

Mr. Coffey:

I have not logged the
enclosed paper.

Miriam 1/21

Realty & Dir 27 Jan
JWC

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: Howard J. Osborn Director of Security 4E-60 Hqs.	EXTENSION 6779	NO. DATE 20 January 1971
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TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number logs, comment to whom, etc. Draw a line across column after each comment)
	RECEIVED	FORWARDED		

1. Deputy Director for Support				EYES ONLY
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20 January 1971

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Robert A. Maheu and Associates

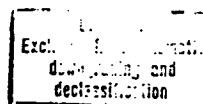
1. This memorandum is for your information and contains a recommendation for your approval in paragraph 5.

2. Various components of the Agency have utilized Robert A. Maheu and his private enterprises since 1954. You were briefed in 1966 on the various Agency projects with which Maheu was associated in connection with his proposed appearance before Senator Long's committee which was investigating wiretapping at that time. You will recall that the Agency intervened with Senator Long and arranged that Maheu would not be called to testify. In July 1966, you directed that one cover arrangement, then in effect in Maheu's Washington office, was to be phased out and that Maheu was not to be used by the Agency in any capacity at any time in the future. As a result, "flags" were placed in Security files to the effect that any inquiries concerning Maheu or his firm were to be referred to the Deputy Director of Security.

3. The Central Cover Staff of the Clandestine Services requested and obtained security clearances to use Maheu and Associates to (provide cover for an agent in Ecuador) from 1 August 1968 through 31 December 1970. The agent has now returned to Washington and has resigned from Maheu and Associates as it was considered unwise to continue further cover arrangements because of the adverse publicity Maheu had received in Las Vegas as a result of his court battles with executives of the Hughes Tool Company. Despite repeated reminders, Maheu and Associates have not billed

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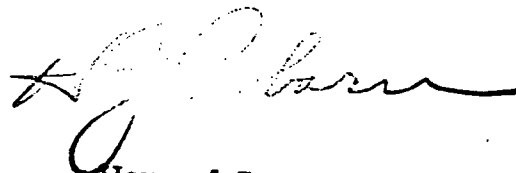
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the Agency for reimbursement of nearly \$15,000 they had advanced our agent for salary and expenses in connection with his assignment as their representative (in Ecuador)

4. I have investigated the manner in which security clearances were granted Robert Maheu, his son Peter, three executives, and one secretary during the period from 1968 to 1970. The "flags" placed in Maheu's Security file in 1966 were ignored either through carelessness or oversight. I have taken appropriate disciplinary action with the personnel involved and have instituted immediate corrective action to ensure that this will not happen again. I will work with the Chief, Central Cover Staff to ensure that there are no cases of a similar nature. In this regard, I should add that this Office is totally responsible for the procedural breakdown in this case.

5. Maheu's financial manipulations in Las Vegas are currently under investigation by executives of the Hughes Tool Company. He, in turn, has filed suit for damages against the Company. Because of this, I recommend that we cancel all existing clearances with Maheu and Associates and make no effort to contact anyone in the firm to effect reimbursement of the \$15,000. Maheu, as you know, is quite capable of contacting this Agency for this purpose should he wish to do so.



Howard J. Osborn
Director of Security

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SUBJECT: Robert A. Maheu and Associates

The recommendation contained in paragraph 5 is approved.

(Signed) Richard Helms

21 JAN 1971

Richard Helms
Director of Central Intelligence

Date

Distribution:

- Orig - Return to D/Security**
- 1 - Deputy Director for Plans**
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- 1 - Chief, Central Cover Staff**

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