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## THE MONSTER PLOT

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On 5 June 1962 Yuriy Ivanovich Nosenko, a Soviet official temporarily assigned to Geneva, contacted an American Foreign Service Officer in a move that was eventually to lead to Nosenko's defection. This act was the first in a chain of events that is unequalled in complexity by any other Soviet operation handled by the Central Intelligence Agency since its establishment. Because the case still has important implications for the overall Soviet intelligence effort of the United States, and because it raises many basic questions about the techniques of handling Soviet agents and defectors, a reinvestigation of the case was commissioned by the Agency in June 1976. The results are embodied in this report and its annexes.

Although United States officials of many agencies, up to and including a president of the United States, were briefed on the case and either played some role in making decisions concerning it or actively participated in running the operation, it does not now appear that, between 1962 and 1976, any single individual has ever been fully informed as to all its aspects. The complexity of this investigation therefore stems in large measure from the fact that the case has proceeded along at least two, and often more, compartmented tracks. Thus, the effort to get a total picture of what transpired has involved an unusual amount of research in the files of various components of the Agency, plus personal interviews with a large number of present and former Agency employees.

The actions taken in regard to Nosenko were not the result of decisions made by a unitary Agency acting as a corporate entity; rather, in this case more than in most, decisions were made by a number of senior individuals on the basis of their own strongly-held views, which sometimes conflicted with the equally strongly-held opinions of other senior colleagues. Thus, this report must, if it is to be comprehensible, attempt to depict the decision-making process in all its complexity by referring when necessary to the individual participants.

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The quintessential quality of a report such as this is that it be objective. We have not, on the other hand, refrained from expressing our opinions. Even to have tried to do so would have been futile for two rather obvious reasons. First, into the reconstruction of events of the complexity herein described there always enters a degree of selectivity and judgment; in this sense, "opinion" provides the essential matrix of our product. Secondly, we have viewed our task as one of constructive criticism.

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## CHAPTER I

Organizational Background: CIA's Handling  
Of Soviet Positive Intelligence and CI Matters

The history of the Nosenko case can only be comprehended within the framework of the organization and day-to-day functioning of the Central Intelligence Agency as a whole. In fact, opinions regarding the handling of the Nosenko case may differ substantially according to individual's differing views regarding internal Agency organization and functioning. This being the case, it is useful at the outset to make explicit our understanding of how the Agency actually functioned in the relevant period, the 1960s, as distinct from how it might theoretically have functioned according to Agency organizational charts and regulations.

The two instrumentalities for the conduct of day-to-day operations in the Soviet field were the Soviet Bloc Division (known successively by this and several other names\*) and the Counterintelligence Staff. In the nature and interrelationship of these two organizations we find the key to much of what was to happen in the Nosenko case.

Although the SB Division was considered a "line" organization, the CI Staff's name would imply (if the Agency's formal organization were to be taken at face value) that its function was limited to advising a command echelon. In fact, such a distinction was never enforced.

"CI Staff" was actually a misnomer, because the organization carrying this name did not even concern itself to any appreciable extent with the counterintelligence function of the Agency on a worldwide basis. Rather, it concentrated on the USSR and Soviet Bloc countries.

Within the SB Division, there was lodged the so-called Soviet CI Group, which was in many respects a competitor of the CI Staff. It concerned itself, during most of the period to be covered in this report, primarily with information

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\*This area component during the period of this report was known as Soviet Russia Division (1952-1966) and Soviet Bloc Division (1966-1974). The two names are often used interchangeably.

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on the intelligence and counterintelligence organs of the USSR, and as such was inevitably somewhat redundant since the same field was the major preoccupation of the CI Staff. Nevertheless, as will emerge later in this report, there was during most of the period with which we are concerned a substantial congruity of views between the SB/CI Group and CI Staff that militated in favor of coherent operational policy, even though the two organizations might disagree on matters of detail.

One curious aspect of the organizational problem should be mentioned at this point because, while seemingly minor, it may have played a significant role. While the SB Division understandably had a number of competent Russian linguists, the CI Staff did not have a single Russian linguist who could be brought to bear on either the Nosenko or Golitsyn case. The staff was therefore dependent for its data on translations of Nosenko material and, in the case of Golitsyn, on information obtained from discussions conducted with him in English, a language in which he was not fully fluent.

A third organizational participant in the Nosenko case was the Office of Security. This office had overlapping jurisdiction with CI Staff and, to a lesser extent, SB Division in any matter that involved a suspected Soviet or Soviet Bloc penetration of the Agency. While not usually a problem, the overlapping jurisdiction was considerable in both the Golitsyn and Nosenko cases because so much of the activity in connection with both operations revolved around allegations that the Soviets had penetrated the Agency at a high level.

Although allegations that the Soviets had recruited Agency staff employees did not first originate with Golitsyn, it was he who lent special force to them by spelling out a complicated theory of Soviet intentions and modus operandi. He thus provided a detailed conceptual framework within which to develop a hypothesis towards which some members of the Agency were already predisposed. Golitsyn thus became the ideologue's ideologue.

Prior to Golitsyn's defection, the Agency as a whole had been hard hit by its dealings with high-level Soviet penetrations of Western governments. There is no need to go into detail on them, since they have been well documented elsewhere, but they included British representatives such as Kim Philby and George Blake. Another important penetration was Heinz Felde, who rose to be Deputy Chief of Soviet

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Counterintelligence in the Bundesnachrichtendienst (BND). The Felfe case is particularly significant because it was believed by a number of counterintelligence specialists in the Agency that Felfe's career had been systematically promoted by the Soviets through what came to be known as the "throw-away" technique. According to the theory of this group, a considerable number of valuable and productive Soviet intelligence operations in Germany were made available to Felfe so that, by detecting them and signaling their presence to the West German authorities, he could build up his reputation as a counterintelligence specialist. While there is debate about the value of the assets the Soviets made available, there appears to be enough substance to this theory for it to have had a strong impact within the Agency, particularly upon those persons who were members of the former Eastern European (EE) Division of the Plans Directorate.

In the course of time, the continuing record of KGB success in penetrating Western governments made it the more feared of the two principal Soviet intelligence services. Although we had had our successes also in penetrating the Soviets, they were primarily through GRU defectors-in-place such as Popov and Penkovskiy. The defection of Anatoliy Golitsyn on 15 December 1961 was thus a major event.

Once again, it is not necessary here to go into details regarding Golitsyn, because this case has been covered extensively in a recent study. However, two points are worth noting:

1. First, Golitsyn was diagnosed early in 1962 as a "paranoid personality." Although account was taken of this psychological problem, it was considered in the light of a threat to the continuity of the debriefing process rather than as a factor reflecting on the validity of the purported intelligence he gave us. It was apparently felt that, if we could maintain his stability, we could depend not only upon the objectively verifiable facts he gave us but also upon his often very theoretical generalizations.

2. Secondly, Golitsyn presented us right from the beginning, continually elaborated throughout the years, a complicated rationale for believing that the KGB was successfully pursuing a mammoth program of "disinformation" to the detriment of the

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United States and its Western allies. This rationale is covered in more detail in Chapter VI of this report.

It is against this background that we view the approach to CIA by Nosenko and his subsequent handling. In doing so, we shall for ease of reference from time to time allude to the thesis regarding KGB operations and intentions--elaborated by Golitsyn and others--as the "Monster Plot." In fairness, it must be allowed that this term was in common usage not by the thesis' proponents but rather by its detractors; yet no other name serves so aptly to capsule what the theorizers envisaged as a major threat to United States' security. If the term carries with it emotive connotations, the latter were certainly shared by both sides to the controversy; and this fact alone is enough to justify including "Monster Plot" in the lexicon of this study.

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## CHAPTER II

Biographical Data: 1927-1962

Yuriy Ivanovich Nosenko was born 30 October 1927 in Nikolayev, Ukrainian SSR, son of Ivan Isidorovich Nosenko and Tamara Georgiyevna Markovskaya. His father was born in 1902 and died on 2 August 1956. At the time of his death, the senior Nosenko was Minister of Shipbuilding, a member of the Central Committee of the CPSU, a deputy to the Supreme Soviet of the USSR, and recipient of a number of the highest Soviet awards and medals. He received a state funeral, and he is commemorated by a plaque on the Kremlin wall. Young Nosenko's brother, Vladimir, born in 1944, was a student at the Institute of International Relations as of 1964.

From his birth until 1934, Nosenko lived in Nikolayev. In 1934 he and his mother joined the senior Nosenko in Leningrad, where the latter was working as chief engineer at the Sudomekh shipbuilding plant. Nosenko continued his schooling in Leningrad until late 1938, at which time he and his mother followed the senior Nosenko to Moscow, where he was to serve as Deputy People's Commissar of the Shipbuilding Industry.

In 1941, shortly after the war broke out, Nosenko and his mother were evacuated to Chelyabinsk in the Urals. Nosenko stated that he and a friend tried to run off to the front, but they were caught and returned home. At age 14 Nosenko entered a Special Naval School that, in August 1942, was relocated to Kuybyshev. Later, this school was forced to relocate again, this time to Achinsk in Siberia. Nosenko did not want to go to Siberia and, through the influence of his father, was accepted at the Frunze Naval Preparatory School in Leningrad (not to be confused with the Frunze Higher Naval School, also in Leningrad), which by this time had been relocated to Baku.

Some time after August 1943, Nosenko tried on two separate occasions to get to the front, but failed. He and a friend did succeed in returning home to Moscow without authorization. These escapades seem to form part of a behavior pattern that was eventually to culminate in defection.

By August 1944, Nosenko had resumed his studies at the Frunze Naval Preparatory School, which had returned to its

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original location in Leningrad. Cadets from this school were sent to a forest (some two hundred kilometers from Leningrad) on a wood-cutting detail. In about November of that year he wounded himself, seemingly accidentally, and was hospitalized. He decided not to return to the Frunze Naval Preparatory School and again, through his father's intervention in about January 1945, entered a shipbuilding college (tekhnikum) in Leningrad.

At the end of World War II, Nosenko returned to Moscow. He had meanwhile obtained a certificate from the director of the shipbuilding college that attested to his study in, and the completion of, the tenth class.

At some time prior to July 1945, Nosenko accompanied his father, who went to East Germany with a group of engineers. For purposes of that trip, Nosenko received temporary rank as an Army senior lieutenant, with appropriate documents and uniform.

Nosenko entered the Institute of International Relations in Moscow in July 1945. Upon completion of the second year at the Institute, and by virtue of his participation in a military training program roughly equivalent to the ROTC, Nosenko received the rank of junior lieutenant in the "administrative service" (sic). (The exact meaning of this term is unclear.)

In 1946, according to Nosenko, he married, against his parents' wishes, a student whom he had gotten pregnant. He obtained a divorce almost immediately following their marriage. In about 1947, he married the daughter of Soviet Lieutenant General (Major General, US-style) Telegin. This marriage, too, was neither successful nor long-lived. Nosenko reported he had found his wife in bed with her brother. A girl was later born with a harelip and a cleft palate. Nosenko insisted that this was not his child.

Nosenko completed a four-year course at the Institute of International Relations, but he actually received his diploma a year later, in 1950, because he had failed the examination in Marxism. He had had to wait an extra year in order to retake this examination.

In March 1951, Nosenko was assigned as an English language translator in naval intelligence (Naval RU), serving first in the Far East. While on leave in Moscow.

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(late April 1952), he developed an illness that caused him to cough up blood, and he entered a tuberculosis sanatorium near Moscow for treatment. For reasons of health, he did not return to the Far East but was sent instead to the Baltic area.

While on leave in Moscow in late 1952, Nosenko accompanied his parents to a New Year's Eve party at the dacha of a certain General Bogdan Zakharovich Kobulov. When Nosenko indicated interest in changing jobs, the general made a vague offer of help in getting employment with the Ministry of State Security (MGB). In March 1953, while again in Moscow, Nosenko was called to Kobulov's office. Kobulov had just returned from Germany to become the First Deputy Minister of the MVD (Ministry of Internal Affairs). Nosenko did not see Kobulov personally but was referred by the latter's assistant to the deputy chief of the Second Chief Directorate (internal counterintelligence), hereafter referred to as SCD, by whom he was hired.

His first MGB assignment was in the First (American embassy) Section of the First (American) Department of the SCD.

In March 1953, following Stalin's death, Lavrentiy Beriya emerged from the resultant reshuffling of the top leadership as chief of both the MVD and MGB. In March 1954, the new "Committee" for State Security--the KGB--was formed.

In June 1953 Nosenko married his third wife, Lyudmila Yulianovna Khozhevnikova, who was a student at the Moscow State University.

Nosenko, a member of the Komsomol since 1943, was elected secretary of the SCD Komsomol unit in June 1953 and served as secretary of that unit until about June 1954. However, earlier in 1954, Nosenko had contracted venereal disease and gone to a clinic; to disguise his identity, he used operational documentation in alias in applying for treatment. When he did not go back for final treatment as instructed, the clinic sent a letter to his ostensible place of work as shown on the alias document. The MVD found out about this improper use of alias documentation and reported it to the SCD. Nosenko was not only disciplined by the chief, SCD (reprimanded and placed under arrest for 15 days), but the Komsomol also removed him as secretary and expelled him from its organization.

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In early spring 1955, Nosenko received a poor kharakteristika (performance evaluation), which described him as unsuitable for work in the First Department. Nonetheless, he was neither dismissed nor transferred.

Although Nosenko survived the 1954 episode as well as the poor performance report, these events caused him to go on what he has described as a "big drunk," which resulted in his having to spend a month under hospital care. To keep Nosenko out of further trouble, his mother intervened by making a telephone call to Petr Vasilyevich Fedotov, chief of the SCD. Seemingly as a result of her efforts, Nosenko was transferred in the latter part of May 1955 to the Second Section (which operated against tourists) of the Seventh Department, SCD. In late 1955, Lieutenant General Oleg Mikhaylovich Griбанov was appointed chief of the SCD. From a number of indications, Nosenko's relationship with Griбанov developed, despite the difference in rank and position, into a social relationship involving evenings on the town together, heavy drinking, and women. Despite numerous indiscretions, Nosenko's survival within the KGB and his subsequent promotions to increasingly responsible positions may well have resulted in part from Griбанov's patronage. To a considerable degree, of course, his rise must also be attributed to his being the son of a highly-placed member of the Soviet government.

At this point in his KGB career, Nosenko had lost his Komsomol membership and not achieved CP-member status. It was not until 1956 that he was accepted as a candidate member of the CP, and only in 1957 that he was admitted as a full Party member. Once this happened, according to Nosenko, the Komsomol removed its reprimand from his file.

In December 1959, Nosenko was promoted to the rank of captain. He held this rank until his defection in February 1964, despite having been promised he would be promoted and the fact that he had held several positions that were usually filled by officers of higher military rank.

Nosenko worked in the Seventh Department, SCD until January 1960, when he was transferred back to the First Section (American embassy) of the First Department. Then he held the position of a deputy chief of the First Section. He was retransferred back to the Seventh Department as of late December 1961-early January 1962. In July 1962, he was appointed deputy chief of the Seventh Department. He

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continued in this position until 18 January 1964, the date he left Moscow on TDY to Geneva.

Nosenko defected in Geneva on 4 February 1964, leaving behind in Moscow his wife, Lyudmila, and two daughters. His prior travels to the West had included two TDYs to England in 1957 and 1958, a TDY to Cuba in 1960, and the first TDY to Geneva from mid-March until June 1962. He also went on TDY to Bulgaria in 1961. Details of his defection and subsequent developments are covered in Chapter III.

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## CHAPTER III

Chronicle: 1962-1969A. Initial Contacts

When Nosenko first approached the CIA on 9 June 1962, he had been assigned, as a representative of the KGB Second Chief Directorate, to be security officer of the Soviet delegation to the Disarmament Conference being held in the Palais des Nations in Geneva. Taking advantage of the fact that he was the watchdog for the delegation whereas its members could not watch him, Nosenko used his freedom of movement to approach the Agency, ostensibly for personal financial assistance.

As he told it, Nosenko had recently slept with a Swiss woman who had stolen 900 Swiss Francs of official funds that he had on his person at the time; inability to reimburse this relatively trivial amount (about US \$250 at the time) would jeopardize his career. In exchange for 2,000 Swiss Francs, he therefore proposed that he provide us with two items of information. These items, subsequently verified, related to:

1. KGB recruitment of a US Army sergeant while he was serving in the American embassy in Moscow as a "code machine repairman."
2. A Soviet official whom the Agency had ostensibly recruited but who was being run against us under KGB control.

At this time Nosenko was not forthcoming in response to general intelligence requirements on which we tried to quiz him, excluded the possibility of becoming an agent, and flatly refused to consider meeting Agency representatives inside the USSR. Nevertheless, he "agreed 'perhaps' meet us when abroad" again at a later date. For our part, our interest in him was whetted by his identification of his deceased father as a former minister of the USSR. In addition, such information as he gave about himself indicated that he would be of high operational interest. Inter alia his most recent assignment in Moscow was as head of a KGB sub-section working against American tourists.

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B. Bona Fides

By 11 June, the two case officers (one a native Russian speaker) who were handling Nosenko sent a cable to Headquarters that read in part:

SUBJ CONCLUSIVELY PROVED BONA FIDES. PROVIDED INFO OF IMPORTANCE AND SENSITIVITY, SUBJ NOW COMPLETELY COOPERATIVE. WILLING MEET WHEN ABROAD AND WILL MEET AS OFTEN AND AS LONG AS POSSIBLE UNTIL DEPARTURE 15 JUNE.

With the question of bona fides seemingly resolved, the principal case officer flew to Washington carrying the tapes of the meeting. His arrival and sojourn at Headquarters were described by Chief, CI on 23 July 1976 as follows:

Chief, CI: . . . we got the first message . . . on Nosenko from Geneva, and [the principal case officer] was ordered back, and we had a big meeting here on Saturday morning, and [the principal case officer] thought he had the biggest fish of his life. I mean he really did . . . and everything I heard from him was in direct contrast from what we heard from Golitsyn. I mean, we had no agents, this, that and . . . yet here was a Second Chief Directorate man in Geneva peace talks on disarmament. So I got hold of [the principal case officer], and I brought him in here on a weekend.

Q: What you're saying is that it was unreasonable for a Second Chief Directorate man to be there . . .

Chief, CI: Under the circumstances, getting drunk and needing \$300 to . . . "not to be recruited but to give us three full, big secrets" for an exchange for the money in order that he could replenish the account from which he embezzled the money on a drunk. So I brought [the principal case officer] in here one evening, I think it was Friday, Saturday and a Sunday, and I brought about

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