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OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: April 17, 1946

FROM : D. M. LADD

~~CONFIDENTIAL~~

SUBJECT: GREGORY  
ESPIONAGE

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DATE 02-28-2011

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UNDERGROUND SOVIET ESPIONAGE ORGANIZATION  
(NKVD) IN AGENCIES IN THE U. S. GOVERNMENT

*Expects to be Examine*

As a result of certain suggestions made in the recent Communist Supervisors Conference held here at the Bureau on April 8-9, 1946, and particularly from information received from the Washington Field Office by letter dated March 22, 1946, the following suggestions and observations were made concerning the Bureau's coverage with respect to Communist Party activities in the Government, including known and suspected Russian espionage agents.

It was pointed out that there are a tremendous number of persons employed in the United States Government and in the respective headquarters offices of the mass unions in Washington who are Communists and strive daily to advance the cause of Communism and destroy the foundations of this government. It was further pointed out by the Washington Field Office that these people operate without Communist Party affiliations; that they do not carry membership cards or other identifying data, and on the rare occasions when they are questioned, such as in the case of the Hatch Act interviews, they freely perjure themselves in deny any connection with Communism or any of its front organizations. Many of them, when investigated as Hatch Act subjects several years ago, held minor positions in the government, but today have risen to positions wherein they actually formulate policies in the agencies where they are employed. Such departments include the State, Treasury and Commerce Departments, as well as FEA and OSS. It was pointed out that during the investigation of the Gregory case, American citizens were acting as Soviet espionage agents and that there may be other cases in the future referred to the Bureau wherein United States citizens who are government employees may be involved.

The Gregory case has further developed a field of zealous known Communists and alleged Communists who operate daily in the legislative field, such as Charles Kramer, who is on the Kilgore Committee and who, you may recall, recently prepared a speech all or in part for Senator Claude Pepper which was entirely pro-Russian in structure. Other individuals known to be exerting pressure on Congressmen and witnesses before Congressional Committees are Richard and Elizabeth Sasuly, the latter being connected with the United Agricultural Canning and Allied workers Union - CIO. It is known that the Sasuly's are intimate friends of Nathan Gregory Silvermaster and his wife and also are friends of Lee Pressman, General Counsel of the CIO.

The Bureau's attention was invited to the fact that with most of the intelligence and counterespionage organizations of the United States Government virtually in the process of disintegration and losing their best men, that the Bureau stands as the one bulwark against the peril of Communism and the only organization capable of collecting and correlating the mass of information and activity which is centered in Washington and which naturally gravitates toward the

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capital of the country, where Communist influences find their ultimate expression in seeking to influence the sources of government control.

The Washington Field Office letter suggested that the Bureau consider instituting a long-term plan of security intelligence of Communistic activity within the District of Columbia designed to identify the Communists and their followers and to develop a comprehensive knowledge of their field of influence, methods of operation and the identity of their associates, so that the government, in the event of war and other crises, may be enabled to act with swiftness and sureness on as large a scale as the situation may demand.

The Washington Field Office further suggested that in order to institute such a program a gradual, carefully supervised expansion of the Bureau's technical coverage should be commenced and that the various Communistic fields should be systematically probed so that the Bureau may become intimately acquainted with the over-all Communist picture in Washington and remain on top of the situation until international and domestic conditions become more settled. It was suggested that technical coverage of Russian activities be expanded to include [redacted] and Russian War Relief. (X)

The Washington Field Office submitted the following recommendations with its letter mentioned above:

1 - It is requested that the Bureau give consideration to the expansion of technical coverage on individuals and organizations believed to be Communist as part of a long-term intelligence program. This program would include 30-90 day technicals on individuals believed to be Soviet espionage agents or Communist Party members or individuals who follow the Communist Party known to be active in government groups and policy-making unions. This coverage should be rotated and handled in a flexible manner in order that the Bureau will be kept abreast of the Communist picture in Washington, D. C.

2 - In order that the above plan may be supervised and directed properly it is suggested that the Bureau set up a desk staffed with personnel having proper Communist background to constitute a research group on Communist and Russian activities in Washington, covering the government, unions and general field, as well as rank and file cards carrying Communists in the District of Columbia. Such a desk would have access to the Silvermaster material, as well as material furnished by those agencies working on Russian and general Communist matters; material from other offices and from the section working on Communist matters generally at the Bureau would, of course, be available.

3 - In connection with the first two suggestions, it is believed that the Bureau may desire to give some study to the [redacted], particularly if the suggested course of action involved any substantial increase in the technical coverage, in order that such coverage would not interfere with phone service through the utilization of their limited number of trunk lines. It was suggested that the Bureau might deem it advisable to consider [redacted]

[redacted] which would obviate the need of utilizing so many trunks of the telephone company. (X)

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ACTION:

With respect to the above suggestions submitted by the Washington Field Office, the following observations are being made:

Concerning suggestion number 1, it is agreed that expansion of technical coverage on known and suspected Communist Party members should be effected on a gradual scale and on a spot-check basis, and this coverage will be expanded on a highly selective basis as requests are received by the Bureau from the field. However, it is known that the technical coverage is limited in Washington, due to

[redacted] and because of the existing relations with the local telephone company. It would appear that the main problem is not availability of trunklines [redacted] but whether or not the telephone company will go along with a program of allowing technical coverage of Government employees believed to be Communists working on behalf of the Soviet government. The telephone company is not as cooperative today as it was during the war when its cooperation was on the basis of assisting in the national defense of the country. JCS

With regard to the suggestion that the Bureau set up a desk to supervise, correlate and conduct research on Communist and Russian activities in the District of Columbia, including the Gregory case, it is pointed out that under the present likewise responsible for the Cogog case, which case reflects the activities of Communist Party members and suspected Communist Party members on behalf of the Communist government group in Washington. This Supervisor also handles related matters pertaining to government employees with pro-Communist and pro-Russian leanings. This Supervisor is routed technical logs submitted by the Washington Field Office on Communist organizations and information concerning those individual in the government mentioned in these logs is therefore brought to his attention. Indices are also being maintained on known and suspected NKVD agents in the United States, which, of course, includes those in the District of Columbia. JCS

Concerning the suggestion that an [redacted] is being instructed to survey the possibilities of [redacted] [redacted] [redacted] [redacted] [redacted] JCS

A letter to the Washington Field Office is attached hereto for your approval.

Attachement  
APPROVED BY EXECUTIVES CONFERENCE WITH  
MESSRS. TAMM, GLAVIN, HARBO, CLEGG, TRACY  
AND MUMFORD ATTENDING 4-24-46

JKM

Director's notation: "OK H."

Ok. H.