

# ROUTE IN ENVELOPE

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

## Memorandum

TO : W. C. Sullivan *WCS*

DATE: 11/20/63

FROM : W. R. Wannall *WRW*

- 1 - Belmont
- 1 - Sullivan

- 1 - C.F. Downing
- 1 - Wannall
- 1 - Ruehl

(10)

Wilson	_____
Belmont	✓
Mohr	_____
Casper	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Gale	_____
Rosen	_____
Sullivan	✓
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

*WRW*  
*Wannall*

SUBJECT: COMMUNICATIONS FROM UNITED STATES TO HONG KONG AND COMMUNIST CHINA INTERNAL SECURITY - CHINA

San Francisco is in a position to apply Sam Survey technique to mail destined for Communist China. Sam Survey is New York program whereby outgoing airmail to selected European countries is examined to detect illegal Soviet-bloc agents.

Airmail to Hong Kong and Communist China exits U. S. through San Francisco, thus coverage at San Francisco would amount to national coverage. Survey by San Francisco disclosed this coverage will involve approximately four Special Agents utilized full time on six-day workweek. Adequate space is available for processing the mail.

New York originally tested Sam Survey for period of two months on very limited amount of mail which was destined for Communist China. New York picked up eight items indicating such strong pro-Chinese Communist sentiments that further investigation was warranted. These cases are still pending. New York can furnish San Francisco with Watch List to facilitate screening mail.

We know U. S. is prime target of Chinese Communist intelligence. Investigation of Susan and Richard Frank, (New York Security Index subjects) disclosed they may be working in U. S. for Chinese Communists. Gus Hall, Communist Party (CP) USA, suspects Susan Frank of being Chinese Communist agent. In September, 1963, Richard Frank, substituting for his wife, Susar, made a hurried trip to London.

NY 694-S\* advised that Richard Frank on recent visit to London was in contact with TANG Ming-chao and Israel Epstein. TANG is head of American Department of Chinese CP in charge of political intelligence relating to CP's in English-speaking countries. Epstein is editor of "China Reconstructs," English-language Chinese Communist propaganda publication, and appears to be engaged in Chinese Communist intelligence operation re Sino-Soviet dispute. TANG and Epstein reportedly maintained close liaison with Richard Frank. NY 4112-S\* reported Susan Frank is in contact with individuals in Communist China.

In 1962, a Chinese Communist defected from Chinese Communist Embassy, Stockholm, Sweden. The defector stated on more than one occasion, registered mail from U. S. was received at Chinese Communist Embassy and was immediately turned over to Military Attache. Defector had no knowledge

