Modern Cases of Espionage

in the United States

(1975 – 2008)

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About the Editor

Michael Erbschloe has worked for over 30 years performing analysis of the economics of information technology, public policy relating to technology, and utilizing technology in reengineering organization processes. He has authored several books on social and management issues of information technology that were published by McGraw Hill and other major publishers. He has also taught at several universities and developed technology-related curriculum. His career has focused on several interrelated areas:

- Technology strategy, analysis, and forecasting
- Teaching and curriculum development
- Writing books and articles
- Publishing and editing
- Public policy analysis and program evaluation

Books by Michael Erbschloe
Extremist Propaganda in Social Media: A Threat to Homeland Security (CRC Press)
Threat Level Red: Cybersecurity Research Programs of the U.S. Government (CRC Press)
Social Media Warfare: Equal Weapons for All (CRC Press)
Walling Out the Insiders: Controlling Access to Improve Organizational Security (CRC Press)
Physical Security for IT (Elsevier Science)
Trojans, Worms, and Spyware (Butterworth-Heinemann)
Implementing Homeland Security in Enterprise IT (Digital Press)
Guide to Disaster Recovery (Course Technology)
Socially Responsible IT Management (Digital Press)
Information Warfare: How to Survive Cyber Attacks (McGraw Hill)
The Executive's Guide to Privacy Management (McGraw Hill)
Net Privacy: A Guide to Developing & Implementing an e-business Privacy Plan (McGraw Hill)

Introduction

On June 15, 1917, just two months after the United States entered World War I, Congress adopted the Espionage Act. The act, which was meant to define the act of espionage during wartime, put new limits to Americans' First Amendment rights. The Espionage Act gave the federal government increased leverage to prosecute what it considered unruly elements. Though the charge of espionage included "promot[ing] the success of [the United States'] enemies" it also encompassed a much greater swath of possible violators.

Based on the terms dictated by Congress, anyone who interfered with or attempted to undermine the United States' war effort could be prosecuted under the law and face a 20-year prison sentence and a $10,000 fine. Thanks to the convenient wording of the act, those who protested against newly introduced conscription, or against the war itself, became prime subjects for prosecution. This language allowed the government to target socialists, communists, pacifists, and anarchists—all of which were opposed to the war.

The following year, 1918, Congress passed a harsh companion act to the Espionage Act known as the Sedition Act, which made it a crime to speak ill of or criticize the American government, the Constitution, and remarkably, even the national flag. Although the Sedition Act was repealed three years later, many were charged with sedition during and immediately after World War I, when fear of Communists was rampant.

One notorious example of someone being tried and convicted under the 1917 law was Eugene V. Debs, a prominent socialist and one of the founders of the International Workers of the World. Debs condemned American involvement in the war from the start, but in 1918 he earned himself a 10-year prison sentence after delivering a speech in Canton, Ohio, in which he strongly criticized the Espionage Act. Debs appealed his case all the way to the Supreme Court, which ultimately ruled against him. The decision to uphold Debs's conviction was based on the precedent set by another case, Schenck v. United States, which concluded that speech with the potential to undermine society or the government was not protected under the First Amendment.

Since its passage in 1917, several other prominent people have been charged under the Espionage Act. Julius and Ethel Rosenberg, both New York–born citizens, were tried under the Espionage Act in 1951, ultimately convicted of being Soviet spies, and in 1953 became the first American citizens executed for an espionage conviction.

In the very first presidential State of the Union address, George Washington requested that Congress establish a "secret service fund" for clandestine (or secret) activities. As the commander-in-chief of the Continental Army during the Revolutionary War, Washington knew how important these clandestine operations were to the new country.

Espionage, counterintelligence, and covert action had all been vital during that war against a powerful, better-funded, and better-organized British army. Washington and fellow patriots like Benjamin Franklin and John Jay directed a wide-ranging plan of clandestine operations that helped level the playing field and gave the Continentals a chance against the British, the world's reigning superpower at the time.

The feisty Americans ran networks of agents and double agents; set up elaborate deceptions against the British army; coordinated sabotage operations and paramilitary raids; used codes and ciphers; and disseminated propaganda and disinformation to influence foreign governments. Paul Revere was one of the first famous "intelligence" operatives, spreading the word throughout the countryside when British troops were first spied.

America's founders all agreed with Washington that the "necessity of procuring good intelligence is apparent and need not be further urged…(U)pon Secrecy, Success depends in Most Enterprises…and for want of it, they are generally defeated."

Congress agreed, and within two years of Washington's State of the Union speech, the secret service fund represented more than 10 percent of the federal budget. Not too much later, in the early 1800s, Thomas Jefferson drew from this fund to finance the United States' first covert attempt to overthrow a foreign government, one of the Barbary Pirate states in North Africa.

From 1810 to 1812, James Madison used the fund to employ agents and clandestine paramilitary forces to influence Spain to relinquish territory in Florida. Several presidents would dispatch undercover agents overseas on espionage missions, a strategy pioneered in the United States by Franklin in his role as ambassador before and during the Revolutionary War.

Later, one US spy, disguised as a Turk, obtained a copy of a treaty between the Ottoman Empire and France. Also during this period, Congress first attempted to exercise oversight of the secret fund, but President James K. Polk refused the lawmakers, saying, "The experience of every nation on earth has demonstrated that emergencies may arise in which it becomes absolutely necessary…to make expenditure, the very object of which would be defeated by publicity."

During the Civil War, from 1861-1865, both the Union and the southern Confederacy engaged in and expanded on clandestine activities. While hot-air balloons – the forerunners of spy planes and today's satellites – were used to monitor troop movements and regiment size, less visible operations also gleaned important intelligence on both sides.

Though neither government had a formal, national-level military intelligence service, both sides fully used clandestine agents, military scouts, captured documents, intercepted mail, decoded telegrams, newspapers, and interrogations of prisoners and deserters.

The Union's principal spymasters were Allen Pinkerton and Lafayette Baker, both of whom specialized in counterespionage, and military officers George Sharpe and Grenville Dodge. The Confederacy had a looser array of secret operatives that collected intelligence and conducted sabotage and other covert actions. Three of the South's most celebrated agents were women: Rose Greenhow, Belle Boyd, and Nancy Hart. In 1864, Confederate operatives tried to organize antiwar elements in Indiana, Illinois, and Ohio in a movement to leave the Union. They also set fires in New York City in an attempt to burn down the huge manufacturing hub of the north.

Both Union and Confederate operatives in Europe spread propaganda and tried to gain an upper hand in foreign commercial interests and war sentiment. Overall, the Union was more effective

at espionage and counterintelligence, while the Confederacy had more success in covert operations. The hard-won expertise and organization built up during the Civil War would be demobilized and dispersed following the South's surrender, but a foundation for the future of intelligence had been set.

The first formal US intelligence organizations were formed in the 1880s: the Office of Naval Intelligence and the Army's Military Intelligence Division. Officers were posted in several major European cities, principally for open-source collection of intelligence.

When the Spanish-American War broke out in 1898, though, many of those officers switched to espionage. They created informant rings and ran reconnaissance operations to learn about Spanish military intentions and capabilities – most importantly, the location of the strong Spanish Navy.

One US military officer used well-placed sources he had recruited in the Western Union Telegraph office in Havana to intercept communications between Madrid and Spanish military commanders in Cuba.

The US Secret Service – in charge of domestic counterintelligence during the war – broke up a Spanish spy ring based in Montreal before it could infiltrate the U.S. Army.

By the time World War I started in 1914, the United States' ability to collect foreign intelligence had shrunk drastically because of budget cuts and bureaucratic reorganizations in the government. The State Department began small-scale collections against the Central Powers in 1916, but it wasn't until the United States declared war on Germany in 1917 that Army and Navy intelligence finally received more money and personnel. By that time it was too late to increase their intelligence output to aid the cause very much.

The most significant advance for US intelligence during the war was the establishment of a permanent communications intelligence agency in the Army, what would become the forerunner of the National Security Agency. Meanwhile, the Secret Service, the New York Police Department, and military counterintelligence aggressively thwarted numerous German covert actions inside the United States, including psychological warfare, political and economic operations, and dozens of sabotage attempts against British-owned firms and factories supplying munitions to Britain and Russia.

The Justice Department's Bureau of Investigation (what would later become the FBI) began a counterintelligence role in 1916, and Congress passed the first federal espionage law in 1917.

Despite US Secretary of State Henry Stimson's oft-quoted comment that "gentlemen do not read each other's mail," by 1941, the United States had built a world-class intelligence capability.

After World War I, American intelligence efforts focused on code breaking and counterintelligence operations against Germany and Japan. The "Black Chamber" under Herbert Yardley, the Army's Signal Intelligence Service under William Friedman, and Navy cryptanalysts cracked Tokyo's diplomatic encryption systems. Working backward from

intercepts, Friedman's team figured out what kind of cipher device Japanese used – the "Purple" machine. This intelligence allowed the FBI to launch an extremely effective counterintelligence attack on German and Japanese espionage and sabotage operations in the Western Hemisphere in the late 1930s and early 1940s.

U.S. operatives infiltrated espionage networks and arrested dozens of foreign agents. Unfortunately, the FBI had less success against Soviet efforts to penetrate US government and economic institutions.

With the United States' entry into World War II seemingly inevitable, President Franklin D. Roosevelt created the first peacetime, civilian intelligence agency in 1941 – the Office of the Coordinator of Information. This office was designed to organize the activities of several agencies.

Shortly after that, the United States suffered its most costly intelligence disaster when the Japanese bombed Pearl Harbor on December 7, 1941. That intelligence failure – which was the result of analysis misconceptions, collection gaps, bureaucratic confusion, and careful Japanese denial and deception – led to the establishment of a larger and more diversified agency in 1942: the Office of Strategic Services, the forerunner of today's Central Intelligence Agency.

The Espionage Act is still in effect today. Most notably, in 2013, former National Security Agency contractor Edward Snowden was charged with espionage after he leaked confidential information concerning U.S. Government surveillance programs.

The FBI's Counterintelligence Activities

The FBI has been responsible for identifying and neutralizing ongoing national security threats from foreign intelligence services since 1917, nine years after the Bureau was created in 1908. The FBI's Counterintelligence Division, which is housed within the National Security Branch, has gone through a lot of changes over the years, and throughout the Cold War the division changed its name several times. But foiling and countering the efforts of the Soviet Union and other communist nations remained the primary mission.

While the Counterintelligence Division continues to neutralize national security threats from foreign intelligence services, its modern-day mission is much broader. The FBI is the lead agency for exposing, preventing, and investigating intelligence activities on U.S. soil, and the Counterintelligence Division uses its full suite of investigative and intelligence capabilities to combat counterintelligence threats. While the details of the FBI's strategy are classified, the overall goals are as follows:

- Protect the secrets of the U.S. Intelligence Community, using intelligence to focus investigative efforts, and collaborating with government partners to reduce the risk of espionage and insider threats.
- Protect the nation's critical assets, like advanced technologies and sensitive information in the defense, intelligence, economic, financial, public health, and science and technology sectors.
- Counter the activities of foreign spies. Through proactive investigations, the Bureau identifies who they are and stops what they're doing.
- Keep weapons of mass destruction from falling into the wrong hands, and use intelligence to drive the FBI's investigative efforts to keep threats from becoming reality.

Economic espionage is a problem that costs the American economy hundreds of billions of dollars per year and puts national security at risk. While it is not a new threat, it is a growing one, and the theft attempts by foreign competitors and adversaries are becoming more brazen and varied. The FBI estimates that hundreds of billions of U.S. dollars are lost to foreign competitors every year. These foreign competitors deliberately target economic intelligence in advanced technologies and flourishing U.S. industries.

What is Economic Espionage? According to the Economic Espionage Act (Title 18 U.S.C. §1831), economic espionage is (1) whoever knowingly performs targeting or acquisition of trade secrets to (2) knowingly benefit any foreign government, foreign instrumentality, or foreign agent. In contrast, the theft of trade secrets (Title 18 U.S.C. Section 1832) is (1) whoever knowingly misappropriates trade secrets to (2) benefit anyone other than the owner.

Historically, economic espionage has targeted defense-related and high-tech industries. But recent FBI cases have shown that no industry, large or small, is immune to the threat. Any company with a proprietary product, process, or idea can be a target; any unprotected trade secret is vulnerable to theft by those who wish to illegally obtain innovations to increase their market share at a victim company's expense.

In addition to investigative activity, the FBI works to counter the economic espionage threat by raising public awareness and informing industry leaders. For example, the FBI's Counterintelligence Division develops training and outreach materials, participates in conferences, and visits members of private industry.

In collaboration with the National Counterintelligence and Security Center, the FBI launched a nationwide campaign and released a short film aimed at educating businesses, industry leaders, and anyone with a trade secret about the threat and how they can help mitigate it. Based on an actual case, The Company Man: Protecting America's Secrets illustrates how one U.S. company was targeted by foreign actors and how that company worked with the FBI to resolve the problem and bring the perpetrators to justice.

The FBI has provided more than a thousand briefings on the economic espionage threat to companies and industry leaders, using The Company Man as a training tool. The FBI hopes to expand the scope of the audience to include a wider range of industry representatives, trade associations, and smaller companies and to encourage them to come forward if they suspect they are a victim of economic espionage.

Counterintelligence Brochures Available from the FBI

- Economic Espionage: Protecting America's Trade Secrets
- Elicitation Techniques
- The Insider Threat: An Introduction to Detecting and Deterring and Insider Spy
- Intellectual Property Protection: Safeguard Your Company's Trade Secrets, Proprietary Information, and Research
- Safety and Security for the Business Professional Traveling Abroad
- Visitors: Risks and Mitigations
- Internet Social Networking Risks
- The Key to U.S. Student Safety Overseas
- Safety and Security for U.S. Students Traveling Abroad
- Higher Education and National Security: The Targeting of Sensitive, Proprietary, and Classified Information on Campuses of Higher Education
- Best Practices in Supply Chain Risk Management for the U.S. Government

Counterintelligence at CIA

Since its inception, the discipline of counterintelligence has been a murky and controversial business, plagued by a persistent perception of failure, whether spies are caught or not, and an inconsistent level of attention and resources that have contributed to a lack of strategic perspective toward hostile intelligence attack.

Within the US government, the first centralized, non-departmental counterintelligence entity was established in March 1943 when OSS Director William "Wild Bill" Donovan created the Counterintelligence Division within the Secret Intelligence Branch—the forerunner of CIA's Counterintelligence Staff and Counterintelligence Center. Soon renamed X-2, its offices relocated from New York to Washington, DC. The various entities within X-2 soon began amassing hundreds of thousands of files on foreign espionage and sabotage operations. The inherently highly secretive nature of CI work, combined with the exclusivity of processing the ULTRA intercepts of German military communications during World War II, gave X-2 a distinctive culture of security and compartmentation that characterized CIA counterintelligence for the next three decades.

Any appraisal of the Office of Strategic Services must begin with the fact that the best intelligence available to British and American commanders came from intercepted and deciphered Axis messages. Without ULTRA and MAGIC, the war might have been lost. OSS shared in only a small portion of this intelligence bounty, chiefly because the Army and Navy (backed by the JCS) refused to give General Donovan a role in procuring or analyzing enemy signals. There was, however, an important exception to this ban. OSS's counterintelligence branch, X-2, made good use of German ULTRA intelligence and by the end of the war had established itself as a formidable practitioner of clandestine operations.

William Donovan created the X-2 Branch in early 1943 to provide British intelligence services with a liaison office in OSS for sharing ULTRA. Using ULTRA intercepts, the British security services had captured every German agent in the United Kingdom; some agents were even "doubled" to send a steady flow of plausible but bogus reports to Berlin. British intelligence wanted American help in this campaign, but London insisted that the Americans imitate British security practices to protect the vital ULTRA secret from unauthorized disclosures (even to other OSS personnel). X-2 was the Branch that resulted from this deal; it had its own overseas stations and communications channels and operated in partnership with the British foreign and domestic intelligence services.

Headed by attorney James Murphy, X-2 swiftly became an elite within an elite. Its officers possessed the secret keys to many wartime intelligence puzzles and could veto operations proposed by SO and SI without having to explain their reasons for doing so. In consequence, X-2 was able to attract some of the best talent in OSS, but it also earned a reputation for aloofness that the other OSS Branches resented. James J. Angleton, X-2 station chief in Rome for the last year of the war, proved a model of an innovative, activist counterintelligence officer whose contributions exceeded his job description. He cultivated Italian liaison contacts (hitherto shunned as former enemies by the other Allied agencies), reported on political machinations in Rome, and devised ways to make ULTRA information usable by US Army counterintelligence officers who were not cleared to see the actual intercepts.

X-2 did well in Europe, but OSS headquarters in Washington might have profited from more counterintelligence scrutiny. OSS had a dismal security reputation. Established agencies like the FBI and G-2 believed that Donovan's oddball outfit, built as it was from scratch with not a few corners cut in the hiring of its staff, had to be riddled with subversives and spies. This rap was not wholly fair; OSS headquarters was not in fact penetrated by Axis agents, and its field security (at least in Europe) was adequate. Nevertheless, X-2 hunted the agents of Axis—not Allied—services. Soviet sympathizers and even spies worked in OSS offices in Washington and the field. Some were hired precisely because they were Communists; Donovan wanted their help in dealing with partisan groups in Nazi-occupied Europe. Others who were not Communists, such as Donovan's aide Duncan C. Lee, R&A labor economist Donald Wheeler, MO Indonesia expert Jane Foster Zlatowski, and R&A Latin America specialist Maurice Halperin, nevertheless passed information to Moscow. OSS operations in China, moreover, were badly penetrated by Communist agents working as clerical and housekeeping staff, or training in OSS camps for operational missions.

On December 20, 1954, the Counterintelligence Staff was created with James Angleton as its chief, a post he would retain until his abrupt dismissal two decades later. During those years, Angleton accrued a substantial amount of resources and influence for counterintelligence inside CIA, built good working-level relations with the FBI, and cultivated effective ties with liaison services. In the 1960s, he became preoccupied with tracking down Soviet penetrations of CIA and allied services—an effort that grew increasingly controversial inside the Agency.

During the Agency's "Time of Troubles" in the 1970's, CIA's counterintelligence effort suffered greatly. Angleton's forced departure was part of DCI William Colby's housecleaning following what the Church Committee's later report would refer to as the December 1974 "end of an era in CIA counterintelligence." Not only was Colby not enamored of Angleton personally, he also harbored doubts about the efficacy of the CI Staff. As he later commented, "As far as I was concerned, the role of the Counterintelligence Staff was basically to secure penetrations into the Russian intelligence services and to debrief defectors…. As far as this business of finding Soviet penetrations within the CIA … we have the whole Office of Security to protect us."

Severe budget and personnel cuts resulted, with the workload dispersed to other offices and the tenure of the CI chief reduced to rotational assignments. Working in counterintelligence was increasingly viewed as not career-enhancing and would-be employees found other places to light in the Agency. Perhaps not surprisingly, in the decade to follow, five current or former CIA employees engaged in espionage, in an environment of reduced CI emphasis, arguably culminating in "The Year of the Spy" (1985). However, in 1988 the pendulum swung back as a result of sharply critical assessments by Congress of CI across the Intelligence Community—the CI effort had "serious flaws" and was "poorly organized, staffed, trained, and equipped to deal with continuing counterintelligence challenges."

As a result, on March 23, 1988, DCI William Webster issued a directive which established the Counterintelligence Center (CIC) as a successor to the CI Staff. In 2015, the CIC was transformed into the Counterintelligence Mission Center (CIMC). The head of CIMC now serves as the DCIA's chief advisor and advocate for CI issues and as the Agency's mission manager for

CI, as well as its senior CI referent with the Community, the Executive Branch, and Congress. The CIMC, like its predecessor, includes personnel from throughout the Agency and the Community. In addition to providing senior Agency management with CI-related expertise and advice, the CIMC also provides CI oversight, guidance, training, and awareness to the CIA workforce, including on the critical topic of the insider threat.

Defense Personnel and Security Research Center (PERSEREC) Case Histories

The Defense Personnel and Security Research Center (PERSEREC) is a Department of Defense entity dedicated to improving the effectiveness, efficiency, and fairness of DoD personnel suitability, security, and reliability systems. PERSEREC is part of the Office of People Analytics (OPA), which is a component of the Defense Human Resources Activity (DHRA) under the Office of the Under Secretary of Defense (Personnel and Readiness). To achieve its mission, researchers at PERSEREC:

- Conduct applied research and development to improve personnel suitability, security, and reliability policy and practice.
- Conduct long-term programmatic research and development for the human resource management, security, and intelligence communities.
- Provide quick-response studies and analyses in support of policy formation and systems operation.
- Disseminate research information to policymakers and practitioners.
- Develop innovative systems, tools, and job aids for policymakers, managers, and practitioners concerned with personnel suitability, security, and reliability.

Espionage and Other Compromises to National Security 1975-2008

The objective of this publication is to enhance security awareness among cleared employees and military service members by showing that espionage involves real people in workplace situations like their own. These cases demonstrate that loyal and conscientious employees continue to be the target of attempts by agents of foreign intelligence services to recruit them as sources of sensitive defense and intelligence information. Revised and expanded in 2009, this volume now includes summaries of 141 cases of publicly reported espionage and closely related offenses that can be downloaded and reprinted for training or use in security awareness programs.

Since its first publication in 1985 as Recent Espionage Cases, this product has offered the security educator easy-to-find factual information about espionage-related cases for use in briefings, newsletters, and other educational media. This new edition, issued by the Defense Personnel Security Research Center (PERSEREC), supplements the collection of case summaries with 20 new entries, and updates and expands previous accounts for which we now have more complete information. With this July 2009 edition, the title changed to Espionage and Other Compromises of National Security: Case Summaries from 1975 to 2008 in order to more accurately reflect the range and type of events summarized here. The goal is the enhancement of security awareness among cleared employees and military service members by showing that espionage involves real people in workplace situations like their own and that loyal and conscientious employees continue to be the target of attempts by agents of foreign intelligence services to recruit them as sources of sensitive defense and intelligence information. These case summaries bear little resemblance to the glamorized fictional accounts of spy novels; rather, they tell mundane tales of human folly resulting in tragic personal consequences. Cases include:

1980 - DAVID HENRY BARNETT, a CIA officer, was indicted 24 October 1980 for having sold to the Soviet Union details of one of the CIA's most successful undercover operations, code-named “Habrink.” Following a tour of duty in Indonesia between 1967 and 1970, Barnett

resigned from the CIA to enter private business. In late 1976, faced with failure and debts of $100,000, he offered to sell classified information to the KGB. Barnett handed over full details of Habrink to the KGB, including CIA information on the Soviet SA-2 surface-to-air missile and the Whiskey class diesel-powered submarine. He also revealed the names of 30 CIA intelligence officers as well as the identities of informants recruited by the CIA. In all, Barnett was paid approximately $92,000 by the KGB for information supplied between 1976 and 1977. US agents reportedly spotted Barnett meeting the KGB in Vienna in April 1980; he was questioned by the FBI upon his return to the US. Barnett entered a plea of guilty and received an 18-year sentence. He was paroled in 1990.

New York Times 23 Oct 1980, "Alleged Spy Sought 2nd Post, Aides Say"
New York Times 30 Oct 1980, "Ex-Agent of C.I.A. Pleads Guilty"
Washington Post 30 Oct 1980, "Ex-CIA Agent Pleads Guilty to Spying"

1980 - RUDOLPH ALBERT HERRMANN, KGB career officer, entered the US illegally with his family from Canada in 1968 and operated as a Soviet agent within the US under the guise of a free-lance photographer. His primary assignment was to gather political information. While Herrmann claimed not to have recruited Americans for espionage, he admitted to having transmitted sensitive information collected by other spies and to acting as a courier for the KGB. Apprehended by the FBI in 1977, he agreed to operate as a double agent until the operation was terminated in 1980. Herrmann and his family were granted asylum in the US have been resettled under a new identity.

New York Times 4 Mar 1980, "Double Agent Revealed by FBI"
Washington Post 4 Mar 1980, "Soviet Spy Became a 'Double Agent'
John Barron, The Inheritor: A Tale of KGB Espionage in America, 1982

1979 - LEE EUGENE MADSEN, a Navy Yeoman assigned to the Strategic Warning Staff at the Pentagon, was arrested 14 August 1979 for selling classified material to an FBI undercover agent for $700. None of 22 highly classified documents taken by Madsen is known to have fallen into the hands of foreign agents; however, it is believed that he had intended to sell them to organized crime figures dealing in narcotics. Madsen, a homosexual, is quoted as saying that he stole Top Secret documents "to prove...I could be a man and still be gay." On 26 October 1979 he was sentenced to eight years in prison.

Washington Post 27 Oct 1979, "Sailor Receives 8 Years in Jail"

1978 - VALDIK ENGER and RUDOLF CHERNYAYEV, both Soviet employees of the UN Secretariat, were arrested by the FBI in New Jersey in May 1978 for accepting classified information on antisubmarine warfare passed by a US Naval officer acting on instructions of the Naval Investigative Service and the FBI. The officer, Navy Lieutenant Commander Art Lindberg, acted as a double agent in a counterintelligence operation called Operation Lemonaid. In August 1977, LCDR Lindberg took a trip on the Soviet cruise ship Kazakhstan. Upon the ship's return to New York, he passed a note to one of the Soviet officers containing an offer to sell information. He was later contacted by telephone by a Soviet agent. During subsequent telephone calls, LCDR Lindberg was given contact instructions on the type of information to get

and the locations of drop sites where that information could be left and payment money could be found. Naval Investigative Service and FBI agents kept the drop zones under surveillance and later identified the Soviet agents. On 20 May 1978, FBI agents moved into the drop zone and apprehended three Soviets, Enger, Chernyayev and another man, VLADIMIR ZINYAKIN, third secretary at the Soviet Mission to the United Nations. Zinyakin avoided arrest due to diplomatic immunity. Enger and Chernyayev, the first Soviet officials ever to stand trial for espionage in the US, were convicted and sentenced to 50 years in prison. Altogether they paid the Navy officer $16,000 for materials he provided. Enger and Chernyayev were later exchanged for the release of five Soviet dissidents.

New York Times 21 May 1978, “2 Russians Arrested by F.B.I. for Spying”
Washington Post 24 Dec 1978, “The Spy Who Came Into The Cold”
Los Angeles Times 24 May 1979, “Navy Officer ‘Drafted' as Counterspy”
Naval Investigative Service Command, Espionage, 1989

1978 - RONALD HUMPHREY, an employee of the US Information Agency, and DAVID TRUONG, a Vietnamese immigrant, were indicted in early 1978. A search of Truong's apartment at the time of his arrest in January uncovered two Top Secret State Department documents. Humphrey had turned over classified cables and documents to Truong who in turn sent them to the North Vietnamese delegation in Paris via a woman who was a Vietnamese double agent working for the FBI. Testimony indicated that Humphrey supplied documents to Truong in order to obtain the release of his common-law wife and her four children from communist Vietnam. Both Humphrey and Truong were convicted on six counts of espionage on 20 May, and on 15 July each received a 15-year sentence.

Washington Post 21 May 1978, “FBI Continues Spy Case Investigation”
Washington Post 24 May 1978, “Cables in Spy Case Larded with Gossip”

1978 - WILLIAM KAMPILES, served as a watch officer at the CIA Operations Center from March to November 1977. He was arrested in August 1978 on charges he stole a Top Secret technical manual on the KH-11 (“Big Bird”) reconnaissance satellite and later sold it for $3,000 to a Soviet agent in Athens, Greece. According to press reports, the satellite was used to monitor troop movements and missile installations in the Soviet Union. Kampiles had resigned from the CIA in November 1977, disappointed at having been told that he was not qualified for work as a field agent (he fervently wished to join the covert part of CIA operations). Before leaving the agency, he smuggled out of the building a copy of the KH-11 manual. He proceeded to Greece in February 1978 where he contacted a Soviet military attaché. Kampiles was the son of Greek immigrants and had family connections in that country. He claimed to have conned the Russians out of a $3,000 advance for the promise of classified information and on his return to the US bragged to friends about his exploits. About this time the CIA was investigating possible leaks concerning the KH-11, since the Soviets were beginning to take countermeasures against the collection platform. Kampiles’ identification as a suspect in part followed receipt of a letter to a CIA employee from Kampiles in which he mentioned frequent meetings with a Soviet official in Athens. He hoped to be rehired by the CIA and admitted during a job interview that he had met with Soviet agents in Athens in what he intended as a disinformation exercise to prove his abilities as a first-rate agent. CIA counterintelligence was concerned by these reports and

contacted the FBI, who questioned Kampiles until he confessed the theft of the manual and its sale to the Soviets. The former CIA employee maintained that his objective had been to become a double agent. He was sentenced on 22 December to 40 years in prison.

Washington Post 23 Aug 1978, "CIA 'Big Bird' Satellite Manual Allegedly Sold to Soviets"
New York Times 12 Nov 1978 "Spy Trial Focusing on Security in C.I.A."
New York Times 23 Dec 1978, "Ex-Clerk of C.I.A. Gets 40 Years in Sale of Space Secrets to Soviets"
Washington Post Magazine 4 Dec 1983, "Spy Rings of One"
Minnick, W.L., Spies and Provocateurs, 1992

1977 - CHRISTOPHER JOHN BOYCE, an employee of TRW Inc., a California-based defense contractor, and his friend, ANDREW DAULTON LEE, were arrested in January 1977 for selling classified information to the Soviets. Over a period of several months, Boyce, employed as a code clerk in a heavily guarded communications center at TRW, removed classified code material and passed it along to Lee who in turn delivered it to KGB agents in Mexico City. Boyce, son of a former FBI agent, and his childhood friend Lee had grown up in affluent Palos Verde, in southern California. Both were altar boys together and later played on the high school football team. Boyce claimed to have discovered while working in the vault that the US government was spying not only on the country's enemies but also on an ally, Australia. He decided to strike back by hatching a plan to sabotage the US intelligence network. He recruited Lee to help him sell classified information to the Russians. Boyce was probably motivated also by youthful rebelliousness and perhaps a craving for danger and excitement. This was likely accompanied by the need for money with which he and Lee could purchase drugs, a taste developed during their teenage years. The espionage activity, which netted the pair $70,000, was discovered only after Lee's arrest by Mexican police as he attempted to deliver yet another set of classified material at the Soviet Embassy in Mexico City. Film strips marked Top Secret found on Lee by Mexican authorities were turned over to American officials. Under questioning by Mexican security police and FBI representatives, Lee implicated Boyce, who was arrested on 16 January in California. The pair were reported to have seriously compromised the Ryolite surveillance satellite system developed at TRW. Lee was sentenced to life in prison, Boyce to 40 years. In 1980 Boyce escaped and spent 19 months as a fugitive. Following Boyce's second apprehension, his sentence was increased by 28 years. He was finally released from prison in March 2003 at the age of 50.

New York Times 13 Apr 1977, "Alleged Spy for Soviets Linked to C.I.A"
New York Times 27 Apr 1977, "Man Said to Admit Spying for Soviets"
New York Times 22 May 1977, "To Be Young, Rich—and a Spy"
Lindsey, Robert, The Falcon and the Snowman, 1979
Testimony of Christopher J. Boyce before the Permanent Subcommittee on Investigations, April 1985

1977 - IVAN N. ROGALSKY, a former Soviet merchant seaman admitted to the US as a political refugee, was arrested in New Jersey on 7 January 1977 after receiving a classified document from a cleared employee of RCA Research Center. The employee, who worked on communications satellite and defense projects, agreed to work under FBI control after first being

approached by Rogalsky. The ex-seaman had earlier asked the RCA employee for unclassified information about the space shuttle program. A second secretary of the Soviet Mission to the United Nations, YEVEGENY P. KARPOV, was named as a co-conspirator. Karpov had been suspected of being a KGB officer by the FBI. According to later press reports, Rogalsky was not tried due to questions regarding his sanity. He claimed to receive instructions from disembodied voices.

New York Times 8 Jan 1977, "Soviet Alien Arrested in Jersey on Spy Charges"
New York Times 9 Jan 1977, "Accused Soviet Spy Known as a Drifter"
New York Times 16 Jan 1977, "Spy Case Clouds a Russian Holiday"

1976 - EDWIN G MOORE II, a retired CIA employee, was arrested by the FBI in 1976 and charged with espionage after attempting to sell classified documents to Soviet officials. A day earlier, an employee at a residence for Soviet personnel in Washington, DC, had discovered a package on the grounds and turned it over to police, fearing it was a bomb. The package was found to contain classified CIA documents and a note requesting that $3,000 be dropped at a specified location. The note offered more documents in exchange for $197,000. Moore was arrested after picking up what he thought to be the payment at a drop site near his home. A search of his residence yielded 10 boxes of classified CIA documents. Moore retired from the CIA in 1973 and, although financial gain was a strong motivational factor leading to espionage, it is known that he was disgruntled with his former employer due to lack of promotion. Moore pleaded not guilty by reason of insanity, but was convicted and sentenced to 15 years in prison. He was granted parole in 1979.

Washington Post 13 Apr 1977, "Thought He Was on Assignment for CIA"
Washington Post 25 Apr 1977, "Trial of Ex-Agent..."
Washington Post 6 May 1977, "Moore Guilty of Trying to Sell CIA Files"

1975 - SADAG K. DEDEYAN, an employee of the Johns Hopkins Applied Physics Laboratory who was cleared for access to classified information, and a relative, SARKIS O. PASKALIAN, were arrested in 1975. Disregarding regulations, Dedeyan had brought home a Top Secret document on NATO defenses to work on. Paskalian, who unbeknownst to Dedeyan, had been recruited and trained by the KGB in 1962, surreptitiously photographed the document and allegedly sold the film to Soviet agents for a reported sum of $1,500. Dedeyan was charged with failing to report the illegal photographing of national defense information. Paskalian was charged with conspiring with Soviet agents to gather and transmit national defense information. Dedeyan was convicted and sentenced to three years. Paskalian pleaded guilty to espionage and was sentenced to 22 years.

Washington Post 28 Jun 1975, "2 Arrested by FBI On Spying Charges "
Washington Post 28 Jun 1975, "Relative Duped Him on Spy Photographs, Accused Man Says"
Washington Post 28 Jun 1975, "Paskalian: Choreographer, Merchant"
New York Times 28 Jun 1975, "2 Held in Plot to Spy for Soviets on NATO

1982 - OTTO ATTILA GILBERT, Hungarian-born US citizen, was arrested 17 April 1982 after paying $4,000 for classified documents provided by an Army officer who was working as a US