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Chapter Four

Belorussians, *60 Minutes*, and the GAO's Second Investigation (U)

The news exploded in the national headlines in May 1982. A CBS *60 Minutes* television report appeared to offer conclusive evidence that the Central Intelligence Agency and other US Government agencies, including the Army, the State Department, and the FBI, had employed Nazi war criminals and brought them to the United States after the war. These same agencies, according to the broadcast, also covered up their role in dealing with Nazi war criminals during the General Accounting Office investigation from 1977 to 1978. The *60 Minutes* segment, "The Nazi Connection," aired on national television on 16 May 1982 and ignited a firestorm. (U)

In an effort to promote his book *The Belarus Secret*, former Office of Special Investigations member John Loftus appeared on *60 Minutes*, the respected CBS Television news series seen by millions of Americans every Sunday evening. In a ~~segment~~ broadcast on 16 May 1982, Loftus summarized his main theories. He claimed that "State Department intelligence" had smuggled Nazi war criminals and collaborators into the United States after World War II. Using the Belorussians as an example, he stated that the Office of Policy Coordination, under Frank Wisner and Allen Dulles, had

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directed the effort to form secret armies to fight communism behind the Iron Curtain.¹

(U)

According to Loftus, the State Department, in conjunction with the US Army and the Displaced Persons Commission, participated in a smuggling operation between Europe and the United States. Many of the Belorussians, he said, settled in South River, New Jersey. Radio Free Europe and Radio Liberty in West Germany also sheltered pro-Nazi figures.² Loftus also charged the Army with trying to conceal its relationship with several Belorussians as late as the 1977-78 General Accounting Office investigation. *60 Minutes* interviewed a number of individuals, including John Tipton, GAO's leading investigator, who now expressed his belief that Federal agencies had lied to Congress during his recently completed investigation.³ (U)

The 60 Minutes Shock (U)

Loftus's charges created a public relations crisis for the Central Intelligence

Agency.⁴ Congressional figures were shocked at the latest scandal involving the CIA and

¹Loftus placed OPC within State Department channels, as opposed to its actually being an element of the CIA. He also cited C.D. Jackson, Nelson Rockefeller, and Richard M. Nixon as knowledgeable participants in the use of Nazi war criminals. "Nazi Connection," produced by Ira Rosen and broadcast on CBS *60 Minutes* with Mike Wallace on 16 May 1982. (U)

²For a reaction to the charges made by Loftus against the radios, see Gene Sosin, *Sparks of Liberty: An Insider's Memoir of Radio Liberty* (University Park: The Pennsylvania State University Press, 1999), pp. 185-187. (U)

³"Nazi Connection," *60 Minutes*, 16 May 1982. (U)

⁴The *Washington Post* closely followed the *60 Minutes* story, see Dale Russakoff, "American Officials Accused of Aiding Nazi Collaborators," *Washington Post*, 17 May 1982, pp. A1 and A6; Thomas O'Toole and Morton Mintz, "US Probes Report Nazi Collaborators Were Helped to

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other Federal agencies. Rep. Barney Frank (D MA), who was interviewed on *60 Minutes*, wrote William J. Casey, the Director of Central Intelligence, on 14 May 1982 to request all Agency records pertaining to Nazi war criminals.⁵ Other Congressmen took up the call to reopen the Nazi war crimes investigations. Rep. Peter W. Rodino, Jr., (D NJ) chairman of the House Judiciary Committee, requested that the General Accounting Office examine Loftus's claims that Federal agencies had withheld information from GAO investigators during 1977-78.⁶ Sen. Daniel P. Moynihan (D NY) supported a similar move in the Senate.⁷ (U)

The Federal agencies, tainted by the *60 Minutes* report, scrambled to determine the validity of Loftus's charges. Allen A. Ryan, Jr., director of the Office of Special Investigations, refused to answer questions related to the broadcast. He simply stated, "to the best of my knowledge, no files were withheld from us."⁸ The State Department insisted that it had "cooperated fully" with both the GAO and OSI investigations but was

Immigrate," *Washington Post*, 18 May 1982, p. A3; Thomas O'Toole, "Nazis Brought to US to Work against Soviets in Cold War," *Washington Post*, 20 May 1982, pp. A1 and A20; and Thomas O'Toole, "The Secret under the Little Cemetery," *Washington Post*, 23 May 1982, pp. A1 and A5. (U)

⁵Frank to Casey, 14 May 1982, in DO Records, Job Box 1, Folder 7, CIA ARC. See also Madelyn Miller, "Congressman Wants to Probe Report that US Recruited Nazis after War," *Philadelphia Inquirer*, 18 May 1982, p. 3A. (U)

⁶Thomas O'Toole, "Rodino Asks GAO to Reopen Probe on Nazis," *Washington Post*, 19 May 1982, p. A4; and Ralph Blumenthal, "Possible Cover-Up to Shield Nazis is Focus of Renewed US Inquiry," *New York Times*, 23 May 1982, p. 1. (U)

⁷"Moynihan Urges Probe of Postwar Nazi Asylum," *Washington Post*, 21 May 1982, p. A16. (U)

⁸Joan Vennoch, "Investigation of Pro-Nazis Defended," *Boston Globe*, 18 May 1982, p. 12. (U)

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reviewing files in response to the new allegations.⁹ The Central Intelligence Agency took steps to provide information about its role in the Nazi war criminal investigations. On 18 May 1982, Agency officials from OGC and the DO briefed the counsel of the Senate Select Committee on Intelligence (SSCI).¹⁰ (S)

Perhaps the most important measures that the Agency took involved the DCI's direct approach to Rep. Edward P. Boland, (D MA) chairman of the House Permanent Select Committee on Intelligence (HPSCI), Rep. Romano L. Mazzoli, (D KY) chairman of HPSCI's Subcommittee on Legislation, and Sen. Barry M. Goldwater, (R AZ) Boland's counterpart on the SSCI. Rather than wait for Congressional leaders to contact the Agency about the charges, Casey offered assurances that the Agency had "spent considerable time reviewing its files for information about former Nazis who entered the United States." The Director also forwarded a copy of a report prepared by [] of OGC that summarized the Agency's role in the investigations.¹¹ (S)

According to [] report, GAO and OSI had requested name traces on some 500-odd individuals over the past several years. Of these traces, the Agency reported that it had records on approximately 80 persons and contact with about half of that number.

⁹United Press International, "State Scurries to Review Files in Wake of Nazi Cover Up Charges," *Washington Times*, 18 May 1982, p. 3A. See also Philip Taubman, "Agencies Deny Slowing an Inquiry on US Use of Nazi Collaborators," *New York Times*, 18 May 1982, p. A14.

¹⁰[] Deputy General Counsel, to Executive Director, "Allegations Concerning US Government Assistance in Immigration/Naturalization of Alleged Nazi War Criminals," 21 May 1982, OGC 82-05021, (S), in DO Records, Job [] Box 1, Folder 7, CIA ARC. (S)

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The report briefly explained its ties to eight of those personalities, including Gustav Hilger, Otto von Bolschwing, and Belorussians Stanislau Stankevich and Nikola Abramtchik. It also described the administrative history of the Office of Policy Coordination and its relationship to the CIA.¹² (S)

The GAO Reopens Its Investigation (U)

With pressure mounting from the public, media, and Congress to expand the Nazi war criminal investigations, representatives from Legislative Liaison Division, Public Affairs Office, Office of General Counsel, the Office of Security, and the Directorate of Operations met on 4 June 1982 to plan a collective response to Congressional inquiries. The group decided to pattern a new memorandum of agreement with Congress and the GAO after the 1978 example. At this point, the Agency did not know how any new investigations would differ from OSI's ongoing investigation.¹³ (S)

Frank C. Conahan, director of International Division of the General Accounting Office, approached DCI Casey in late June with the GAO's plan to reopen its investigation.¹⁴ John R. Tipton, one of the GAO's principal investigators during 1977-

¹¹Casey to Boland, 26 May 1982, Executive Registry 82-5044/2, (S), in DO Records, Job [] Box 1, Folder 7, CIA ARC. Letters and staff reports to Goldwater and Mazzoli are located in OGC Records, Job [] Box 1, Folder 3, CIA ARC. (S)

¹²Ibid. (S)

¹³Memorandum for the Record, "Preparations for GAO/Congressional Investigation of Alleged Illegal Entry of Nazi War Criminals into the US," 8 June 1982, (S), in DO Records, Job [] Box 8, Folder 170, CIA ARC. (S)

¹⁴Conahan to Casey, 23 June 1982, in DO Records, Job [] Box 8, Folder 170, CIA ARC. (U)

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78, acted as Conahan's project manager. He sought all CIA and "third party" records dealing with Nazi war criminals and their employment by American intelligence. Tipton also wanted to review documents relating to the immigration of these suspects and any evidence that the CIA had failed to provide information during the first round of investigations.¹⁵ Tipton told CIA officials that he wanted to avoid the problems that had resulted from the procedures employed by CIA during the first investigation. (U)

[] the chief of the FOIA, Privacy and Litigation Group, agreed to allow the GAO full access to all files and to place "third agency" material into separately marked envelopes for the investigators. [] concession marked an important change from the 1977-78 investigation, in which the CIA provided sanitized copies for the investigators. Under the new approach, the GAO could review all files directly, without intermediaries. The Agency, in particular the DO, took this measure to "lay this matter to rest for once and for all." By mid-September, the CIA and GAO agreed to the guidelines for the investigation.¹⁶ (U)

¹⁵Ibid. (U)

¹⁶[] Memorandum for the Record, "Meeting with GAO Staff Members Re Investigation," 8 July 1982, IMS/FPLG 82/136, (S); [] to [] Chief, OS/SAG, "DO Material to be Made Available to GAO Investigators," 16 July 1982, IMS/FPLG 82/146, (C); [] to [] OS Material to be Made Available to GAO Investigators," 29 July 1982, (C); and Memorandum of Understanding between the General Accounting Office and the Central Intelligence Agency, 13 September 1982, all in DO Records, Job [] [] Box 8, Folder 170, CIA ARC. The Agency held a meeting with its FBI counterparts who were "appalled" that the CIA would allow the GAO to have open access to its files. See [] Memorandum for the Record, "Meeting with FBI re Procedures for Providing Material to GAO Investigating Alleged Nazis in the United States," [undated, c. 27 July 1982], in DO Records, Job [] [] Box 8, Folder 170, CIA ARC. (S)

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The renewed interest in the Nazi war criminal subject also generated debate about the numbers of war criminals who entered the United States.¹⁷ Loftus initially claimed that some 300 Belorussians arrived in America while others believed that US intelligence may have allowed up to 5,000 to enter the country. In any case, that remained just one of the questions that the GAO would grapple with over the next two and one-half years. The GAO investigation commenced on 9 September 1982 when Tipton returned the signed memorandum of agreement with a list of organizations and individuals for CIA to trace.¹⁸

(U)

The Barbie Affair and Public Law 110 (U)

While the GAO investigators plowed through the CIA's records and those of other agencies, new complications arose. In February 1983, news accounts of Klaus Barbie's return to France from South America raised concerns that American intelligence had assisted his escape from Europe. Peter W. Rodino, the chairman of the House's Committee on the Judiciary, broadened the GAO investigation on 17 February to include

¹⁷Thomas O'Toole, "America Long a Haven for Nazi Foes of Soviet," *Washington Post*, 9 July 1982, p. A3. (U)

¹⁸Tipton to [redacted] Office of External Affairs, 9 September 1982, in DO Records, Job [redacted] Box 8, Folder 170, CIA ARC. In addition to Tipton, the GAO also had several other investigators, Robert P. Glick, Anne W. Williams, David M. Broy, and Joseph P. Litzelman. On occasion, the GAO sent other staff members to CIA to review records. (U)

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a review of the Barbie case.¹⁹ Rodino notified DCI Casey of this fact a week later and requested that the Agency provide the GAO with all files relating to Barbie.²⁰ (U)

Congress also took an interest in the Agency's special authorization to sponsor aliens for entry into the United States. As early as 1979, Congress had eyed Section 7 of Public Law 110, the CIA Act of 1949.²¹ Skeptical of the Agency's use of Section 7, Rep. Elizabeth Holtzman sponsored H.R. 5087 to eliminate the Agency's provision on 2 August 1979. She feared that the Agency had used its special powers to bring Nazi war criminals into the country.²² DCI Stansfield Turner told Rodino, "the Bill is objectionable because it would repeal a fundamental authority of the Director of Central Intelligence (DCI) which is critical to the fulfillment of the foreign intelligence mission of the Central Intelligence Agency." Holtzman's legislation threatened to eliminate the DCI's ability to sponsor aliens and defectors "in a time when human sources of

¹⁹Rodino to Charles A. Bowsher, Comptroller General, General Accounting Office, 17 February 1983, in DO Records, Job [redacted] Box 8, Folder 170, CIA ARC. (U)

²⁰Rodino to Casey, 24 February 1983, ER 83-1109, in DO Records, Job [redacted] Box 8, Folder 170, CIA ARC. The fact that Allan A. Ryan, Jr., directed the Department of Justice investigation of the Barbie case alleviated the GAO from actively pursuing this portion of its investigation. See correspondence between Ryan and Tipton, 24 March and 5 April 1983, and between Ryan and William J. Anderson, Director, General Government Division, GAO, 21 March 1983, all in the same job as above. (U)

²¹Joseph Volz, "CIA Hits Bid to End Spy Shuttle to US," *New York Daily News*, 1 November 1979, [no page listed]. (U)

²²In late October 1979, John D. Morrison, the Agency's acting General Counsel, testified in open session before the Subcommittee on Immigration, Refugees, and International Law, about Section 7. Morrison had received guidance from [redacted] on how to respond to questions concerning the Agency and Nazi war criminals. Morrison's testimony, his prepared remarks, [redacted] questions and answers, and other material are found in DO Records, Job [redacted] Box 8, Folder 156, CIA ARC. (U)

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intelligence are of critical importance to the national security of the United States."²³

After lengthy discussions between Agency officials and Congresswoman Holtzman, she removed the portion of H.R. 5087 concerning Section 7, CIA Act of 1949, in the spring of 1980.²⁴ (S)

Following the *60 Minutes* revelations in 1982, the Senate Select Committee on Intelligence also looked into the issue of whether the CIA had abused Section 7. John Loftus had charged that the CIA continued to bring criminals to America, citing the recent admittance of Iranian officers from the Shah's SAVAK, or intelligence service. Loftus's claims spurred Congress to look at the "100 Persons Act" once again and, this time, the Senate sought a case-by-case review of all individuals admitted to the United States to determine their background.²⁵ (S)

²³ Turner to Rodino, [no date listed but circa 30 October 1979], in DO Records, Job [] [] Box 8, Folder 156. (U)

²⁴ Various briefing material, including a chart [] [] Public Law 110, is found in DO Records, Job [] [] Box 8, Folder 156, CIA ARC. See also [] [] Assistant Legislative Counsel to Frederick P. Hitz, Legislative Counsel, "H.R. 5087, the 'Immigration and Nationality Act Amendments of 1979,'" 6 March 1980, OLC 80-0226, in DO Records, Job [] [] Box 8, Folder 156, CIA ARC. (S)

²⁵ Congressional interest in 1982-83 in Public Law 110 is found in DO Records, Job [] [] Box 8, Folder 160, CIA ARC. Included is [] [] P.L. 110 [] [] See also [] [] Deputy Director, Office of Legislative Liaison to Peter Sullivan, Minority Counsel, Senate Select Committee on Intelligence, "CIA Use of Section 7 of the CIA Act of 1949, as Amended," 7 October 1983, OLL 83-2477, (S), in DO Records, Job [] [] Box 1, Folder 1, CIA ARC. (S)

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In May 1985, over two years after it started its second investigation, the General Accounting Office submitted its draft report to the CIA for a security review. The 40-page report, *Nazis and Axis Collaborators Were Used to Further US Anti-Communist Objectives in Europe—Some Immigrated to the United States*, was released to the public. The GAO report examined the various American intelligence agencies that operated in Europe after the war, including the CIC and OPC, and the poor state of American intelligence on the USSR at the beginning of the Cold War. The report noted that US intelligence officers had sought intelligence from all quarters and quoted one officer as saying that “we would have slept with the devil to obtain information on communists.”²⁶ Consequently, the GAO concluded that “US intelligence used anti-Communist resources that had immediate intelligence potential,” including former Nazi intelligence personnel and collaborators.²⁷ (U)

The General Accounting Office report concentrated on 114 individuals. Of this number, five with “undesirable or questionable backgrounds” had been involved with American intelligence and had received assistance in moving to the United States. An additional seven aliens also had similar checkered personal histories but had no “identifiable” help in their immigration.²⁸ Of the five men who immigrated to America

²⁶1985 GAO Report, p. 15. (U)

²⁷1985 GAO Report, p. 19. (U)

²⁸The subjects are discussed on pages 29-40 of the 1985 GAO Report. The report does not identify the subjects by name; a key to their identities is found in Tipton to [redacted] 8 July 1985, (C), in DO Records, Job [redacted] Box 1, Folder 1, CIA ARC. (C)

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with governmental assistance, all had been involved with the CIA after the war: Xhafer Deva (Subject A), Stanislau Stakievich (Subject B), Otto von Bolschwing (Subject C), Mykola Lebed (Subject D), and Nicholas Poppe (Subject E). (C)

The GAO determined that several of the seven individuals who entered the United States without government assistance also had relationships with the Central Intelligence Agency. Nevertheless, the GAO "found no specific program to aid the immigration of undesirable aliens."²⁹ After examining thousands of documents from several Federal agencies and interviewing nearly 40 former government officials, the GAO felt "its review was sufficiently broad and unrestricted to state that this report fairly portrays the conditions that existed following World War II."³⁰ The evaluators did add a caveat that tempered their overall conclusion:

We were not denied access to any documents requested; however, intelligence agencies often assign projects innocuous names which do not reflect the projects' purposes and, therefore, we cannot assure that we requested all relevant projects' files. In addition, some documents requested could not be located or had been destroyed. However, these instances were the exception rather than the rule. The deaths of certain officials and the unclear recollections by others of events from the post World War II era made it difficult and/or impossible to reconstruct certain events, circumstances, and situations. As a result, we cannot be completely sure that we have obtained all relevant information or that we have identified all Nazis and Axis collaborators assisted by US agencies to immigrate to the United States.³¹ (U)

The release of the GAO's report in late June 1985 initially generated little public interest. Congressman Rodino, who had requested the report in 1982, said that he found

²⁹1985 GAO Report, p. 29. (U)

³⁰1985 GAO Report, p. iii. (U)

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the GAO's conclusions "extremely distressing." The fact that the report had to conceal the names of individuals and agencies did not sit well in Congress.³² In early October, Romano L. Mazzoli, chairman of the House's Subcommittee on Immigration, Refugees, and International Law, called for an oversight hearing on the GAO report.³³ (U)

Congress Looks at the GAO Report (U)

Mazzoli's subcommittee convened on 17 October and heard the testimony of the report's authors, Robert Glick and John Tipton, and the associate director of the General Government Division, Arnold P. Jones.³⁴ The questions, as expected, focused on the GAO's methodology and conclusions. The individual Congressmen reached no consensus in their judgements of the report's thoroughness, and the harsher criticisms of it gained the most attention. Barney Frank declared, "I have never been more disappointed in a GAO work product than I am today." He called it "totally inadequate" because it did not provide details of the intelligence operations to fight communism.³⁵

(U)

³¹1985 GAO Report, pp. 6-7. (U)

³²Ralph Blumenthal, "2 War Criminals had Official Help in Getting to US, Study Finds," *New York Times*, 29 June 1985, p. 7. (U)

³³Mazzoli to Casey, 10 October 1985, ER 85-3930, in DO Records, Job . □ . □ . Box 1, Folder 1, CIA ARC. (U)

³⁴US Congress. House. Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary. *GAO Report on Nazi War Criminals in the United States*. 99th Cong., 1st sess., 17 October 1985 (hereafter cited as the 1985 GAO Report/Hearings). (U)

³⁵1985 GAO Report/Hearings, p. 56. (U)

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Frank also submitted for the record a lengthy critique of the GAO report written by Elizabeth Holtzman, formerly of the House of Representatives (and now a District Attorney in New York). She complained that "the actions of US intelligence agencies and officers documented in the GAO report—working with suspected war criminals and mass murderers, following a morally bankrupt policy and deliberately deceiving other government agencies—took place without public disclosure." Holtzman called for an independent investigation and the full release of all records. "The public has a right to know the full story. Time is of the essence. We have already waited for forty years. We should not have to wait any longer."³⁶ (U)

John Loftus testified as well, essentially repeating his claims about the Belorussians and calling for yet more investigation.³⁷ [redacted] former deputy director of the Office of Special Investigations and Loftus's supervisor (and now an attorney with the Central Intelligence Agency), commented, "Mr. Loftus's testimony consisted of his usual inchoate, stream-of-consciousness explications of various conspiratorial theories. Regrettably," [redacted] added, "I was unable to follow the ~~Byzantine contours of Mr. Loftus' testimony.~~"³⁸ (U)

³⁶Ibid., pp. 57-61. According to the terms of the agreement between CIA and the GAO, the investigators returned all of their notes to the Agency at the conclusion of the first and second GAO investigations. These notes are maintained in DO Records, Job [redacted] Boxes 1-3, and Job [redacted] Boxes 2 and 8, CIA ARC. (U)

³⁷1985 GAO Report/Hearings, pp. 79-99. (U)

³⁸[redacted] to Allen E. Brody, Chief, Liaison Division, Office of Legislative Liaison, "Immigration Sub-Committee Hearing on GAO Nazi Report," 23 October 1985, in DO Records, Job [redacted] Box 1, Folder 1, CIA ARC. [redacted] was in the audience when Loftus testified. (U)

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Neal Sher, who had replaced Allan A. Ryan, Jr., as OSI's director in 1983, also testified at the GAO hearing. He supported the findings of the GAO report as consistent with OSI's experience in investigating some 900 individuals since 1979, but he did note some differences. "It is important to bear in mind," Sher observed, "that OSI is essentially case oriented; we are prosecutors, whose objective is to investigate thoroughly allegations that an individual had been engaged in persecution which might warrant either denaturalization or deportation." He noted that the "historical review which was the function of the GAO Report and the efforts of OSI are for the most part separate and distinct."³⁹ (U)

The hearings concluded Congressional interest in the GAO's second investigation in the 1980s. While the Subcommittee's formal report contains additional correspondence between the House and OSI as well as with the GAO, Congress took no other action regarding the report.⁴⁰ The GAO's second investigation and its report, *Nazis and Axis Collaborators Were Used to Further US Anti-Communist Objectives in Europe—Some Immigrated to the United States*, stands as the Federal government's most definitive effort to address this issue. Interest in the subject, however, did not diminish. The Federal government's role in enabling Nazi war criminals to escape justice continued to make headlines in the 1980s. (U)

³⁹1985 GAO Report/Hearings, pp. 68-79. (U)

⁴⁰Ibid., pp. 99-114. (U)

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