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TS 790039

A STAFF REPORT

concerning

ACTIVITIES OF CERTAIN
FOREIGN INTELLIGENCE AGENCIES
IN THE UNITED STATES

submitted to

The Subcommittee on International Operations
Committee on Foreign Relations
United States Senate

* * *

January 18, 1979

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PREFACE

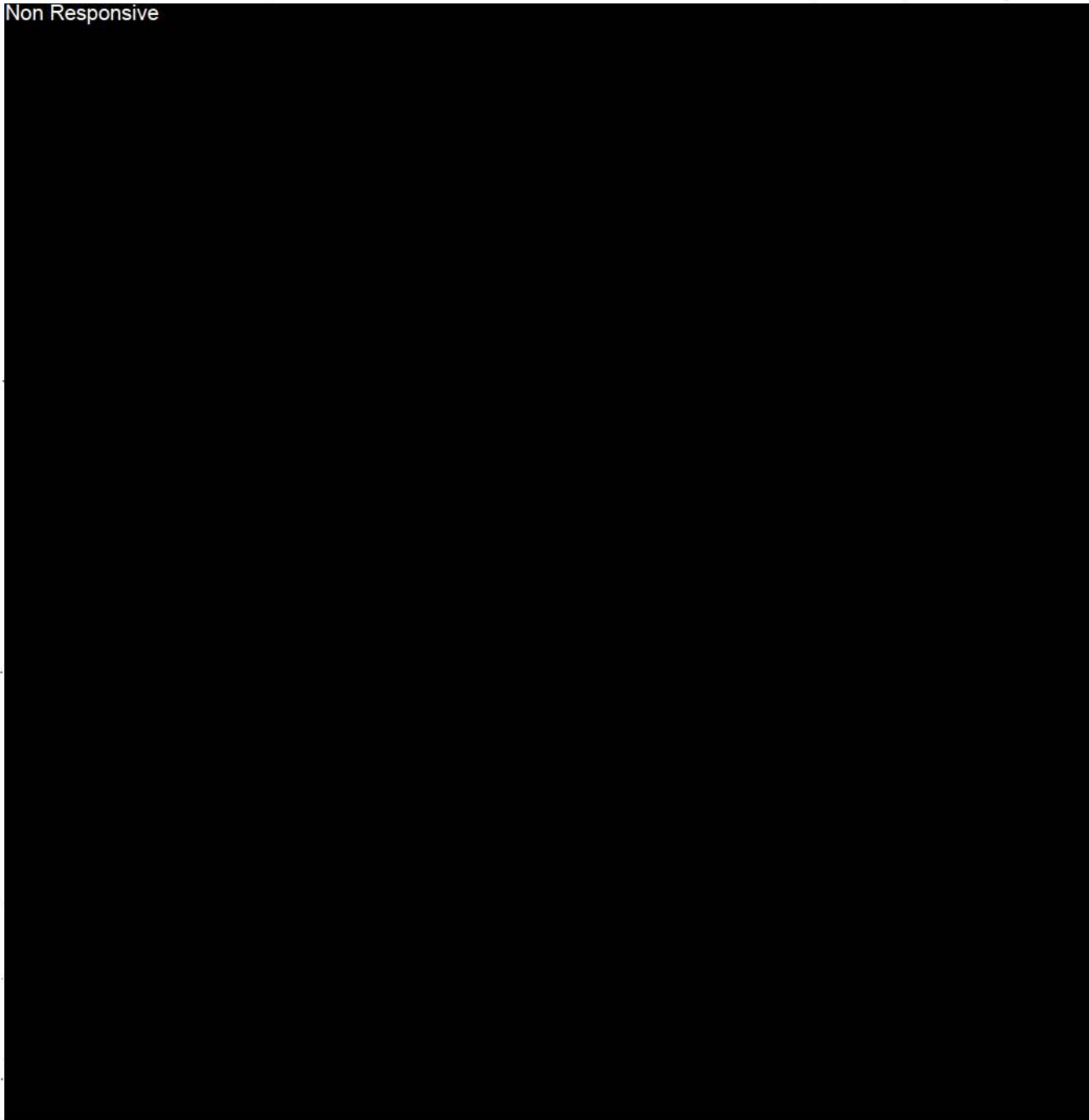
The following report is written in the present tense. Because of the inherent ebb and flow of the activities discussed, certain aspects of the report may now seem outdated, especially in light of recent events such as the turmoil in Iran and recognition of the People's Republic of China. Regardless of these events, however, its integrity and relevance remain intact; many of the highly questionable activities described herein continue, and there now exists no effective institutional structure for controlling them. For that reason, the reduction or even the cessation of foreign agent activities by such forces as, for example, the Iranian secret police, should not be viewed as a harbinger of the end of these activities; rather, it may simply have created a vacuum into which other foreign services will be drawn.

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SUMMARY

Non Responsive



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identification, and their activities were not known. The Chilean intelligence service is a member of a consortium of South American intelligence services, "Operation Condor," which has, in the past, plotted assassinations in foreign countries and maintained files on anti-regime activists. This service maintains close liaison with the German Nazi colony of La Dignidad in Southern Chile, which makes its substantial resources available to it. (P. 7)

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ACTIVITIES OF CERTAIN
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II. Findings

A. Activities of foreign intelligence agencies in the United States

- (1) Chile. Although no intelligence officer of the Government of Chile apparently is currently stationed in the United States, such officers have visited the United States using false identification, and their activities were not known. The Chilean intelligence service is a member of a consortium of South American intelligence services, "Operation Condor," which has, in the past, plotted assassinations in foreign countries and maintained files on anti-regime activists. This service maintains close liaison with the German Nazi colony of La Dignidad in Southern Chile, which makes its substantial resources available to it.

The Directorate of National Intelligence, DINA, was established in early 1974 following the overthrow of the Allende regime. It was established as an arm of the presidency, under the direct control of President Pinochet. Colonel Manuel Contreras Sepulveda, a close friend of President Pinochet, was named as Director. DINA's initial mission was to identify and eliminate subversives in Chile, a problem which was regarded as a legacy of the Allende regime. DINA consisted largely of former police and army officers, numbering, by 1977, some 38,000 personnel and supported by a budget of \$27 million. It was organized in a manner similar to that of other intelligence services.

Shortly after DINA was established, Director Contreras came to the United States to seek American assistance. [REDACTED]

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By 1976, with "subversion" under control, DINA turned its attention abroad. In an effort to monitor the activities of Chilean dissidents outside Chile, DINA began to station agents in Europe and certain South American countries. Apparently, no DINA agents were stationed in the United States, although as described below plans were at one time made to do so.

In August, 1977, President Pinochet dissolved DINA and replaced it with the Central Nacional de Informaciones, or "CNI."* The publicly-announced reason was that DINA had completed its mission. In fact, however, the action was likely the result of pressure from within the United States, where sensitivity to Chilean repression was heightened by the assassination of Orlando Letelier, and also of pressure from within Chile. Church and army leaders there disliked the heavy-handedness of Contreras and were concerned about Chile's international image.

The new Director is the former chief of army intelligence and former ambassador to Uruguay, Odlanier Mena-Salinas. Upon taking over in 1977, Mena apparently carried out a major shake-up of the intelligence organization [redacted] A wholesale dismissal of personnel and a total reorganization

*To avoid confusion, "DINA" is used hereafter in reference

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seems to have taken place. CNI's arrest and detention powers were abolished and placed in the hands of the uniformed police. CNI now has no internal police functions, but does retain an intelligence-gathering mission. Moreover, unlike DINA, CNI is not directly under the President but is responsible to the Minister of the Interior. "Quite an improvement in the human rights record" has occurred in Chile since the shake-up, [REDACTED] the number of illegal detentions and political prisoners and the amount of torture have decreased.

Much of the information in the hands of United States intelligence and law enforcement agencies regarding DINA activities in the United States relates to the assassination of Orlando Letelier. Much, though not all, of that information the Executive Branch declined to provide the Subcommittee, and no effort was made to acquire it in the belief that its acquisition might, however inadvertently, interfere with the Justice Department's investigation and prosecution of that case.* Notwithstanding this embargo, it was learned that Chilean officials

*The indictment handed down by the Grand Jury on February 7, 1977, charged the then-Director of DINA, Manuel Contreras Sepulveda, DINA's then-Director of Operations, Pedro Espinoza, and a DINA agent, Michael Townley, with conspiring to murder Orlando Letelier. Contreras, the Grand Jury charged, ordered Letelier's assassination, and Espinoza conveyed the order to Townley.

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have entered the United States, purchased "bugging" equipment, and have brought it out of the United States using bogus passports. The 1976 entry involved the assassination of Letelier; in 1977, persons accompanying President Pinochet to the signing ceremony of the Panama Canal Treaty used false passports. In the case of one of those visits, the false passports were obtained in Paraguay by DINA officers who might have been acting under the umbrella of an organization known as "Operation Condor."

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Established in 1976, Operation Condor is an international consortium of the intelligence services of Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay.* Condor conducts joint operations against common targets in member countries for the purpose of countering what it regards as terrorism and subversion. Chile has been the center for Operation Condor, and, under Condor, Chilean intelligence has maintained officers in Chilean embassies in all member countries. Argentine and Chilean intelligence officers have agreed through Condor that if any Chilean is known to be involved in an Argentine terrorist group, Argentine authorities may kill him upon capture. DINA also maintains an officer in the Chilean embassy in Madrid who has responsibility for operations in Western Europe. In addition, DINA has tried to place representatives in France, England and West Germany to monitor the activities of Chilean leftists in those countries. DINA personnel in Condor use civilian, rather than military, cover.

A highly secret dimension of Operation Condor -- the so-called "phase three" operation -- involves the formation of special teams from member countries assigned to travel anywhere in the world to non-member countries to carry out "sanctions" including assassination -- against Condor enemies. According to the plan, once a given Condor enemy is determined by a first

*Membership has varied from year to year.

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Condor team to be present in a certain country, a second team from Condor is dispatched to locate and surveil the target. A third team, composed of individuals from one member country or from several, is then issued false documentation from member countries of Condor and dispatched to carry out the actual sanction against the target.

Such a "phase three" operation was planned in 1974 following the assassinations of the Bolivian Ambassador in Paris, a Chilean official in the Middle East, and a Uruguayan attache in Paris. Condor thereupon planned an operation aimed at assassinating three well-known European leftists, one of whom was the notorious terrorist Carlos. The plot was foiled, however, when, during the first team's search for the three targets, it was discovered [REDACTED] warned the governments of the countries in which the assassinations were likely to occur -- France and Portugal -- which in turn warned possible targets ([REDACTED] aware of the identity only of Carlos) and called in representatives of Condor countries to warn them to call off the action. They did -- after denying that it had ever been planned.

The above-described plot is relevant insofar as it provides evidence of Condor's capabilities as well as its possible intentions in planning to open a station in Miami shortly afterwards. [REDACTED] unable to determine Condor's specific purpose in doing so, but [REDACTED] did discover the plan and inform

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the Department of State. The Department considered issuing a formal demarche to the governments involved but Secretary Kissinger objected. Instead, it was decided that [REDACTED] would inform Condor, [REDACTED]

[REDACTED] that the United States disapproved. [REDACTED] the Miami Condor station was never opened.

Condor may have become less active in recent months, but [REDACTED] has not, over that period, acquired any information concerning its activities. Whatever its current posture, Condor clearly has the potential of planning and executing drastic covert operations. Indeed, it was barely two years ago that the FBI concluded that "it is not beyond the realm of possibility that the recent assassination of Orlando Letelier in Washington, D.C. may have been carried out as a third phase of 'Operation Condor.'"

Another element with an uncertain relationship to DINA is the "Colony". Located in Parral, Linares Province, "La Dignida" was established by former Nazi Luftwaffe officers at the close of World War Two. The Colony is registered as a "farm property"

[REDACTED]

known in the Colony as "The Commander." [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED] residents must leave Chile through Argentina. The Colony's leadership maintains good relations with Chilean military officials, particularly officers of the Chilean Air Force, who have close ties to the Colony's former Luftwaffe pilots.

The Colony maintains complete autonomy over its territory. Investigations into its activities have always come to an abrupt halt. The Colony's primary source of livelihood is a large dairy farm, although it also produces other agricultural products and engages in some mining. It maintains good relations with the local peasant population, in part because an excellent medical facility maintained by the Colony is open once a week for free medical treatment and medicine to farm families in the area. [REDACTED]

[REDACTED] DINA has maintained a detention center inside the Colony, and there are allegations that torture has taken place there. Allegations also have been made that German personnel, who are described as ex-Gestapo or ex-SS officers, have given instruction in torture techniques and have actually taken part in the application of those techniques. [REDACTED]

[REDACTED]

The Colony has received large amounts of money over the years, probably from German Nazis. DINA, which maintains two facilities

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nearby, makes use of the Colony's national and international contacts. Knowledgeable State Department officials believe that they "might very well indeed be part of the so-called network of German exiles in Latin America."

Precisely what actions have been carried out by DINA and Operation Condor, and what role the "Colony" has played, are unclear. "Our knowledge of DINA operations is almost nil," the CIA stated. What is clear is that DINA and Condor possess both the motive and capability to harm United States residents. The former director of DINA, Manuel Contreras, has said [REDACTED]

[REDACTED] DINA has representatives in all Chilean embassies abroad except behind the Iron Curtain. These agents, he said, served under civilian cover, and their mission included "hittin Chilean enemies in those countries. "We will go to Australia if necessary to get our enemies," he said.