science, the American is encouraged to exchange the results of his research with a fellow member of the international community of scientists.

Revenge/Disaffection with Job

An element which has been at the center of many espionage cases is revenge. Disgruntled employees realize that a quick way to wreak vengeance and be paid money as part of the bargain is to sell valuable information to a hostile intelligence service. Needless to say, if an intelligence officer divines that a targeted American is dissatisfied with his job, the spy will zero in on this discontent.

The best example of revenge in action occurred recently in the William Kampiles case. While still employed by the CIA, Kampiles had been told by his superiors that his chances of advancement were minimal due to his poor work performance. He then resigned in a huff from the CIA, stealing a highly sensitive and valuable classified document, which he sold to the Soviets. Certainly, Kampiles gained some measure of revenge against the CIA, but in the process did grave harm to his country. As a result of his impulsive gesture, he was sentenced to 40 years in a Federal penitentiary.

Countering the Threat

There is a common notion that the KGB is staffed with crude Russians, who have bushy eyebrows, wear baggy suits, and speak with thick accents. Nothing could be further from the truth--the KGB is an elite organization composed of individuals from the upper strata of Soviet society, generally well-educated and sophisticated. An important first step towards countering the spy threat is not to underestimate the capabilities of the KGB or, for that matter, any of the hostile intelligence services.

Another point to remember is that the operative of a foreign intelligence service need not be a foreigner, nor need the occasion of your encounter with him or her be in any way extraordinary. A routine acquaintance, for example, could turn out to be a diplomat from Eastern Europe or an American who has been recruited as an agent by a hostile intelligence service. He could be a "spotter," who reports to an intelligence service on persons he meets who appear to be susceptible to assessment for recruitment, and then arranges for intelligence officers to meet them.

Do not expect either the intelligence officer or agent to expose his role in any dramatic or sudden fashion. Usually there is a long period of cultivation during which conversations appear completely innocuous. At any point where someone begins to inquire aggressively into aspects of your knowledge or activity, which are classified or otherwise sensitive, you should certainly stop to consider whether the inquiry is normal, innocent curiosity. It might be the beginning of an attempt to secure sensitive information for the benefit of another country.

If an employee has dealings with representatives from the Soviet Union, Bloc countries, Cuba or the People's Republic of China, there are a number of defensive steps that can be taken. The most important step is to have all such contacts reported to the Security Officer. This allows the Security Officer to monitor the contacts and to protect the employee's record. It also enables the officer to detect recruitment operations as they develop.

Secondly, efforts should be made to recognize when an association evolves from one of strictly business to one of a more personal nature. In recruitment scenarios, a key first step taken by intelligence officers is the development of a personal rapport and social relationship with targeted individuals. This must be recognized. Casual meetings away from the office should be avoided. Gifts or special favors should not be solicited or accepted. One further defensive technique is to avoid one-on-one meetings. Needless to say, the more people involved in a meeting, the less opportunity there is for an intelligence officer to develop a personal rapport or to ask the employee questions he does not want to answer.

In general, the role of the Security Officer must be stressed. Each Government agency and private firm which deals in classified material has, or should have, a specified official responsible for security matters. This Security Officer should be recognized as an ally and not an adversary. If you become involved in a situation that arouses your suspicions, the Security Officer should be informed immediately. Even if a friendship has been established, even if the individual has been able to pry loose some information, the Security Officer's job is to minimize the damage loss of sensitive information may cause, protect employees from getting ensnarled in situations involving hostile intelligence services, and to extricate them when necessary. This assistance cannot be rendered if the employee remains silent. Of course, it is much better for an

employee to reveal a suspect relationship voluntarily, rather than have it come to light in the course of an investigation. In sum, if involved in a compromising situation, the sooner the employee consults his Security Officer, the better for all concerned: the employee, the employer, and the United States.

You may be in a place or situation where you cannot, or for some reason do not want to, contact your Security Officer. In the United States, the FBI is as close as your nearest telephone. Abroad, the nearest U. S. diplomatic establishment can arrange to put you in touch with the FBI or other appropriate U. S. Government security officials. Once again, it must be stressed that your best course of action in any of the situations described above is to relate the facts to a professional who will be able to analyze the situation and propose a course of action. Any attempts by untrained or uninformed persons to handle hostile efforts on their own could result not only in personal disaster, but may also interfere with the FBI's counterintelligence effort.

The threat posed by hostile intelligence services can easily be underestimated. History is replete with situations in which a nation's security was gravely damaged by the efforts of a hostile nation's intelligence services. In our own history, the breaking of the Japanese Secret Code helped to bring U. S. victory in the Pacific during World War II. On the other hand, the theft of some of our key atomic secrets greatly abetted the interests of the Soviet Union. The work of hostile intelligence services is by no means trivial. The fate of nations can be damaged or enhanced by their enterprises.

A philosopher once said, "Knowledge itself is power." This maxim applies to national power. One gauge of national power is the quantity and quality of scientific, technological, political, and military-related knowledge possessed by a nation. The United States can be weakened by the theft of its vital knowledge. Its enemies can be strengthened by the acquisition of that knowledge, whether classified or unclassified. It is the responsibility of each individual, who has been entrusted with sensitive data, to do his or her share in protecting America's strategic knowledge. If Americans do not conduct themselves in a responsible manner, or do not recognize that this country's national security is based upon the loyalty and efforts of its citizens, then the tightest document classification system, the most efficient security organizations, and the strongest armed forces may be completely ineffective in protecting its citizens from "all enemies, foreign and domestic."