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*Handwritten initials: JM*

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CIA OPERATIONS CENTER

NEWS ANALYSIS SERVICE

DIST:  
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(HUGHES MEMO)

LOS ANGELES (UPI) -- A FORMER SECURITY GUARD FOR BILLIONAIRE HOWARD HUGHES ADMITTED THURSDAY THAT HE UNWITTINGLY SET OFF A CHAIN OF EVENTS THAT BLEW THE COVER OF ONE OF THE MOST EXPENSIVE AND ELABORATE SPY SCHEMES IN HISTORY.

"IT WAS JUST AN ABSENT-MINDED THING," MIKE DAVIS TOLD AUTHORITIES THURSDAY.

DAVIS SAID IT ALL BEGAN WHEN HE WAS BOUND AND GAGGED BY BURGLARS WHO RANSACKED THE FILES IN HUGHES' PERSONAL COMMUNICATIONS CENTER "ROMAINE" LAST JUNE 5.

AFTER THE BURGLARS LEFT, DAVIS SAID, HE NOTICED SOME PAPERS ON THE FLOOR AND ABSENT-MINDEDLY STUFFED THEM IN HIS POCKET.

ONE OF THE PAPERS, HE SAID, WAS A \$100,000 CERTIFICATE. THE OTHER WAS A MEMO OUTLINING A SECRET CONTRACT WHEREBY HUGHES AGREED TO FRONT FOR THE CIA, BY PRETENDING TO BUILD AN "OCEAN MINING RESEARCH VESSEL" CALLED THE GLOMAR EXPLORER.

ACTUALLY, THE SHIP WAS OWNED AND RUN BY THE CIA AND WAS BUILT, AT AN ESTIMATED COST OF \$400 MILLION, TO RETRIEVE A RUSSIAN SUBMARINE THAT SANK IN THE PACIFIC YEARS AGO.

REPORTEDLY, IT SUCCEEDED IN RECOVERING HALF THE SUB IN AN OPERATION THE CIA DUBBED PROJECT JENNIFER.

BUT WHEN THE MEMO OUTLINING THE PROJECT VANISHED AFTER THE BURGLARY -- AND A MAN PURPORTING TO HAVE CONTACT WITH THE BURGLARS TRIED TO EXTORT A \$1 MILLION RANSOM FOR THE STOLEN FILES -- THE CIA BECAME ALARMED THAT THE THIEVES HAD THE MEMO AND COULD MAKE PUBLIC THE SECRET OF PROJECT JENNIFER.

IT WAS THE CONCERN OVER THE MISSING MEMO THAT GRADUALLY FILTERED THROUGH LAW ENFORCEMENT SOURCES TO REPORTERS AND EVENTUALLY BLEW THE PROJECT'S COVER.

DAVIS SAID HE KEPT BOTH THE MEMO AND THE NOTE IN A BEDROOM DRAWER FOR SEVERAL MONTHS, BUT THAT WHEN ALL THE PUBLICITY BEGAN TO BREAK ON THE SUBMARINE SPY MISSION ABOUT A MONTH AGO, HE TORE UP THE MEMO AND FLUSHED IT DOWN THE TOILET. THEN HE TOOK THE \$100,000 NOTE AND PUT IT IN A FRIEND'S SAFE, HE SAID.

THURSDAY HE TOLD HIS STORY TO DETECTIVES, DISTRICT ATTORNEY'S INVESTIGATORS AND A REPORTER.

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Comment:

*These comments represent the initial and tentative reaction of the CIA Operations Center and of the appropriate analytic component in the Agency to the attached item from the news wire services.*