

SECRET

Deputy Director (IOS)  
Deputy Director (PPS)  
Deputy Director of Security  
BALMES, Hidalgo

9 April 1956

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*[Handwritten signature]*

1. Subject is presently serving in [redacted] in a Contract Agent status. He has been disapproved by this Office for conversion to staff employment. Subject was formerly a member of the Communist Party and worked for the FBI as an informant.

2. Mr. Foley and Mr. Hall of the Internal Security Division, Department of Justice, have been in contact with Colonel King, WH, and Mr. Houston, relative to testimony subject may give in court on the Eugene Dennis case. It was agreed between Colonel King, Mr. Houston, and myself that subject's testimony might very well involve this Agency if the defense counsel tried to inject into the court record subject's employment with this Agency for the past several years. King advised that subject's cover is not very strong and the CIA relationship might well be established in court. Subject would come under heavy attack from the defense counsel in view of his having served as an informant to the FBI.

3. It was agreed that Foley and Hall of Justice will be contacted and advised that we will bring the subject from Panama to the States for an interview by Justice and the FBI on this matter if they so desire, with the request that they endeavor to find other witnesses who can provide the necessary testimony without the necessity of calling this subject for court appearance. If this is impossible, we must reconsider our position in light of the possible insistence by Justice for subject's testimony.

R. L. Bannerman

- OS/HLB:agg (9 April 1956)
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*[Handwritten notes: put in on... station... name...]*

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