Lusey. AL 1942
1943

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1943

COORDINATOR OF INFORMATION
WASHINGTON, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300.

Mr. Alex Rankin

Col. William J. Donovan
Administration Bldg

Mr. Lusey -

I return herewith, with hearty thanks, the map and accompanying documents which you let us take the other day.

E. B. Price

The following is a rough summary of the information contained in the original document. In a number of places in the original the characters were blurred and undecipherable. The English summary should be carefully checked.

Declassified and Approved For Release 2013/08/01 : CIA-RDP13X00001R000100470001-2

CONFIDENTIAL

An outline sketch of secret information regarding the enemy's plan of attack on Russia. July 11, 1942. Military Affairs Commission, Division number two, bureau number 1.

Date of information: July 3.
Source: telegram from Chang Fa-kuei
Essentials of the contents: A report of a Japanese named

1. The objective of the enemy attack on Russia is to eliminate the threat from that region to progress of the Pacific War, and especially to eliminate the threat of America's making profitable use of Siberia in order to attack Japan.

2. The time of the attack on Russia will be around July or August. The reasons are to respond to Germany's direct attack on Russia, and because in August the climate in Siberia is relatively mild and the roads are good, making conditions beneficial for warfare. The past affairs at Chang-ku-feng and both took place in the July-August period.

3. A guide to war tactics to be used by Japan in attacking Russia:
   (A). The main force of the army will fight in eastern Manchuria along the line from Khabarovsk to Lake Hsing-k'ai ( ), and starting from the Mi-shan area on the Siberia-Manchuria border will cut the Siberian Railway (i.e., the Ussuria Railroad)
   (b). The next most important battle will be in the environs of Hei-ho (Blagoveshchensk?) and will involve crossing the Hei-lung-chiang (Amur River) and cutting the branch of the Siberian Railroad in that area.
   (c). An advance northeast from Hunchun for an attack on Vladivostok.
   (d). (Here the text was blurred and undecipherable. There is reference to Chita and to the bases of the Russian navy in the Far East, and to gaining sea control in the Sea of Japan and the Sea of Okhotsk). The most important battle will be (a naval battle) with the co-operation of the army against Vladivostok. Next in importance will be a decisive attack on Vladivostok by air force.

4. The armed strength of Japan for an attack on Russia
   (a) At Kuei-mu-sau, Mi-shan and Sui-fen-ho, five divisions (?)
   (b) At Hei-ho, Nung-chiang, and Ch'i-ch'i-ha-erh (the same as Lung-chiang), three divisions
   (c) At Tu-tan-chiang, two divisions
   (d) At each of the following one division: Harbin, Hsin-ching, Feng-t'ien-hai, and La-erh.
   ~~(e) The armed strength~~

5. The armed strength of the Kwantung Army: At present there are in Manchuria about fifteen divisions, including two mechanized divisions and amounting to an approximate total of 500,000 troops

6. The attack on Vladivostok will include (?) troops from Korea

7. Responsibility for defence of Chita will be assumed by troops in Mongolia.

Date of information: July 4
Source of information: Office in Hsi-an (in east central Liaoning

Beginning on May 30th, the enemy steadily and continuously moved troops from Wu-ch'uan, Wu-lan-ch'a-pu, Kuoi-sui and other places(in Suiyuan) to Chang-chia-k'ou (Kalgan); and at Pao-t'ou-ch'eng (in central Suiyuan) left only a company (?) of cavalry, approximately 300 men, stationed at the West Gate, and 30 some motor cars.

Date of information: July 8
Source: Air Commission

On June 26th (?) a fighter squadron of the enemy army air force flew from the airfield at Hangchow, going (?) to another airfield, and on the same day from this airfield a group of planes took off. Passing by Tsinan, Tientsin, Peiping and Dairen, they flew in the direction of Feng-t'ien.

Date of information: July 8
Source:

Since the last ten days of May the enemy continuously and without ceasing has moved troop trains along the Tientsin-Pukow Railway to north of the Great Wall. All movements have taken place at night.

EXPLANATION:

1. It appears that the Hu-lin Line 虎林線 and the Pin-sui Line 濱綏線 are to be used in an attack on the Hu-su-li Railroad 虎蘇里鉄道.

2. It appears that the Hei-pei Line 黑北線 and the Ning-mo Line 寧墨線 are to be used in an attack on the Hei-lung-chiang Railroad 黑龍江鉄道.

3. It appears that the Pin-chou Line 濱洲線 and the Tai-wen Line 白溫線 will be used to an attack on Ch'i-t'a 齊塔 (Chita) and Outter Mongolia.

4. It appears that the Feng-t'ien Line 奉天線 and the Mien-ch'eng Line 沔承線, the -feng Line 沔峰線 and others lines will be used for the war against China.

5. It appears that the Hsing-t'u Line 興圖線, the Ching-t'u Line 京圖線, the La-pin Line 拉濱線, and the P'ing- Line 平線 will be used as lines for reinforcing transportation.

6. The four provinces of Liaoning, Kirin, Heilungchiang and Jehol originally had a total of 6042 kilometers of railroads. From September 18, 1931, to 1936 the Japanese have increased the railroads by construction of a total of 3970 kilometers, making, with the original, a total of about 10,012 kilometers of railroad lines.

7. From September 18, 1931, to 1936 the enemy in North China increased the distance of important highways by 2368 kilometers.

LEGEND:

Shows the commanding office of the KWantung military railroads

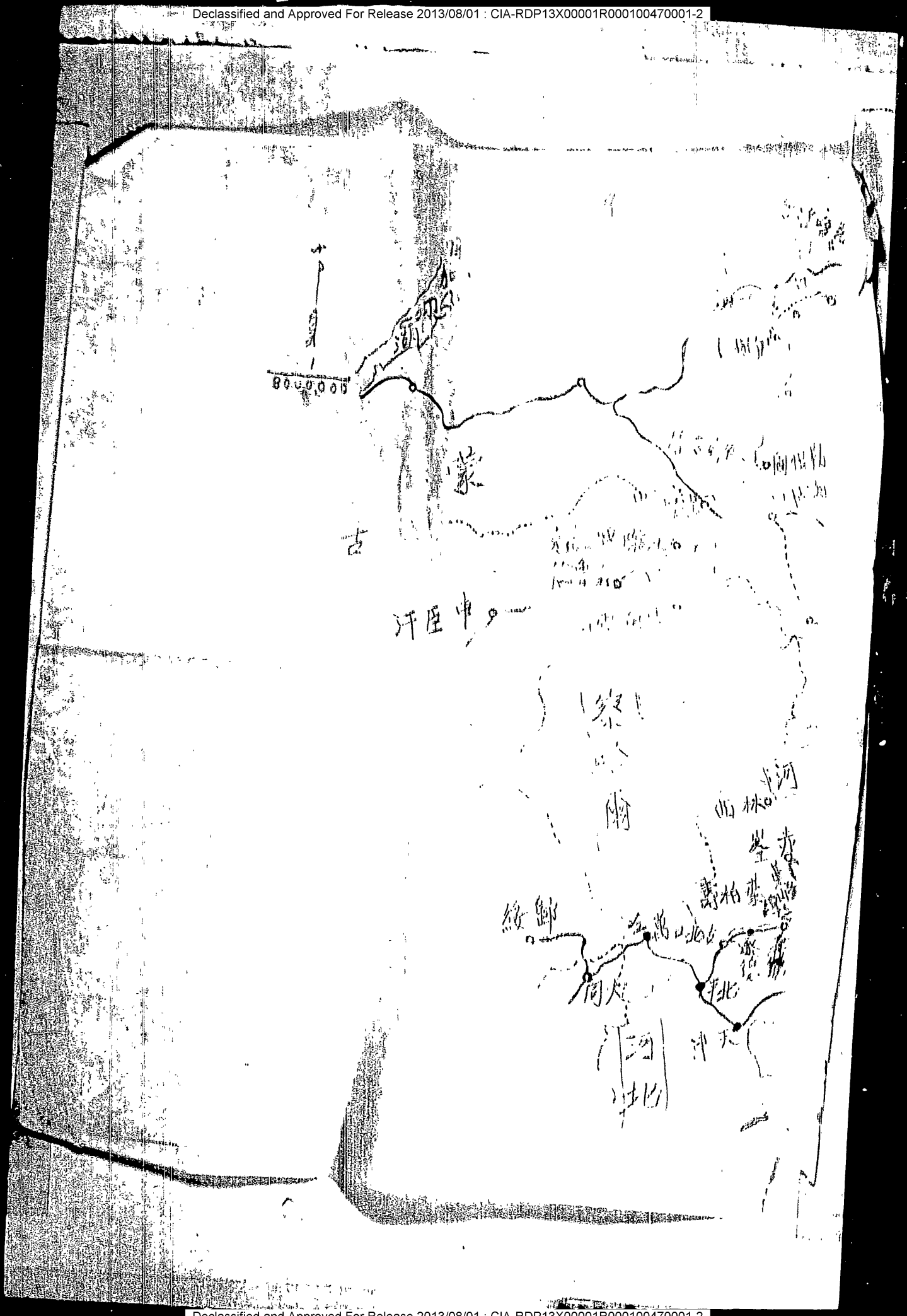
Shows division headquarters (?) of the railroads.

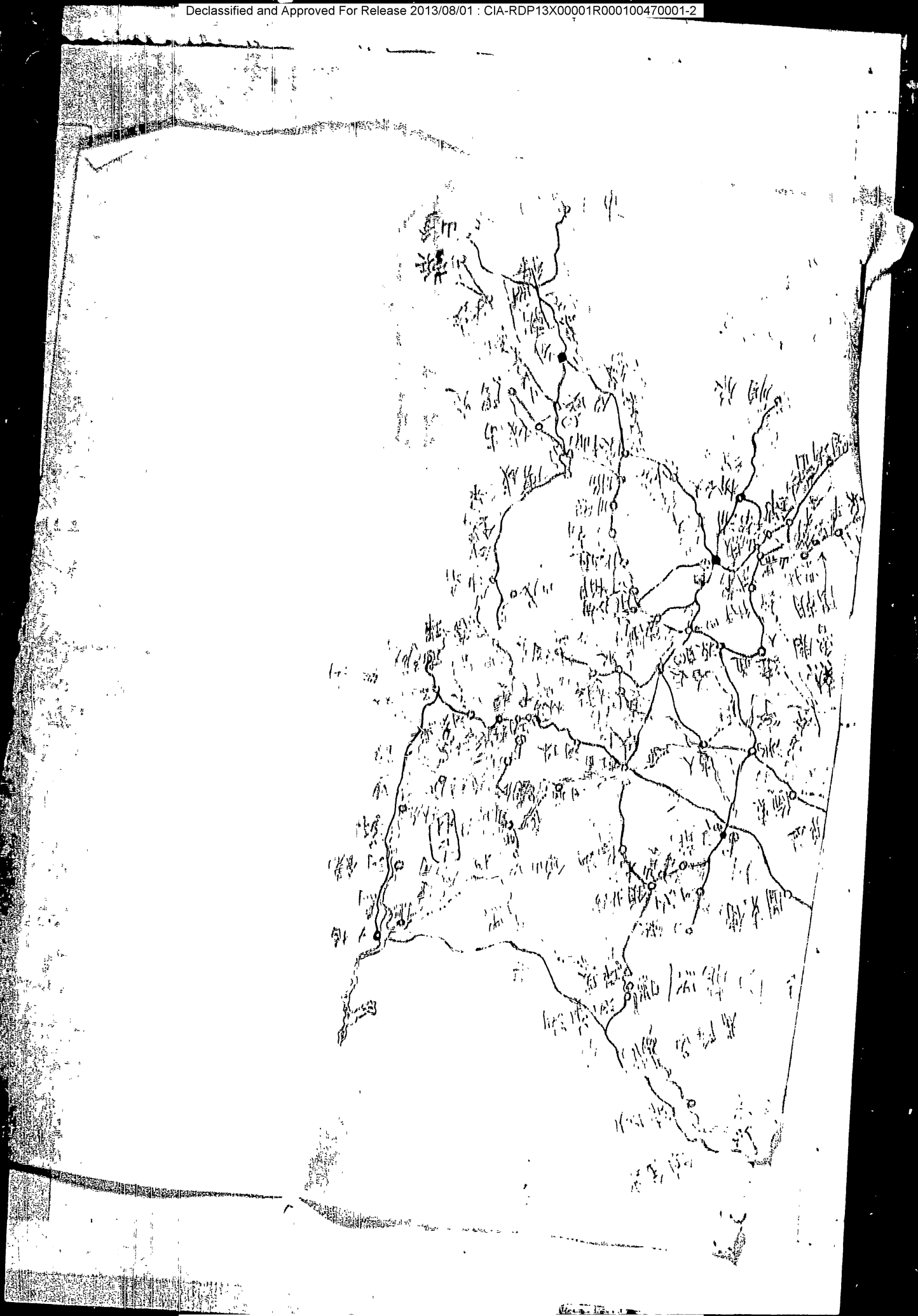
Shows branch lines

Shows original railroad lines

Shows newly constructed railroads

Shows newly constructed important highways





Declassified and Approved For Release 2013/08/01 : CIA-RDP13X00001R000100470001-2

機密

關於蘇犯企圖攻蘇情報一覽表

中華民國三十一年七月十一日
軍會部第二廳第一處請契

月日 七三

情報來源 內容摘要

張發奎電

敵偽川田正供詞

(一)倭侵蘇目的：在佔領亞東蘇俄之領土，排除太平洋戰爭進行上該方面之威脅，尤其美國利用西伯利亞為攻倭之威脅；

(二)侵蘇聯間，在七八月左右，其理由一為呼應德國真面目對蘇攻勢其冰八月間西伯利亞方面氣候軟暖，道路軟好，適宜於戰爭，過去張鼓峰該門坎事件，均在七八月間勃發。

(三)侵蘇戰略指導

(1)陸軍中心作戰由偽滿東部亘伯力與興凱湖間發突山方面蘇滿國境切斷西伯利亞鐵道

(2)次要作戰。在黑河附近渡黑龍江切斷該方面西伯利亞湊道。

(3)由琿春方面東北進攻海參威

(4)對西部國境瓜樓 攻勢 兄其赤塔右面戰中勢(至於海軍戰略中心)殲滿達東蘇聯海運基地

當據日本海軍霍次克海制海權，

其最重要作戰，在與陸軍協同攻畧海參威，其次海運航空隊主力死擊海參威

(四) 侵蘇使用兵力

(1) 進木斯密山綏芬河地區五個師，

(2) 黑河嫩江齊齊哈爾地區三師團

(3) 牡丹江地區二個師團

(4) 哈爾濱新京奉天海拉爾各一個師，

(五) 關東軍兵力：現在偽滿約十五個師內機械化師兩個。約五十萬人以上（內交守備隊國竟守備隊除外）

(六) 攻畧海參威由朝鮮軍担任（138 211）

(七) 猶任赤塔守勢由蒙疆駐屯軍担任；

七

四

西安辦公廳

武川烏蘭察布歸綏托克等處，敵於五月卅日起陸續閉張家口業中，包頭城僅留騎兵旅團之一大隊，約三百餘人砲西門，

汽車三十餘輛

七

六月二十六敵陸軍飛行第七?五戰隊，自杭州機場移駐另一機場當日即由該機場有一批飛機出發，經濟南天津北平大連向奉天飛行，

八

航委會通報

七

自五月下旬以來敵由天津津浦路開往關外之兵車絡續不絕，一切行動均夜間

八

國情部?通報

1. 暴
2. 亘 probably should be deleted. Sometimes is written 利 in this manner,
3. 金失.?
4. Same as 龍江
5. Reading 任 for 駐.

說明

(一)虎林線及濱綏線似為對烏蘇里鐵道作戰者

(二)黑北線及寧墨線似為對黑龍江鐵道作戰者

(三)濱洲線及白温線似為對赤塔及外蒙作戰者

(四)奉天線及錦承線與葉峰線等似為對中國作戰者

(五)興圖線京圖線拉濱線及平[illegible]線似為增强運輸線者

(六)齊吉黑熱四省原有鐵道共有六〇四二公里自「九一八」事變至民國二十五年止增築鐵道計有三九七〇公里合原有鐵路總計約有一〇〇一二公里

(七)「九一八」後至民國二十五年敵在華北增築重要公路為二三六八公里

圖例

示關東軍鐵道線區司令部

示鐵道線區之部

示鐵道支部

示原有鐵道

示新建鐵道

示新建重要公路

Lucas Stephan 11,753
×India
×China
×Supply Route
×Narenhall, H.V.

SECRET

G-2-S

New Delhi, Apr 3rd

Dear Colonel;

Mr. Phillips is returning in a couple of days and I am taking this means of sending you a safe hand letter. I have had several talks with Mr. Phillips. He is a very fine gentleman, and too much for these muddle headed Indian Government time-wasters. He'll have a tale to tell you, you may be sure.

I cabled you that report on the OWI because I thought, especially in view of the fact that you were head of the outfit that originally sent Smith out here, that you should have it. As I told you, I feel that you should be kept continually advised of what other American agencies are doing, and what impression they are making. The OWI, as Mr. Phillips will tell you, is a mess out here. Smith should never be sent back; if he is sent back, he should be recalled. The OWI should undergo a thoro house cleaning and their spending should be restricted radically. Of course, Puckel and Butler will pull for Smith in a big way. They know they can control him and use the OWI for another outlet for their own propaganda; an outlet supposedly independent and fair-minded. Mr. Phillips will have a lot to tell you about that.

I've made progress as far as a survey of necessity for monitoring goes, and the men who do the work down at Karachi -British- were very keen to see us put up an uptodate monitoring station. However, General Cawthorn, Director of Intelligence for this area, under Wavell, is not so keen. He does'nt want his own old fashioned obsolete inefficient outfit shown up.

OAL

SECRET

However, I'll work that out somehow. The important thing is that I can demonstrate to them that they are not getting a lot of important material that is on the air. We'll get liaison and cooperation somehow.

I've not been able to get to Afghanistan yet, although I did spend four days on the NW frontier, at Peshawar. If I had seen nothing else in India, that visit would convince me of one inescapable fact; the British do not intend to get out of India, or to relinquish one iota of control. New fortifications, new landing strips everywhere. I have found it dangerous to "assume" that anyone is sending information in; Maj. Gordon Enders, the Military attache at Kabul and the sole US intelligence representative, other than usual state dept reports, is a bag of wind. He's well known in China for that. He thinks or tries to make one think, that he has everything in control; everyone eating from his hand. As a matter of fact, I think everyone from the British to the Japs are fooling him.

I have a plan to get two good men in there. Jimmie has the plan and it is something that Mr. Phillips thinks the Minister there (at Kabul) and the State dept would welcome.

The best intelligence representative we have anywhere in this entire Far-Eastern area is Lieut. Comdr. F. Howard Smith, the USN liaison man at Karachi. He's really doing a good job of work. He and I work very well together and between us we'll plan out a plot that will put us in business in that area. We have already borrowed a radio receiver from the army and I have installed it in his compound and we have a navy operator combing the dials for certain schedules that I have outlined for him. We heard a jap submarine that the British did not pick up.

Ap-L

SECRET

We feel certain that enemy radio stations are operating from Sind or Baluchistan, reporting ship movements to the japs. We know there is a station in Afghanistan, near the Tranian border, reporting lend lease movements to Russia, to the japanese and Germans. The British admit this. They have no direction finding gear to locate the stations. If the hardshelled Indian Government people don't want to cooperate, Smith and I will install the gear right in his compound, and get the intercept material, and force it on them! We can get any amount of enemy material -- material I am sure the British are not getting. Our problem is what to do with it, once we get it. The British have facilities for crypto work, and for dealing with stations, once the location is known. It should be a simple arrangement; we furnish them the material from the air, and they take action on it. Too simple for the intricate bureaucratic Indian civil service! I figure that anything we can do to help the war effort, even if the OSS gets no credit for it, we should do.

The last time I was out here I had some interesting discussions with a young fellow who has been trying, for two years, to convince someone of the importance and the practicability of an overland route from India to China. He has convinced me, and I hope we can convince you, The difficulty has been, in these days of rapid air transport, and of huge movements of war materials, to make anyone see the desirability of moving a trickle of stuff by a slow, overland route. When you speak of 25 pack animals, taking 45 days, to move a ton of materials over the Hiralayas, it sounds hopeless.

G 2L

SECRET

It is pretty grim, I admit. But, I believe we should explore every possibility, for even a trickle of war material. As I see it now, this is going to be a much longer war than we thought and it's going to be a long time before we're able to use the Burma road. Even when we can use the Burma road, it's very limited.

This route is perfectly feasible. We could take over ten tons at a time; one pack-train, I'm told, can handle 250 animals. We have about seven months of the year in which we can get through the passes.

EXHIBIT "A"

The plan, as shown in the attached memo, I had the young fellow make up, would be to move war materials from the seaports of India to Rawalpindi, by train, from there to Kashmir by rail and truck. From Kashmir to Kashgar by pack train -- mules and yaks, and possibly camels. From Kashgar we (this would be handled by the Chinese) would move it by truck or by Camel, or both, to Urumchi and on to Lanchow, or, bypass Urumchi and go to Lanchow direct. There are truck roads in that area.

One of the most attractive features of the plan, to my mind, is that it would give us a chance to survey that route and to get good reports on a prt of the world that was formerly very important and will, with it's vast natural resources, undoubtedly play an important role in the future.

My plan is to have young Ravenholt and one or two other men take one ton of materials across as a test trip.

I believe I can get [redacted] Tai-li to make the necessary Chinese Govt arrangements.

QRL

SECRET

It would cost us about ten thousand dollars to pioneer this route. I am sure you will agree that a comprehensive report on this area, even without moving essential materials, would be well worth that amount.

If you approve of this venture, my plan would be for me to get Tai-li to make all the Chinese govt arrangements to meet the pack train at Kashgar and to move it from there on. Ravenholt would, with the Chinese, seek the British permission to use their "political route" from Kashmir to Kashgar. Ravenholt would then proceed to get his outfit together. We would send down a ton of materials from Calcutta, Bombay, Karachi, or wherever it is, have it repackaged and away they'd go. I feel confident that when the trip is over, we'd have a mass of extremely valuable data on Chinese Turkestan and Sinkiang; information that is lacking now. Additionally, we would pave the way for a lot of valuable and essential war materials into China -- stuff that is having to wait it's precarious turn to move by air at the present time.

I will be in Chungking, I hope, when you get this. Tai li should be back from the provinces. I will discuss it with him, then cable you and if you approve, I will get Ravenholt started at once. I think this is just the kind of work that OSS can do. I know that you will give it consideration. I know there have been numerous adverse reports on overland routes. However, I'm sure you will realize that most of these reports have been made by people who have very little practical

SECRET

ARL

experience --at least recent experience-- in the area or else the reports have been made on the basis of reports furnished by the British or Indian governments. Young Ravenholt has made an exhaustive study of this subject. He has talked to muleteers who have been over the route; he has talked to the former British consul at Kashgar. He has talked to Britishers and others who have been in the area. He is convinced that it can be done, and he has convinced me that it is certainly worth a trial.

I will cable you, from Chungking, referring to "overland route," and ask your decision on the plan.

I have several more vague indications that the Chinese and Indians are carrying on some kind of undercover skullduggery. Don't let Miles know that; he'd say it was China's affair and he'd have me barred from China! Seriously, something is going on; the British feel it, and it's making them very irritated at the Chinese; they have nothing definite, but there are indications. I'm pursuing it enthusiastically, if slowly.

I hope that things are going to suit you. I do wish you could make a trip out this way.

I shall write again when I have anything that I think you should know.

Sincerely,

A.R. Lacey

EXHIBIT "A" SECRET

ORGANIZATION AND EXECUTION OF SURVEY

(route and territory)

Srinagar to Gilgit to Kashgar, (pack) Kashgar, Aksu, Karashar, Turfan, Urumchi, Hami, Suchow, Lanchow. (road) (also to be investigated) off road points, Yarkand, Khotan.

The following suggestions as to procedure in organizing and carrying out an expedition are presented just as I would go about doing it if given the opportunity. The object would be to survey the pack routes from Kashmir across to Kashgar, the motor roads which might be used in Sinkiang, the quantity and type of fuel available at the various oil wells, conditions and possibilities of all types of transport in Sinkiang and the political and military position.

First select and make arrangements with the organization which is to be the cover for the expedition. If the OSS can not officially accept responsibility for the venture then preferably the name of China Defense Supplies should be used.

When ODS has given its permission we proceed. ODS with the behind the scenes backing of OSS requests permission from the Chinese government foreign office for my companion, myself and six muleteers to enter Sinkiang from the south. At Kashgar the six muleteers will need permission to return to India. My companion and I will require permit to travel to Urumchi and then on to Lanchow with our one ton of supplies.

Once the foreign office has given its permission then request them to instruct their representative in Delhi to issue my companion, me and my six muleteers visas to go to Kashgar. At the same time have them inform the officials in Urumchi, Kashgar and Tash-kurghan, the first Chinese border post, that we are coming. If possible have the government in Urumchi place a truck at our disposal in Kashgar and permit us to use their gasoline depots along the route.

Meanwhile, contact the party people and Tai Lee's organization and get me introductions to their people in Kashgar, Urumchi, Lanchow and smaller points along the way. Also ask them to

SECRET

please notify their people we are coming and instruct them to help us if we need it.

When the Chinese government has given its permission then a regular CDS man here and I approach Mr. H. Weightman and Mr. D. K. Carroll of the external affairs department of the government of India and request permission to proceed from Srinagar to Gilgit and across the Mintaka Pass to Sinkiang. Once this permission is given we request them to make arrangements so their men along the route help us have feed available for thirty mules and fuel for eight men. At the same time we request them to instruct their representative in Kashmir to facilitate our preparations. Only the permit is essential from the Indian authorities but the extra assistance would expedite matters.

The above matters settled, my companion and I proceed to Kashmir with the one ton of supplies, our visas and the visas of the six muleteers for Sinkiang and personal equipment. Having contacted the Kashmir authorities and come to an understanding with them, we employ a muleteer leader, preferably one who was formerly engaged in the trade with Sinkiang before it was finally closed in thirty eight. With his help we hire or preferably buy thirty mules and employ five other muleteers for whom the the muleteer leader is responsible. Once this is done and the ton of supplies packaged for pack transport we are ready to proceed.

From here on developments will depend largely upon local circumstances but in general we proceed as follows:

For the forty five day pack trip to Kashgar we compile a day to day written and photographic report on the condition of the trails, number of animals and feed and fuel available, maximum capacity of the route with full organization and the present condition of the air port at Gilgit.

On arrival in Kashgar the muleteers will be sent back and a survey made of southern Sinkiang including the road to Irkistam, the quantities of animals and feed available, the air port at Yarkand and local political attitudes.

SECRET

On the road from Kashgar to Urumchi a photographic and written report will be done with special attention to river crossings. In Urumchi after having discussed the situation with the authorities and discovered to what extent they can and will help in the shipment of goods to China, we make a survey of the oil-wells west and northeast of the city with pictures if politically possible.

Then again documenting the road we proceed to Suchow where a like report will be done on the wells there. At Suchow we also ascertain approximately how many camels can be drained out of Inner Mongolia for use elsewhere and discover how many are available in Outer Mongolia provided we could get them out.

On to Lanchow we continue the survey of the road with special attention to just how many useable trucks there are in this area and what parts are most needed. The ton of supplies can be delivered in Lanchow or if so desired it can be taken on to Chungking.

When the above survey has been made we will be in a position to say just how and how many supplies of what types can be brought in over the above mentioned routes and to go ahead and organize the system which can do it.

A.V.Ravenholt

Lusey 10,460
+F C C.
+Communicati...
+Special Radio...
+Faizal

May 14, 1943

Mr. Robert D. Leigh, Director
Foreign Broadcast Intelligence Service
Federal Communications Commission
Room 610
1424 K Street, N.W.
Washington, D. C.

SECRET
L-3238

My dear Mr. Leigh:

I am returning herewith your file concerning Mr. Lusey. General Donovan has handled this matter personally, and I believe has discussed it with you.

If there is anything further that you want me to do, please let me know.

Sincerely yours,

Victor F. Hockmeyer
Special Relations Officer

Enclosures

Lusey, A.R. 102460
X-F.C.C.
X Communication
X-Far East
Special Advisor

COPY

FEDERAL COMMUNICATIONS COMMISSION

FOREIGN BROADCAST INTELLIGENCE SERVICE

1424 K Street, N.W.

Washington, D.C.

May 14, 1943

CONFIDENTIAL

General William J. Donovan
Coordinator of Information,
Administration Building,
25th & E Streets, n.w.
Washington, D.C.

Dear General Donovan:

In accordance with our telephone conversation, I am enclosing a copy of the official letter of appointment of Mr. A.R. Lusey, made over the seal of the Federal Communications Commission.

As I understand it you will proceed further with the British if there is any necessity of clearing up Mr. Lusey's authorization for activity in India.

Sincerely yours,

(sgd) Robert D. Leigh

Director

COPY

March 12, 1943

Mr. A.R. Lusey
Federal Communcations Commission
Washington, D.C.

Dear Mr. Lusey:

This is to inform you that the Federal Communications Commission has approved your appointment as Advisor to the Commission on Middle and Far East monitoring and other Radio Intelligence duties.

You are authorized to present this letter to appropriate officials of foreign communications services as evidence of your appointment and in order to enable you thoroughly and successfully to discharge your duties.

Sincerely,

T. J. Slowie
Secretary

Lusey 10,460
FCC
Communications
Iran Coast
Special Advisor

FEDERAL COMMUNICATIONS COMMISSION

FOREIGN BROADCAST INTELLIGENCE SERVICE

1424 K STREET N. W.
WASHINGTON, D. C.

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Sincerely yours

T. J. Slowie
Secretary

EKJ:orh

Lusey, A.R. 10,482
Far East
Special Colonia
Communications

February 13, 1943

MEMORANDUM

FROM: A. R. Lusey

FOR: Colonel Donovan

Arrangements have been made with the FCC to appoint me as a "special adviser" to that agency. I will be given an assignment to make a "Radio reconnaissance" of various areas and to make recommendations for these areas.

Dr. Leigh has indicated they are interested, in addition to India and the Far East in general, in Turkey and Iran. In fact, they want me to make a report on Teheran as soon as possible. I have drummed up considerable interest in Asmara; as you know, I have been trying to sell someone on Asmara for almost a year. They have also indicated intense interest in Stockholm. Dr. Leigh says they suggested to the British (BBC) that a monitoring setup be established there; The British, Dr. Leigh said, thought it a "splendid idea. Why don't the Americans do it."

I believe both the FCC and the British are handicapped by finances and manpower. One reason that Dr. Leigh is pleased with my appointment is the fact that there is no budgetary considerations. I am certain that if we proceed cautiously we can obtain FCC cover for almost any number of people, in almost any area in the world.

I am going to spend part of next week in the FCC office to see just what they are doing in the foreign field, and just what they want. They are anxious for me to spend at least two days in their main monitoring station, which has just been moved to San Francisco, from Portland Oregon. This will be of great value as it will allow me to see just exactly what circuits they are covering, and under what actual conditions they are working.

I would like to suggest, therefore, that we do this; Let me find out what they are doing here in Washington; just what they require from abroad. This will be invaluable to us in selecting personnel for FCC cover. At the end of next week I will go to San Francisco and spend the weekend there. Upon my return I will be able to report what kind of personnel will be required, as well as a brief report on just what the FCC is doing.

As soon as possible, after next week, I will return to the Far East. I will make a good survey in India and Afghanistan. I will continue on into Teheran (only two days from India) and make a survey of what is available there. If you wish, I can run up to Istanbul and see what we can do there. My last survey will be made at Asmara, where I should spend a fortnight.

I should be able to make such a survey in three or four months, at the most. Naturally, at the same time, I will be going ahead with our own efforts in India and Afghanistan, where we are urgently in need of a considerable number of men.

In the meantime, I would suggest that no efforts be made to get further FCC cover except in the case of Stockholm. A good man should be secured for that spot; a man with a good background of commercial communication experience. I will talk to Colonel Lowman about such a man.

I think Mr. Oechsner should get up a compact, brief questionnaire on what he would like me to look for, from a standpoint of MO. I will, of course, consult closely with all concerned on what they want from those areas.

Upon completion of such a survey, I shall be able to make recommendations for the FCC to establish monitoring stations in various areas which will allow us splendid cover for personnel of all kind. Additionally, I am sure we can work out a radio communication system using FCC cover and circuits.

February 12, 1943

SECRET

The Honorable
James Lawrence Fly, Chairman
Federal Communications Commission
New Post Office Building
Washington, D. C.

My dear Mr. Fly:

Confirming conversations between representatives of this Office and Commissioner Durr and Dr. Robert Leigh of the Federal Communications Commission, I should greatly appreciate it if you could arrange to appoint Mr. A. R. Lusey as a Reconnaissance Engineer and Correspondent, to undertake general surveys and studies for the Commission in India and the Far East.

Mr. Lusey has for some time represented this Office in these areas, and he will shortly return there to continue his work for us. In this connection, an official designation as a representative of the Federal Communications Commission would be of material assistance to him.

At the same time, I am confident that the nature of the particular mission upon which he will be engaged, as well as his knowledge of the regions concerned and his long experience in the field of radio and communications, will place him in a position to perform services of considerable value for the Commission.

This Office will, of course, assume responsibility for paying Mr. Lusey's salary and expenses. In the event of his appointment by the Commission, therefore, no budgetary problem will arise.

With my thanks in advance for every consideration you can give this matter, I am,

Sincerely,

William J. Donovan

RRQuay

Lusey A.R. 10/1/44
x A.R. Lusey Col
x Fillon Maj.
x Director of Personnel
x China

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

February 3, 1943

MEMORANDUM FOR COLONEL DONOVAN

FROM: A. R. Lusey ARL

The Navy have informed me that we have on hand in India 200 tons of equipment. We have 300 tons en route by steamers arriving within sixty days.

We have 200 tons in New York awaiting shipment and we expect to have 200 tons per month hereafter.

A DC-3 cargo plane carries only two and one-half tons from Assam to China. If we had six planes, we should be able to keep four in the air. It would, therefore, require fifty days to move what we have on hand in India and en route by steamer.

After we catch up on present supplies in India we should have at least two ships permanently assigned to this project.

It is interesting to note that in the month of January we shipped more material for this project than was shipped in the previous ten months of last year.

Lusey, A. R. 10,164
Adams, Col.

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

Eifler, Major,
Aircraft, Small
China

January 12, 1943

MEMORANDUM FOR COLONEL DONOVAN

FROM: A. R. Lusey

I spent all of yesterday afternoon with various people checking the small "grasshopper" planes. Colonel Adams was most helpful and gave me a lot of literature on this type of airplane.

These machines would be of great value to us in China and we are making plans to get them over the hump after they reach India.

They would be of much more immediate value to Major Eifler in Assam and I would most earnestly recommend that at least four planes with the necessary spare parts, including floats, and pilots be put on a steamer consigned to Major Eifler at Kara or Bombay immediately.

You will note in Major Eifler's latest report that one of his main difficulties is transportation from his camp to Dinjan and on to Calcutta and New Delhi.

As soon as planes and pilots are available for these small machines I would further recommend that you have four more shipped to Eifler. We will arrange with Eifler to release this last-mentioned lot to us for use in China as soon as we can make arrangements to either fly them over the hump or break them down and carry them over by air.

Lusey, Alphan 9042
X China
X India
X SOE
X OWI

December 22, 1942

Mr. A. R. Lusey

Chungking, China

Dear Al:

I am taking advantage of the generosity of Colonel Williams to get this letter to you. We had the usual fine farewell dinner party for Williams last Friday night, and we feel that he is certainly a valuable addition to the staff in Chungking.

I think I have received all of your letters and messages, except a telegram which you apparently sent from Fish Lake on October 4th. The letters I have received are as follows: Accra October 4th, Karachi October 10th, Calcutta October 12th, Calcutta October 27th, Calcutta November 8th, Chungking November 11th, Chungking November 18th.

The October 4th letter contains suggestions as to priority in transportation, and that is being taken care of. We have made up suitable identification cards and I doubt whether we will have trouble again.

October 10th Karachi regarding the Asmara suggestion, the Colonel thought it excellent, but upon inquiry we find that the territory is now being covered.

October 12 Calcutta: This letter speaks about Lieutenant Commander Smith Naval Liaison officer at Karachi. This letter also refers to the situation at Asmara and to Japanese submarines operations in the Indian Ocean. I believe the best way for us to get this and other information out of India, such as may be available to Lieutenant Commander Smith, or to other official agencies of Great Britain, the United States, India or other official sources would be for us to have two or three good SI liaison officers in India. As you may have heard, William Phillips, former Ambassdor to Italy who has been representing us as head of the Office in London, is being sent by the Presi-

dent on a special mission to India. He will not be representing this office in any way, but he has started negotiations with the British and with the Indian government for the purpose of permitting us to have an office--probably in Delhi. We have two microfilm men, two R&A men, and expept to have representatives of SI and SO attached to that office. Major Richard P. Heppner, who was one of our SO men in England, is going with Phillips as his aide. Anytime you may find need for help in India, I know that either Phillips or Heppner would be glad to assist in every way. I believe that one of Phillips missions will be to coordinate the activities of all American agencies in India. If we establish official open liaison relationships with American, British and Indian sources, for instance as we do in London and in Cairo, we should be able to get a great deal of material out. Of course, the VSA project is entirely separate and will have no connection with any official representatives whom we may place in India.

Calcutta, October 27th: This letter speaks of your waiting in Calcutta for Miles and Hayden to have a conference with Stilwell. It also speaks of the transportation problem, and our only hope on that is that the Navy will succeed in negotiations now in progress to have special planes assigned. You also speak in this letter about having economists sent to Chungking. We have discussed this with Major Shaw and [redacted] making plans to send several R&A representatives for that purpose.

Calcutta November 8th: This letter recited your meeting in Calcutta, and your arrangement with Colonel Osmun. We have not yet received any cables from that source. Your general report on the situation in India was most interesting and explains a great many things. This letter also speaks of the two UP men, and I wired you that the arrangement you made was approved. I think I also said in that wire that it might be advisable for these men to let their company know that they are doing some special work for us. I would not want them to get in a jam about it later. This letter contained the line-up for VSA and gave the numbers 320, 321 and 322. Then you added another name, Mr. K as 322K. You also said you would find someone in Karachi and assign a number. I wish you would send me a complete list, stating the financial arrangements with each,

and instructions as to method of payments. I think you have done an excellent job so far on VSA, and expenses involved are certainly most reasonable.

November 11th Chungking: This letter speaks of General Chen. I think I wired you about that letter and approved your cooperation with the Chinese in that particular project. Of course, I think it is important that you keep Miles fully informed on your dealings with the project so that no embarrassment can ever be caused anyone. At this point too I think I should say that while we all realize the great importance of getting independent information from China, we also are aware of the great danger in attempting to solve the problem. I think that it will only come after a long period of cooperation and after the Chinese have learned to trust and have confidence in our people. The best way to bring that about is to carry on everything we do in China on complete unity among ourselves. The Navy has made it very clear that they do not want any activities carried on there without the knowledge of Miles. We have agreed to this. Admiral Fernell has spoken of messages exchanged directly with you which have not gone through Navy channels. I showed him the messages and pointed out that they principally concerned VSA. He was relieved when he found that there was nothing about the messages that could be criticized, and stated that on VSA matters, particularly when you might be in India, you probably would find it necessary to communicate directly, and the Admiral stated that he thought the Navy should give you some of their strips for direct communication from India through Navy channels.

Judge Allman is working out well, even though he started off with some slight suspicion on the part of the Navy and Major Shaw. The SI and SO desks here are combined under Allman, and they are attempting to work very closely together. I think I should tell you that a few weeks ago Lauchlin Currie came to see the Colonel and stated that the President was disturbed at the prospect of our doing any work in China independent of the Chinese. He was completely satisfied with the Colonel's

assurance that we had made a satisfactory arrangement with Taili and did not intend to operate in any other way. Of course, we feel that as time goes on Taili will permit us to have men stationed at various places with his people in the provinces.

Chungking November 18th: This was the last letter I received. It speaks of the Afghanistan project, and, of course, if there is any way we can participate in that, either by helping with personnel or equipment, we should do so. It is important to get any information that may be available. I am interested in your comments about the improved relationships between the Chinese and the British, but I think this is probably a healthy sign and we should not permit it to affect our relationships in any way. I am certain that we shall continue to maintain a strong position and that when the end comes the Chinese will realize that the Americans are our friends. At the same time I see no reason why there should be any disadvantage to anyone concerned if they maintain strong ties with the British.

This letter also speaks of Schreiner. I wired you about him. When the message center saw that you intended to use Schreiner for work other than code work, they wanted to send him for use as a code clerk to North Africa. We have a real need for trained code clerks there. I will do whatever you say about Schreiner, and if you think he is more important there he will be left here. If you think you could replace him, let me know because we can always use him in code work. Possibly when we set up our office in Delhi he could go there to head the message center.

I have received VSA reports as follows: VSA 320-2, VSA 322, VSA 320-1, VSA 322-2. The one marked VSA 322 was an excellent background report. I do not mean to imply that the others were not also very good. The one marked 322-2, which is the second from that source also was very good.

The Thailanders, under the commandeof Captain Devlin, will leave about January 1st. They will report to Captain Miles, but, of course, Devlin and the Thailand officer will necessarily

report to General Stilwell. Duff and Carson and a Chinese national have left for Chungking. They are not connected with OSS in any way but will report to Miles and if he and Taili care to make use of their services, they will be glad to do whatever they can.

We received a long and complete report from Eiffler yesterday, together with a reel of moving picture film. The film was the camp site only. In the last few days there has been an exchange of cables setting up an arrangement by which Miles will have general supervision and administrative jurisdiction over the Eiffler group, with the understanding that Eiffler may continue upon a mission now assigned him by General Stilwell. I understand that the British SOE man in India complained that Eiffler was not maintaining direct liaison with hom. We have instructed Eiffler again to see that this is done. I think it will help when we are able to get a good SO man to India who can work with Miles and complete our relationships with the British SOE on a sound working basis.

Dr.Hayden is now either on his way or in Australia, where he will discuss with General MacArthur the question of our having an organization in his territory and the question of our cooperating with the Dutch in a particular project which they have submitted to us. We are expecting the Joint Chief to issue a new directive today which may help in the Pacific picture. That directive assigns to OSS all planning, coordinating and execution of psychological arfare. In other words, it will be our job to plan and issue all military programs for psychological warfare in all theatres. Where any other agencies are equipped to carry on activities necessary for conducting psychological warfare, we will be charged with the duty of coordinating and directing such activities. This may cause some difficulties with OWI, but I think the general plan will work if OWI will cooperate in carrying out directives and in cooperating with military programs for psychological warfare. We will have an impressive planning board, engaged in full time work, made up of representatives of OSS, Army and Navy and State Department. This board will report directly to the Joint Chiefs through Colonel Donovan. The new directive also contains other important assignments which are intended to more clearly define the authority and jurisdiction of OSS in various fields, and will remove

the administrative difficulties under which we have been hampered, expecially the various Joint Staff Committees to which we formerly reported. The new directive will make OSS a third arm of the service and will give us, in addition to clearly defined authority, much more freedom of action. Are relationships with the Army and Navy and with the State Department are excellent. Relationships with OWI are slightly strained. We get along very well with BEW, and are now on a good working basis with FBI. FBI has permitted us to establish two bases in South America, one in Buenos Aires and anothe in Santiago. The purpose of those bases is to have contacts with the Far East and with Europe, not actually on any operations in South America, but as listening posts and as bases for obtaining information from other areas. There will be concentration of shipping intelligence and to tap shipping sources. Those bases will also be used in connection with a world wide insurance intelligence set up which we have now organized. The insurance program is an ambitious one, but is highly important. Heretofore, the Germans have been able to obtain much valuable information through their control of insurance and re-insurance, particularly in neutral areas. Through the establishment of an international insurance company we will shortly be tapping those channels. Please keep this very quiet. I will let you know when we can get a man out your way to handle the Far East end. He will probably come as representing some insurance company.

I am sorry that I have not been able to write you more frequently but I think you realize that writing letters is most difficult in this office. We are still working under considerable pressur and still in the process of constant changes, re-organizations and the usual problems which you must realize we have to overcome. There are heavy demands from every theatre, and we are trying to satisfy them all as best we can. I can say, however, that our operations are increasing greatly and are becoming more and more successful and more important. There is great concentration in the Mediterranean

area and we are gradually building up an excellent staff for SI and SO in North Africa, in the Middle East and in the Near East.

I want to again thank you for your fine work and say that you will continue to have our full support. I do not think I need to caution you about the great care and tact with which you must operate, nor of the great importance of our working in complete unity with Miles and with the Chinese.

With best regards,

Sincerely,

James R. Murphy

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

Lusey - A. PSO
v Thiel
v Tandy
v Communications
file

December 9, 1942

Memorandum to Colonel Donovan

From: Ellery C. Huntington, Jr.

Subject: Far East - OSS Activities through Channels other than Captain Miles.

1. I attach a message just received by the Navy from Captain Miles indicating that Chungking is upset over Lusey's intelligence communications which are coming direct to OSS through State.

2. Similar concern was expressed over Dr. Hayden's activities in a letter from Miles, copy of which Captain Devlin gave to Mr. Murphy.

3. In line with the above we are now submitting a combined SI-SO project calling for the sending of three men to the Far East for intelligence duty.

4. I firmly believe that we must attempt to do some SI work in this territory but the series of events above outlined raise the question discussed by you, Judge Allman, and myself this morning, to wit, are we not obligated to clear all projects and personalities with the Navy and our Chinese friends before anyone is sent into the field.

SECRET

Colonel Donovan December 9, 1942

5. Following your suggestion I have prepared a cable to be sent to Lusey warning him to clear his actions and messages with Miles before anything is undertaken or cabled. A copy of the proposed ~~cable~~ is attached hereto.

Ellery C. Huntington, Jr.
Lt. Colonel, AUS

Attachments 2.

NAVAL MESSAGE — NAVY DEPARTM

DRAFTER	EXTENSION NUMBER	ADDRESSEES	PRECEDENCE
FROM CHUNGKING (MILES)	FOR ACTION	COMINCH	PRIORITY RRRRRR DEFERRED
RELEASED BY DATE 7 DEC 1942 TOR CODEROOM 1221/12	INFORMATION		PRIORITY ROUTINE DEFERRED
DECODED BY SHAW/SHAW PARAPHRASED BY			

INDICATE BY ASTERISK ADDRESSEES FOR WHICH MAIL DELIVERY IS SATISFACTORY.

070700

NCR 5649

UNLESS OTHERWISE INDICATED THIS DISPATCH WILL BE TRANSMITTED WITH DEFERRED PRECEDENCE.

ORIGINATOR FILL IN DATE AND TIME DATE TIME GCT

TEXT

ACTION

	F-00
	F-01
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	F-0015
	F-05
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	F-1
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	F-32
	F-33
	F-34
	F-35
	F-37
	IG-00
	VCNO

SECRET, PURNELL ONLY.

MESSAGES BEING SENT VIA STATE BETWEEN OSS AND LUSEY CONTAINING SECRET INTELLIGENCE IN CHINA. MISTER DUFF AND INTERNED AMERICANS SHANGHAI ETC. REQUEST REPEATS. AM TRYING SMOOTHE COMMUNICATION SYSTEM THIS END. REQUEST COOPERATION YOUR END.

SECRET

Make original only. Deliver to communication watch officer in person. (See Art. 76 (4) NAVREGS.)

U. S. GOVERNMENT PRINTING OFFICE 16—93818-1

Dussey: 8499-
x State
x 0100

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

File

FROM: F. L. Belin

DATE: SEP 28 1942

TO: Mr. James R. Murphy

SUBJECT: C.D.File #5025

CONFIDENTIAL

Mr. Wilson has asked me to bring to your special attention the attached copy of a State Department cable, sent to the U.S. Embassy in Moscow on September 24th.

F.L.B.

F. L. Belin

Enclosure

COPY

CD 5025

MOST SECRET
and Adm.

CONFIDENTIAL

HVVP
September 28, 1942

[Tighan Lusey]

September 24, 1942

OSS # 6698

to U.S. Embassy
Moscow

Excerpt from an OWI cable.

Actions by Strategic Services tend to confuse somewhat the position of OWI in the Chinese capital, principally because of Lusey, who at present is returning there after a complete transfer from OWI to Strategic Services. There must be no mistake that all our functions are absolutely under Fisher, even though we are on a completely amicable basis with Lusey.

Hull.
(MCD)

Lusey 830
x Security Office
x Card

September 10, 1942

MEMORANDUM

For: Mr. Weston Howland

From: Mr. James Murphy

If possible will you make up a special card for Mr. Alghan Lusey as a representative of OSS. The card should contain his photograph, should be as small as possible, and should also contain a statement over Colonel Donovan's signature that Mr. Lusey is authorized to carry a gun. I will ask Mr. Lusey to talk with you about the make-up of the card.

Lusey 8160
XPaker
X Jurnator
1 - 7.2.

SECRET AND PERSONAL

September 1 , 1942

Mr. Robert E. Sherwood
Office of War Information
Washington, D. C.

Dear Bob:

Alghan Lusey told me yesterday of his previous talks with you regarding his future services. I understand that you are willing that he do field work for both this office and for O.W.I. Because certain contacts which it is necessary for him to maintain in the field, and because of the nature of the work he will be doing for us, it is felt necessary that for purposes of the record he be under our control. We propose that he be placed in our special activities catagory to be paid from unvouchered funds.

Lusey told me yesterday that he has started the machinery for a formal transfer and I have asked him to have a talk with you about what he intends to do. I hope that the transfer will have your approval, and that you will give him such instructions as to his duties for O.W.I. as you desire. We would like to have him ready to leave here around the 20th of September.

Best regards.

Sincerely,

James R. Murphy

September 1, 1942

MEMORANDUM

FOR: Mr. Taylor

FROM: Mr. Murphy

Re: Alghan R. Lussey

Sometime in April, 1942, the office of Coordinator of Information appointed Mr. Lussey to be communications engineer in Chungking. On May 11, 1942, we received a cable from Lussey, requesting authorization to proceed upon certain special and hihgly secret work. On May 13th we authorized him to carry out the special assignment mentioned, involving a tour, in company with a naval officer. In addition, we transmitted $1,000 in unvouchered funds for special expenses. On July 22nd we received a further cable from Lussey indicating that he had completed his special duty and had information which he did not wish to transmit by cable and indicating his desire to return to Washington. I telephoned Harold Guinzberg, explained the situation to him and asked whether OWI would be willing to order Lussey's return to Washington.

Harold called me several days later stating that he had discussed it with Bob Sherwood and that Sherwood was agreeable providing we considered it necessary, but that Mr. Sherwood would like to have a letter from Colonel Donovan concerning the matter. I attach a copy of Colonel Donovan's letter to Sherwood, dated August 3rd. No reply was ever made to that letter. After I had talked with Guinzberg, and before sending a letter to Sherwood, we

sent a cable to Lusey at Chungking, as per the attached copy.

Before Lusey areceived our cable of July 29th, he left Chungking and on August 1st sent a lett r to Colonel Donovan from Calcutta, indicating that he was on his way. Up to that time no official orders had been given him to return. We then arranged air priority for him from India to Washington.

When Lusey arrived in Washington he turned over to Colonel Donovan the secret information and documents which he had obtained. He then reported to Mr. Sherwood and told Mr. Sherwood that he would like to work for OSS in China. Mr. Sherwood said that he would object strenuously. Mr. Lusey also stated to M. Sherwood that he saw no reason why he could not work for both agencies. When Lusey related to Colonel Donovan his talk with Sherwood, Colonel Donovan agreed that Lusey work for both agencies in China, but felt that for reasons of control, security, and proper relationships with the Army and Navy, it would be necessary for Lusey to be on the pay roll of OSS. Colonel Donovan is still willing to carry out this arrangement to the fullest and sees no reason why it cannot be done. In the meantime, I understand that Lusey has himself commenced action upon his formal transfer from OWI to OSS. It should be pointed out that practically all of Lusey's services in China have been for Special Activities of a highly secret nature, and that he undertook that special assignemnt almost immediately upon his arrival in China, at a time when all FIS personnel was under the control ofCColonel Donovan.

Re: Robert Parker in Ankara

On June 18th we received a cable from Parker, a copy of which is attached. Colonel Donovan wrote to

Harold Guinzberg on July 6th, to which Harold replied on July 8th and about which Mr. Sherwood wrote Colonel Donovan on July 16th, as a result of which we sent the attached cable number 56, to which Parker replied on August 4th. Copies of all these papers are attached.

I think you should also point out that some weeks prior to the "break" on June 13th, Special Activities of COI requested that we transfer Lusey, Parker and West from FIS duty to Special Activities. We did not do this for the reason that the proposed separation of FIS was under discussion and Colonel Donovan did not want to be criticized or accused of robbing the FIS of personnel pending its separation from COI. He preferred to wait until after the separation and then request any desired transfer.

Lusey 36168
X Soong
X China

August 1, 1942

Dr. T. V. Soong
Minister for Foreign Affairs
Republic of China
Washington, D. C.

Dear Dr. Soong:

Since receiving your letter of July 25 regarding Mr. Lucy, I have been attempting to arrange his return to Washington. It seems that technically Lucy is no longer under my jurisdiction but remained with the Office of War Information. However, in view of Lucy's desire to return, I am anxious to have him come to Washington in order to make a full report. I am hoping this will be arranged very shortly.

I am grateful for your interest and thank you for conveying the message from Mr. Wang Shih-chieh.

Sincerely,

William J. Donovan

566-8

MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF CHINA

July 25, 1942

Dear Colonel Donovan:

I have just received a telegram from Mr. Wang Shih-chieh, Minister of Information, Chungking, in which he reports that Mr. Lusey, who was sent to China by your office, has completed his investigations in the various provinces. He has asked me to convey to you a request that Mr. Lusey be given permission to return to the United States in order to make a full report and also to secure certain types of miniature radio equipment for China. Such equipment is needed by the Central News Agency for its propaganda work in enemy occupied territory.

Yours sincerely,

Colonel William J. Donovan
Coordinator of Information
Five Fifteen 22nd Street
Washington, D. C.

Hold till Monday

Yusey 3669
x Soong
x China

RMATION

		CLEAR TEXT
	XX	CODE OR CIPHER
		ACKNOWLEDGE
		PRIORITY
		ROUTINE

(FOR INFORMATION)

DONOVAN, SA/B

UNLESS DESIGNATED OTHERWISE TRANSMIT THIS DISPATCH AS DEFERRED

TRANSMIT

SEND MESSAGE ATTENTION GOODFELLOW TO WAR DEPARTMENT THROUGH MILITARY ATTACHE.

Approved HON 24 Oct

SECRET

OPERATOR'S RECORD

INITIALS OF "RELEASING" OFFICER

U. S. GOVERNMENT PRINTING OFFICE 16—25861-1

Lusey 3669
X Soong
X China

COORDINATOR OF INFORMATION

OFFICIAL DISPATCH

DATE July 24, 4:59 PM '42

Jul 25 9 37 AM '42
Chungking

TO LUSEY, CHUNGKING

FROM COORDINATOR OF INFORMATION

XX	CLEAR TEXT
	CODE OR CIPHER
	ACKNOWLEDGE
	PRIORITY
	ROUTINE

DISTRIBUTION

(CONFIRMATION TO ORIGINATOR)	(FOR INFORMATION)
SA/G	DONOVAN, SA/B

OUTGOING HEADING

UNLESS DESIGNATED OTHERWISE TRANSMIT THIS DISPATCH AS DEFERRED

TRANSMIT

SEND MESSAGE ATTENTION GOODFELLOW TO WAR DEPARTMENT THROUGH MILITARY ATTACHE.

SECRET

Approved HON 24 Dec

OPERATOR'S RECORD

INITIALS OF "RELEASING" OFFICER

U. S. GOVERNMENT PRINTING OFFICE

CONFIDENTIAL

LEGATION OF THE
UNITED STATES OF AMERICA

TRUE COPY

Cairo, Apr 22nd, 1942.

Dear Mr. Poynter-

I have to report a very mysterious affair. I understand that Francis Allen cabled a report of it last night.

On Monday night, April 20th, I had my dinner (as usual) in my room at the Carlton Hotel. After dinner I read until half past twelve or so. Something wakened me during the morning, but I have no recollection of what it was, or of anything else until I found myself on the floor, beside my bed, with a terrific headache.

I wobbled to the bathroom, was sick, then bathed my head with cold water. I found a rapidly swelling lump on one side of my head. I called the night porter of the hotel, and he brought ice and helped me doctor myself. The skin on my thick skull was not broken.

The room looked as though a hurricane had struck it. Drawers were pulled out; papers scattered on the floor; my linen on the floor; chair covers ripped off; both beds (twin beds in the room, although I had the room alone) ripped apart, and the clothes on the floor; my money belt, containing five one hundred dollar bills was missing. It was an extremely thorough job of searching. The original, coded copy of the latest cable from your office was also missing. I had been unable to decipher this cable, which I received Sunday night, due to transmission mutilations. I had asked for a repetition on it. This cable, together with one from my wife, was in a drawer of the writing desk. They were folded together. The prowlers left the one from my wife, but took the code message. I wish them luck with it. At least two groups had been left out and the cipher indicator was all wrong. With the money belt, was all that was missing. Fortunately, I had taken all official papers, as well as my passport, out of the money belt and locked

The Minister, as soon as I advised him of the affair, sent a consul to the hotel, who contacted a high police official. It was finally placed in the hands of several of the top people for investigation. This at the direction of our Minister. I, of course, insisted that as few people as possible learn of the affair -- there was to be absolutely no publicity. The investigators are convinced that it is purely political; they believe that the prowlers thought I was carrying something very important. The doctor says I must have been slugged with a sand bag, blackjack, or rubber truncheon. It seems that I was hit in the exact spot, just hard enough, to knock me out for a few minutes.

Mr. Kirk, the Minister, believes that it is a hold over from Mauran. He says that Mauran spread himself all over the Middle-East as a special investigator for Colonel Donovan, and that it's as well known that he was supposed to be doing intelligence work, as it is that Mr. Kirk is Minister. He thinks that someone might have assumed that I was carrying some kind of important documents, or something of that sort. At any rate, everyone is convinced that they were not simple hotel thieves.

Except for a persistent headache, and a little swelling, I am perfectly alright. I was x-rayed this morning, and there are no cracks.....

I am extremely sorry this happened and can assure that there has been absolutely no publicity about it. I can further assure you that it was certainly through no fault of mine; I have made no contacts whatsoever, other than Legation, Panair people, and Marconi engineers. I have hardly been out of my hotel room, other

them to go to the Legation. I have told Marconi engineers that I am purely a civilian; one of the, the expert from London, has visited Press Wireless in NY. He knows a lot of PW and RCA people that I know.

I, personally, am at a loss to find the answer to the affair. If there were any Japanese running around loose, I might feel that they knew something about it; they don't like me, and I am sure would stop me from going on to Chungking if they could. Otherwise, there's a possibility that Frank Allen might have been contacting someone that was of interest to some of the many German and Italian agents that Cairo is said to abound with. The coincidence of Allens activities, with my recent arrival here, and the fact that Allen and I have been together, at the hotel and here, might have gave some one the idea that I was carrying something.

I have still received no reply to my various cables reporting successful tests on the machine, asking that I be allowed to proceed, and that the Legation be authorized to reimburse me for transportation, per diem, etc. I am simply wasting time here: there's nothing more that I can do.

I believe this is all of interest for this time.

sincerely
/s/ "L Y"
A.R. Lusey

TRUE COPY

CONFIDENTIAL

Cairo, April 25th, 1943.

Lacey 3668a

Dear Mr. Poynter-

This letter is purely personal, and informative. I know I'm sticking my neck out and I anticipate your reaction that a lot of this is none of my business. However, inasmuch as there is no FIS personnel here and as Paul West is definitely among the missing (a cable to the Legation said he would arrive in a "few days." A cable from the Colonel to Frank Allen said a "few weeks" while Bob Parker told me that West had left, by steamer, at least two weeks before his own departure by plane.) I believe some observations might be useful to you.

Mr. G.S. Rents, who is here to do Microfile work for the OOI, brought a lot of very valuable photographic equipment with him. Our Multilith outfit and camera, with a roomful of supplies, brings our investment in high-class gear up to a respectable figure. All this is beautiful equipment, and is undoubtedly intended to turn out some very necessary work -- without waiting until the end of the war to get started.

We have it stored in two rooms in the old Legation building. The Legation needs space badly; we have been warned that we will lose this space as soon as they need it. Besides that, I feel sure that you want to keep our work separate from the Legation. As it is, there's a rather bad situation here. The press attache attached to the Legation has been doing a little piddling distribution, and thinks he has covered the field. It's pitiful, really. He's going to fight against giving up any of his job. If the FIS tried to do business from the Legation building, there would be constant friction and trouble. That, of course, is a problem for West to settle. I just thrown it in by-the-way.

2. NPP Apr 25th.

What I'm concerned about is space for all this gear. Obviously, suitable space must be rented, away from the Legation, and a distribution system set up. That, again, is West's work or whoever will handle FIS business. However, the equipment has piled up so; no FIS personnel is here and I'm shoving off in a few days - by the time you receive this I should be in Delhi, if I'm lucky.

I have talked the situation over at length with Rentz and with Frank Allen. I have suggested that Rentz write his boss, Mr. Kilgour, about the matter. I have suggested that he go ahead and get office space - preferable a large house, as office space is practically non-existent and because we will have to have a fairly large generator to furnish sixty cycles for his Recordak gear, and for our Multilith equipment. That is, I have suggested that he wait ten days or so to see if West gets here. By that time you should have this letter and his department should have his recommendation.

I believe that all branches of the COI should be housed under the same roof, as I believe West is to be general representative. FIS will have a lot of photographic work to do - we will require a dark room and a workshop. Rentz will have the same requirements. I have men who can train technical personnel for us, to operate the Multilith and camera as well as handle the dark room work.

Frank Allen is quite capable of seeing the Multilith gear installed and put in operation - always provided we get motors for the Duplicator. I have talked distribution to him at some length and he could even make shift to start some distribution provided West is further delayed.

2. NPP April 25th.

This matter is fairly urgent as we can't hold these rooms at the Legation indefinitely. Allen is taking over all the FIS equipment except the PW Radiofoto gear which, lacking any indication from you as to whether you are in favor of my recommendation to loan it to Marconi, I am leaving set up at Marconi's office. However, Allen will be the contact with Marconi and can make whatever disposition you desire of that gear.

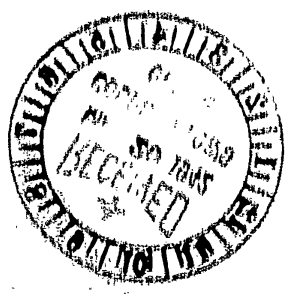
If West hasn't arrived by the time you get this letter, I would suggest that you discuss with Mr. Kilgour regarding consolidating the offices, then wire Allen authority to work with Rents on setting up in new quarters.

I hope you will accept the observations and suggestions herein as I intend them - purely informative.

Best regards,

/s/ "L Y"

A.R.Lusey



August 3, 1942

Mr. Robert Sherwood
Office of War Information
270 Madison Avenue
New York City

Dear Bob:

I took up with Harold Guinzberg last week the question of bringing Lussy back to Washington. He stated that he discussed the matter with you and that while you were reluctant to order him back, you were willing to do so if I considered the matter urgent and necessary. I have taken up with the War Department the possibility of having one of their men bring back the information from Lussy, but find that it will not be very practical and I am, therefore, asking that you order him to return. On the question of expenses, I will be glad to do anything you suggest.

Sincerely,

William J. Donovan
Director

June 3, 1942

The Honorable
G. Howland Shaw
Assistant Secretary of State
Department of State
Washington, D. C.

My dear Mr. Shaw:

This will refer to the cable #505, May 22, 10:00 A.M. from Chungking for the Coordinator.

We will appreciate the Department cabling authorization to Chungking to pay to Fisher for Alghan Lussey, on presentation of the proper vouchers, the latter's accumulated per diem and automobile transportation expenses incurred in Cairo, direct travel and equipment purchased locally, and other items.

Mr. Lussey states that he holds proper receipts for these latter items, as well as copy of voucher showing the last day per diem was paid him at Cairo. All vouchers will be furnished to the Embassy to support payment.

Since Lussey will be absent from Chungking for several weeks, it is requested that the authorization state that payments may be made to Fisher, as requested in the cable under reference.

These payments will be reimbursed to the Department of State in accordance with Section V-45 of its Foreign Service Regulations for all payments made by the Embassy in his behalf.

Sincerely yours,

(NDV)

William J. Donovan

hdn:sch

cc: Mr. Strom
Mr. Smiley
Mr. Goodring
Mr. Kimbel

May 4, 1942

The Honorable
G. Howland Shaw
Assistant Secretary of State
Department of State
Washington, D. C.

My dear Mr. Shaw:

I refer to our previous correspondence on Alghan R. Lusey, who is proceeding as Communications Engineer, Chungking, China.

This office is now in receipt of a cable from Mr. Lusey announcing his arrival at Calcutta and requesting that the Consulate General at Calcutta be authorized to furnish transportation from Calcutta to Delhi and return and thence to Chungking.

I should be grateful if you would issue the proper instructions to the Consulate General at Calcutta authorizing the furnishing of the transportation as above indicated to Mr. Lusey, for which you will be reimbursed by this office upon presentation of vouchers.

Very sincerely yours,

William J. Donovan

cc: Mr. Strom
Mr. Barnes
Mr. Kimbel
Mr. Smiley
Mr. Opsata
Mr. Guinzburg

HDN:DC

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FA 103.91802/170

April 21, 1942

My dear Colonel Donovan:

In your letter of February 4, 1942 you referred to the appointment of Mr. Alghan R. Lusey to be communications engineer in Chungking, China, and requested the Department to make arrangements for the payment of his salary, travel expenses, and per diem through the Embassy at Chungking.

Mr. Dorsey Newson of your office advised an officer of the Department by telephone on April 20 that Mr. Lusey was now in Cairo. He asked that the Legation at Cairo be authorized to pay Mr. Lusey's travel expenses and accumulated per diem to Cairo in the amount of $462.28 and to purchase his transportation beyond Cairo. I am pleased to advise that the Legation at Cairo has been authorized by telegraph to make these payments.

Sincerely yours,

For the Secretary of State:

G. Howland Shaw

G. Howland Shaw
Assistant Secretary

The Honorable

William J. Donovan,

Coordinator of Information,

Washington, D. C.

April 9, 1942

Honorable G. Howland Shaw
Assistant Secretary of State
Department of State
Washington, D. C.

Attention: Mr. Strom

Dear Mr. Shaw:

Reference is made to our letter of February 4, 1942 regarding the appointment of Mr. Alghan Riordan Lusey to be Communications Engineer in Chungking, China.

We wish to amend the third paragraph of this letter to provide for the payment of per diem allowances to Mr. Lusey effective February 1, 1942 on the following basis:

$6.00 per diem within the continental limits of the United States.
$7.00 per diem outside the continental limits of the United States.

Very truly yours,

Thomas G. Early
Executive Officer

KEW:vap
cc: K. Wygatt
James Opsata
C. W. Barnes
K. E. Goodring
J. Murphy
R. Smiley
Mailes & Files
Travel Unit

Lusey -

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

MAR 24 1942

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Colonel William J. Donovan
Coordinator of Information
25th and E Streets, N. W.
Washington, D. C.

Dear Bill:

With further reference to the telephone conversations had with Mr. William A. Kimbel of your office by representatives of this Bureau, there is enclosed herewith a copy of the report of Special Agent G. L. Shoppard, dated March 9, 1942, at New York City, reflecting investigation conducted by this Bureau regarding Alghan Riordan Lusey.

Sincerely,

Edgar

Enclosure

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT WASHINGTON, D.C. NY FILE NO. 65-9939 AMM

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK, N.Y.	3-9-42	3/5-7/42	G. L. SHEPPARD

TITLE	CHARACTER OF CASE
ALOHAN RIORDAN LUSEY, alias A. R. Lusey	ESPIONAGE - J

SYNOPSIS OF FACTS: Persons called by Lusey from Washington, D. C. probably Joseph B. Pierson and Donald K. de Neuf, officials of Press Wireless. Lusey opened account at National City Bank 1/3/40 for the purpose of collecting payments from newspaper syndicates for feature items submitted by him, no evidence of $3,000 payment having been received through this account. Lusey reported to be able radio technician. He is said to have had financial difficulties; is described as possessing weak character, unethical and an opportunist who would have dealt with the Japanese if price was right and not contrary to interests of United States; also reported to have been interested in forming company to transmit commercial messages from International Settlement, Shanghai free of Japanese censorship.

- RUC -

REFERENCE: Report of Special Agent W. H. Welch at Washington, dated 2/21/42.

DETAILS:

At New York City

The two telephone numbers called by subject LUSEY from Washington, D. C. as set out in reference report were

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called by reporting agent for the purpose of determining to whom they were listed. It was determined that Bryant 9-5030 is the telephone number of PRESS WIRELESS. However, Bryant 9-5230 was found to have been disconnected. The operator advised that this telephone was previously listed in the name of the NEW YORK TELEPHONE COMPANY. It therefore appears that an error was made in reporting this particular number and that probably the call was made to Bryant 9-5030.

MR. DONALD K. de NEUF, Superintendent of Operations of the PRESS WIRELESS, was contacted for the purpose of determining the identity of PIERSON and DELUTH, referred to in reference report as individuals called by subject from Washington. De NEUF advised that JOSEPH D. PIERSON is the president and general manager of PRESS WIRELESS, whose head office is in Chicago, but that PIERSON is presently in New York. De NEUF did not know any employee of PRESS WIRELESS by the name of DELUTH He made inquiry of J. W. CHAPLIN, who is director of traffic operations and who handles personnel in the New York office of PRESS WIRELESS. CHAPLIN advised that no one is employed in the New York area by the name of DELUTH.

It is possible that the telephone call made by Lusey was to de NEUF and that the operator misunderstood the name of the individual called.

On March 5, 1942, while this investigation was in progress, a teletype was received from the Los Angeles Office which reflected that subject had an account with THE NATIONAL CITY BANK in New York.

Confidential Informant #1 advised that A. R. LUSEY, who also signed his name ALCHAN R. LUSEY, opened an account with THE NATIONAL CITY BANK January 3, 1940 with an initial deposit of $130. which was a check of KINOS FEATURE SYNDICATE. Informant stated that the account was opened for subject by JAMES R. YOUNG and was for the stated purpose of collecting payments from various newspaper syndicates for feature articles submitted by subject. The account of subject at THE NATIONAL CITY BANK was examined for the period from September 3, 1941 to the present time. The balance maintained in this account was relatively small, being approximately $200 for the period examined and there was no evidence of any transfer of $3,000. from South America having been made through this account, the largest deposit for the period having been $318.

Informant advised that the credit file of subject reflects that subject maintained a checking account with the Shanghai Branch of the Chase National Bank. However, there was no indication that subject had any business dealings with the New York office of CHASE NATIONAL BANK.

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Mr. E. J. JOHNSON, Vice President of the UNITED PRESS, was contacted and advised that JOHN P. MORRIS, under whom subject allegedly was employed, is the Far Eastern representative of UNITED PRESS and is presently in the Far East and therefore could not be contacted for any information concerning the subject. He stated that the New York office would have little, if any, information concerning subject's employment as such matters would have been handled entirely by MORRIS in his office at Shanghai.

JOHNSON referred agent to a foreign correspondent hereinafter called Source of Information #1 who was in Shanghai for some time and would be able to furnish information subject LUSKY. JOHNSON described Source of Information #1 as a reliable man and could be depended upon to keep the fact that he had been contacted confidential.

Source of Information #1 was interviewed and advised that he had known LUSKY from July, 1937 to October, 1937, when the United Press operated a radio receiving and transmitting set in the French Concession at Shanghai. He stated that subject is an excellent radio technician but that he knows very little concerning his background and contacts in China. He stated that in China in the work that subject was doing it would be necessary for him to have wide contacts between Chinese and Japanese officials. He advised that he did not trust subject because LUSKY would try to pad his expense account and he appeared to be having financial difficulties most of the time. He related that subject's financial difficulties were probably due to the extravagance of his wife and to efforts to live beyond their income. He asserted that the subject was not a strong character and he probably would have dealt with the Japanese if the price were right although he had no information indicating that subject had any dealings with the Japanese.

COMMANDER GEORGE S. SHECKLIN, formerly a Vice President of R.C.A., who was given as a reference by subject in his application for employment with the Office of the Coordinator of Information, advised that he knew subject in San Francisco and later in China; that subject was crippled and walked with a limp. He stated that subject was married to a woman who had a very poor reputation in Shanghai. It was SHECKLIN'S opinion this woman was spending subject's money faster than he could make it and that in addition she was untrue to him in other ways. SHECKLIN stated that he had no direct knowledge of this but that it was common knowledge among the American Colony in Shanghai that she stepped out on subject while he was at work. SHECKLIN confirmed the report of Source of Information #1 that subject would have had numerous Chinese and Japanese contacts but he thinks subject would have been pro-Chinese as were all of the Americans in China who had occasion to observe the atrocity of the Japanese. He thinks subject would be loyal to the United States but stated he is a weak character and would probably have taken money from Japanese if he were caught in a pinch.

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SHECKLIN was of the opinion that subject would do nothing contrary to the interests of the United States but indicated that if subject's wife were to press him with demands for money which he could not furnish that he might do so.

SHECKLIN referred agent to an individual who was in China after he had left and might be able to furnish additional information concerning subject. This person will herein be designated as Source of Information #2.

Source of Information #2 advised that he knew subject from about 1938 to 1940, at which time he was operating a station for PRESS WIRELESS in the International Settlement in Shanghai. He could not furnish any specific information concerning subject's contacts, background or conduct other than to say that he had a reputation of being unethical and interested mainly in the advancement of his own interests and he is of the opinion that subject would have dealt with the Japanese if the price were sufficiently attractive. This source of information could not furnish any specific instance of subject's unethical conduct.

He stated that in 1940 subject was associated with J. B. POWELL and DR. GEORGE SELLET of Shanghai in organizing a Chinese company for the purpose of setting up a transmission and receiving set in the International Settlement which could be operated for the purpose of transmitting and receiving commercial messages without Japanese censorship. In connection with this venture, Source of Information #2 explained that the communication system in the Far East was maintained on an interexchange of services between companies with equipment in the United States and companies with equipment in the foreign countries and that when the Japanese took over territory surrounding the Shanghai International Settlement, they also took over the communications systems of the Chinese and therefore the American communication companies who desired to do business found it necessary to submit to the Japanese censorship in order to use the services under their control. He stated that any effort on the part of anyone to set up a radio station which would be free of Japanese censorship was therefore opposed by the Japanese because it would take considerable business from them and it would allow business men in Shanghai to send messages free of Japanese censorship. He suggested that it is possible that the subject, after forming the company, was bought off by the Japanese in order to keep such a company from being organized.

However, in this connection, it was subsequently determined by telephone conversation with COMMANDER SHECKLIN that there was at this time in the International Settlement of Shanghai a wireless station operated by GLOBE WIRELESS which was functioning free of censorship of the Japanese. SHECKLIN stated that there had been several wild cat attempts to set up

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communication systems in the International Settlement, of which all had been opposed by the Japanese and that it had been his observation that when the Japanese could not frighten an organization into discontinuing such practices they often resorted to the practice of paying the operators to discontinue their operations.

Source of Information #2 stated that in 1940 subject was married to a person whom he thinks was an American woman but who might have been a white Russian and that practically all of the International Settlement was invited to the wedding. He was quite vague as to any information concerning subject's domestic affairs and therefore could not furnish any information as to his former marital experiences and, in fact, had no information concerning a former marriage of subject's. It appears, however, from the information furnished by SHECKLIN and Source of Information #1 that subject's present wife is not the one who was reported to be so extravagant and to be a probable cause of his financial difficulties.

Source of Information #1, a former editor of the Shanghai Evening Post and Mercury who is presently in New York, was contacted and advised that he knew subject in a business way and that he had been present at subject's wedding when he was married to a white Russian of middle age who appeared to be a mature, level headed woman. He knew nothing of subject's domestic affairs but when questioned as to his financial difficulties stated that nearly everyone in Shanghai had financial difficulties.

Source of Information #3 was questioned as to the possibility of subject's having sold news service to the Japanese and stated that he does not think the Japanese would have been in the market for news service in view of the fact that most of the newspapers were so much under the control of the government which serviced them through the Domei News Agency that they would not have attempted to secure news through any other agency. He stated that there had been some indications that the Japanese newspapers and news agencies had been used for a blind in the accumulation of espionage information but he could think of nothing which subject could sell such agencies that could not have been obtained by them by the simple expedient of monitoring his station.

In connection with the information furnished by the individuals interviewed, it is pointed out that all of them were in a considerably higher social class in Shanghai because of their salary than was subject and therefore were not in a position to have close personal knowledge of his social activity. It is also pointed out that the allegations made by them that subject in their opinion might have dealt with the Japanese were made only after specific questions were put to them as to whether or not they thought he would have dealt with the Japanese and such opinions were not volunteered by any of these men.

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

65-9939

Source of Information #1 --

H. R. Eakins
United China Relief
1710 Broadway
New York, New York

Source of Information #2 --

Lt. F. R. James
Field Censorship Office
New York, New York

Source of Information #3 --

Randall Gould
101 Fifth Avenue
New York, New York

TO: COLONEL DONOVAN MARCH 20 1942

FROM: WILLIAM A. KIMBEL

SUBJECT: ALGHAN R. LUSEY

ALEXANDER KIRK IN CAIRO, THE CONSUL AT LAGOS, THE BRITISH, FIS IN CHUNGKING, ALL HAVE BEEN APPRISED OF THE FACT THAT MR. LUSEY IS EN ROUTE TO CHINA.

W. A. K.

Lusey - 8669

H. Dorsey Newson

Mr. Harold Guinsburg

Alghan H. Lusey

March 13, 1949

I have written confirmation today from Liaison Office of the clearing of the above man for foreign service, and to complete the record, Mr. Shaw has initiated action to establish Lusey's proper relationship with the State Department. He will not receive State Department appointment but he will receive all courtesies.

Mrs. Shipley has validated his passport and will assist, if necessary, in obtaining visas. Lusey is obtaining his own visas with the assistance of the Liaison Office.

The other sections of the State Department interested in the unsubstantiated record concerning Lusey have been given copies of his signed statement, and the record has been cleared. There was space available on a ship sailing March 14 which has been allocated to Lusey.

cc: Mr. Poynter
Mr. Lusey
Mr. Guinsburg
Mr. Kelley
Mrs. Pasela

Lusey 3668

file

TELETYPE OFFICIAL MARCH 7, 1942

Lee Rashal
San Francisco Office

YOUR TELETYPE SIXTH THANKS YOUR ADVICE LUSEY PLEASE ADVISE HIM LOS ANGELES WE ARE ATTEMPTING TO SECURE HOTEL RESERVATIONS WILL LEAVE MESSAGE COI OPERATOR AS TO ANY SUCCESS HE SHOULD CALL ~~US~~ ON ARRIVAL LATE SUNDAY NIGHT

Office

NEWSON

CC: Colonel Donovan
Mr. Poynter
Mr. Mr. Brophy
Mr. Kimbel

HDN:dc

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

MAR 12 1947

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Colonel William J. Donovan
Coordinator of Information
25th and E Streets, N. W.
Washington, D. C.

Attention: Mr. William A. Kimbel

Dear Bill:

Pursuant to the telephonic request of Mr. William A. Kimbel of your office, an investigation has been conducted regarding the alleged payment of $3,000 to Mr. Aighan Riordan Lusey, which was supposedly transmitted from Tokyo, Japan, through a Japanese individual in Lima, Peru, and a copy of a memorandum reflecting data developed through this inquiry is attached hereto for your information.

In this connection, receipt is gratefully acknowledged of the letter dated March 9, 1942, addressed to Mr. M. C. Spear of this Bureau by Mr. Kimbel, and its enclosure consisting of a signed copy of a statement furnished by Mr. Lusey.

In the event additional information of interest regarding Mr. Lusey is developed by this Bureau, you will be promptly advised.

Sincerely,

J. Edgar Hoover

Attachment

MAR 12 1942

MEMORANDUM

An examination of the bank account of Alghan Riordan Lusey at Los Angeles, California, has failed to indicate any evidence of the receipt of $3,000 from Japan through Lima, Peru.

Copies of messages exchanged by Lusey, doing business as the Universal News Features, Los Angeles, California, with the Universal News Features, Shanghai, China, and The Miyako News, Tokyo, Japan, revealed the following information regarding financial transactions.

On September 1, 1941, Miyako News advised that it cabled $300 to New York on the previous Monday and asked for an address for a $1,000 remittance. An undated message, believed to have been dispatched in August, 1941, by Lusey to The Miyako News, stated that he was unable to clear the remittances in this country and therefore it was necessary to instruct the bank to cancel the two remittances and forward them directly to him. In another undated message, believed to have been sent in August, 1941, by Lusey to The Miyako News, he referred to a contract and the establishing of The Universal News Features office in New York City and requested that funds be remitted to his name in care of the National City Bank, 22 Williams Street, New York City. On September 30, 1941, in a cablegram addressed to one Fee in Shanghai, Lusey advised that his New York account had been erroneously given as "Freeon".

On October 6, 1941, Lusey wrote the Federal Reserve Bank at San Francisco, California, regarding a license to receive $1,000 which had been cabled to the Yokohama Specie Bank in Los Angeles from Tokyo.

An unsigned message was dispatched by Lusey on October 9, 1941, to "UNUSFEAT" at Shanghai, requesting that they please rush the number of Tokyo yen required to purchase "new" dollars for use in remitting to Los Angeles the equivalent of $1,000 in gold.

A notation appearing on a piece of scratch paper found among Mr. Lusey's effects in his former Los Angeles office and dated October 10, 1941, bears the heading "Gross Annual Revenue" and reflects the following information:- "From Miyako Shimbun, $12,000, from Hong Kong, $2,400, from Tokyo Nichi Nichi, $3,000."

On October 29, 1941, Lusey cabled UNUSFEAT at Shanghai that he had not been licensed by the Treasury Department for the $1,000 in the bank at Los Angeles and that Miyako the same day remitted a second $1,000 which was in the bank, in view of which a license would be applied for pronto.

The following day, Lusey again cabled UNUSFEAT, stating that a permit from the Treasury Department appears likely.

On November 25th the following message was sent by Lusey to UNUSFEAT:- "Ford Hiy effort pay you equivalent five hundred which should remitted Los Angeles quickest." Two days later an unsigned message was sent to UNUSFEAT, indicating that the sender was in financial straits, that $3,000 from The Miyako News was in a bank in Los Angeles, and he was still hopeful of getting a license. This message also included the following: - "Five hundred referred to usable Nemeityward establish machinery premiyakoers such wise." The next day the following message was sent from UNUSFEAT to The Miyako News at Tokyo: - "Nourge fording five hundred prexpense Nexwarding Stop Naturally will be for our account---- Five hundred you forwarded may considered one month service charge, if Shanghai route over expensive Stop Situation critical. Wherefore urge haste."

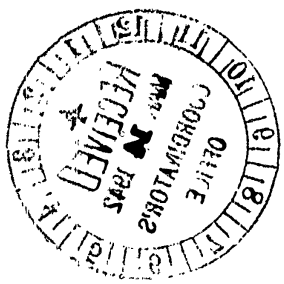
Regarding the application filed by Lusey with the Federal Reserve Bank at San Francisco for a license to receive two separate $1,000 remittances on September 26 and October 30, 1941, which had been cabled from the Yokohama Specie Bank at Tokyo, Japan, and payable to Lusey through the Yokohama Specie Bank in Los Angeles, the following pertinent information was indicated on the application dated October 8, 1941:

"Remittance is regular monthly payment for news service furnished the 'Miyako Shinbun' by Universal News Features, of which I am the sole proprietor, and is registered in the American Consulate General at Shanghai, China, and has been doing business under that registry for two years. We are agents for International News Service, King Features Syndicate, and International News Photos in China. In Japan we are agents for International News Service. We have correspondents in Chungking, Hong Kong, Shanghai, and Tokyo, who file news reports to the I. N. S. Our service to 'Miyako Shinbun' consists of special feature articles based on newspaper reports, editorials from magazines, radio broadcasts, and other matter appearing in public print in the U. S. For more than one year 'Miyako Shinbun' paid our Shanghai office for this service. Method of payment was thereafter changed to cabled remittance to New York, which was deposited in my personal account in the City Bank, Farmers Branch, National City Bank. It is now desired to receive this payment in Los Angeles. Service to 'Miyako Shinbun' is made under contract dated October 1, 1941, between Universal News Features and

"'Miyako Shinbun'. Prior to October 1, we supplied 'Miyako Shinbun' with a skeleton service from Shanghai and under the new contract wordage is increased more than three hundred per cent. Our service charge to 'Miyako Shinbun' prior to October 1 was $300 monthly. This payment was cabled from Tokyo by the Head Office of Yokohama Specie Bank to the New York Branch of the same bank. My agent in New York received the remittance and deposited to my account. Three remittances have been made since July 1 since the freezing order became effective. My agent in New York did not wish to handle the remittances due to difficulty in securing a license. Two remittances to him therefore were cancelled. One remittance was made to me, care of the National City Bank in New York. Upon advice of the bank examiner stationed in Yokohama Specie Bank, Los Angeles, I had the 'Miyako Shinbun' cancel this remittance, remitting $1,000 to me at Los Angeles. The cabled remittance herein applied for is presently held at the Yokohama Specie Bank, Los Angeles, pending disposition of this application."

It is noted that all applications filed by Lusey had been denied by the Treasury Department in Washington, D. C.

Investigation has failed to develop any evidence that the alleged $3,000 had ever been paid to Mr. Lusey through his account at the National City Bank in New York City. It is noted that this account was opened on January 3, 1940, for the purpose of collecting payments from newspaper syndicates for feature articles submitted by Lusey.



March 11, 1942

Mr. Alghan R. Lusey
Communications Engineer
Coordinator of Information
American Embassy
Chungking, China

Dear Mr. Lusey:

You are hereby authorized to coordinate and exercise responsibility in all technical functions for the Foreign Information Service of the Coordinator of Information in the Far East.

You are also authorized to appoint or employ such technical personnel as may be required, subject to my approval and the approval of the Chief of the China Division of this office.

You are further authorized to direct and control official travel, to all points within the Far East, of such staff members of the Technical Division as are under your supervision. You are further authorized to delegate any of the above responsibility in writing to one or more subordinates of the technical staff, providing a copy of such delegation of authority is forwarded to this office and a copy to the American Embassy in Chungking.

You will be administratively responsible to the Chief of the China Division of the Foreign Information Service of the Coordinator of Information. You are instructed to report frequently and fully to this office on technical matters pertaining to the Foreign Information Service and to cooperate with the Radio Technical Division and with other branches of the Office of the Coordinator of Information.

You are to report to the Chief of the China Division of the Foreign Information Service of the Coordinator of Information and to the United States Ambassador in Chungking, China, for their instructions in addition. You are expected to cooperate fully with them and it is expected that they will assist you by aiding with such services as you are authorized to render.

You are expected to give full cooperation to any other representatives of this office who may be in touch with you or who may be assigned to that area for any other branches of this organization.

Very truly yours,

William J. Donovan

Morey

File

TO: MR. BENSON

MARCH 11 1942

FROM: WILLIAM A. KIMBEL

SUBJECT: ALONAN LUBEY

THIS WILL CONFIRM MY VERBAL ADVICE THAT WE HAVE SUCCEEDED IN CLEARING ALONAN LUBEY FOR FOREIGN SERVICE. TO COMPLETE THE RECORD I ADVISE THAT MR. SHAW HAS INITIATED REQUIRED ACTION TO ESTABLISH HIS PROPER RELATIONSHIP WITH THE STATE DEPARTMENT. HE WILL NOT RECEIVE STATE DEPARTMENT APPOINTMENT BUT HE WILL BE EXTENDED ALL COURTESIES.

MRS. SHIPLEY HAS VALIDATED HIS PASSPORT AND WILL ASSIST, IF NECESSARY, IN OBTAINING VISAS. LUBEY IS OBTAINING HIS OWN VISAS WITH THE ASSISTANCE OF THIS OFFICE.

THE OTHER SECTIONS OF THE STATE DEPARTMENT INTERESTED IN THE UNSUBSTANTIATED RECORD CONCERNING LUBEY HAVE BEEN GIVEN COPIES OF HIS SIGNED STATEMENT, AND THE RECORD HAS BEEN CLEARED. WE HAD SPACE AVAILABLE ON A SHIP SAILING MARCH 14th WHICH HAS BEEN ALLOCATED TO LUBEY.

W. A. K.

CC: Colonel Donovan
Mr. Mygatt

OSS Form 4001b

DATE 8 Sept. 1944

TO: Lt. Lutzell

With reference to your inquiry concerning payments from Special Funds to Mr. A. W. Lussy, I wish to call to your attention the attached copy of letter from William Sherwood to Colonel Gregory.

A memorandum written by Mr. C. J. Lounihan, Jr. "for the record", dated 5 July, 1944, states that Lussy's salary per diem and expense allowance has been adjusted in accordance with Sherwood's letter to Colonel Gregory of 10 June 1944.

A. W. A., Jr.

Office of the General Counsel

(42948)

Lusey, Alphen 3608

COPY CONFIDENTIAL

10 June 1944

Lt. Colonel Donald N. Gregory
402 Kohl Building
California and Montgomery Streets
San Francisco, California

Dear Colonel Gregory:

This is with reference to Mr. A. R. Lusey, a member of this Branch, who is stationed on the West Coast performing certain special missions as directed by the Chief of the X-2 Branch.

When Mr. Lusey was directed to proceed to the West Coast it was our plan that he would be there on temporary duty and then proceed to another destination outside of the country. These plans have been changed and Mr. Lusey will, effective as of June 1, be permanently stationed in the West Coast Area. Mr. Murphy has asked me to write to you requesting that Mr. Lusey be attached to either the San Francisco or Los Angeles Office to perform any special functions which may be available for the utilization of his services. In case there are no other functions for him to perform other than X-2 functions he is to remain on the X-2 payroll but under your jurisdiction.

Mr. Murphy has further directed that Mr. Lusey's salary be reduced to $5600.00 per year with no expense allowances (if he remains with X-2) except as may be necessary on official travel.

It is requested that you order Mr. Lusey to confer with you concerning this matter and that you inform this office immediately as to the decision reached as a result of this conference.

Mr. Lusey has been receiving, in addition to per diem, a special expense allowance of $150.00 per month. Regardless of any decisions this special expense allowance and per diem is being discontinued as of May 31 and Mr. Lusey should be so informed.

Very truly yours,

/s/ W.H.S.

William H. Sherwood

cc: Mr. Lennihan

CONFIDENTIAL

Lusey Officer 3668
x Radio Engineer
x Far East

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

26 May, 1943

MEMORANDUM

TO: General William J. Donovan

FROM: Captain Carl O. Hoffmann

SUBJECT: Cable from ALUSLO CALCUTTA

SECRET

1. Received May 25, 1943

"Have ordered Lusey to States for hospitalization. Diagnosis unknown. Departs Calcutta 23rd. Miles tells friendship for Donovan."

CARL O. HOFFMANN
Captain, AUS

COH:eak

Lusey, Alghan 3668
Radio Engineer
Far East

OFFICE OF STRATEGIC SERVICES

OFFICE MEMORANDUM

DATE: March 23, 1943

TO: Colonel William J. Donovan

FROM: Kenneth Mygatt

SUBJECT:

Information has come to me from the War Department that Mr. Alghan Lusey, who is now waiting air transportation to return to his post, will leave in about two weeks.

Mr. Lusey has been advised of this and is ready at the port of embarkation. I shall try to expedite this matter.

K. Mygatt.

L-2647

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

March 23, 1943

Major Turkel

Accra

Dear Major Turkel:

I am sending this by Mr. Lusey to thank you for your many courtesies to him in connection with his travel, and also to let you know that I greatly appreciate the kindness which you have shown to various of our people who have passed through your area.

Sincerely,

William J. Donovan
Director

Not sent

March 23, 1943

MEMORANDUM

FOR: Mr. A. R. Lusey

FROM: Director of Strategic Services

You are hereby authorized and directed to proceed, via air, to Chingking, China. You are authorized to carry official mail, documents and supplies. It is respectfully requested that any Customs, Immigration or other officials through whom you may pass, extend to you all possible courtesy in order to avoid the opening or examination of any such mail, documents or atricles.

Not sent

Lusey, Alghan 3648
X Radio Engineers
X Far East

March 9, 1943

Colonel Ray T. Maddocks
Room 3 E 788
Pentagon Building
Arlington, Virginia

Through: Brigadier General John R. Deane

My dear Colonel Maddocks:

Alghan R. Lusey recently returned to the United States from his post in Chungking for purposes of consultation and report. It now becomes necessary for him to return to his original post in Chungking. I request that he be approved and that transportation by air be granted for him at the earliest possible date. In view of the fact that this is not a new assignment but that he is returning to his post for duty, we assume that clearance of the Theatre Commander should not be necessary.

Sincerely,

William J. Donovan
Director

L-2270

WAK:as