



# CHAPTER 3

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## *Post Civil War to World War I*

### **Introduction**

At the end of the Civil War, counterintelligence fell by the wayside as the Federal Government focused on the reconstruction of the South. The only practitioners of the discipline were the private detective agencies which, before the American entry into World War I, did a booming business from an increase in demand for strikebreakers and labor spies. By 1917 there were nearly three hundred detective agencies across the country investigating labor activity.

The Pinkerton Detective Agency's unsavory history in industrial labor quarrels led Congress in 1893 to proscribe the hiring of private detectives by any Federal agency. In World War I, however, the demand for professional operatives was so great and the private detective companies so available that Military Intelligence deliberately violated the law.

For many years, after it was organized in July 1865, the Secret Service was the only detective force in the Federal Government, other than a Division of Special Agents of the Office of the Secretary of the Treasury, the investigations of which were concerned primarily with customs matters. When the short-lived Spanish-American War came along, it was the Secret Service and not the newly established War Department's Military Intelligence (MI) or Navy's Office of Naval Intelligence (ONI) which received money from Congress for increased counterintelligence activities. The Service investigated spy leads from MI, ONI, and also from the Post Office, the Justice Department and from U.S. Senators. They also conducted an operation to break up a spy system operated by the Spanish Government in Canada.

Until 1908, when the practice was prohibited by law, Secret Service agents were engaged in special investigations for other departments. They were not permitted to resume this practice until World War I, when the President was authorized to direct the use of the Service wherever necessary. Agents then conducted investigations for alleged pro-German sympathizers and spies in 1918-19 and suspected infractions by firms and individuals of laws, regulations, and orders governing exports during the war.

The Mexican revolution and counterrevolutions of 1914 posed exceptional problems for American counterintelligence. The buying and transporting of weapons from the border states into Mexico, Mexican intelligence operating in the states, and German schemes to use Mexico against the United States during

World War I, were some of the threats facing the meager counterintelligence resources of the U.S. Government.

The most famous activity to occur in the border region was Poncho Villa's raid on the small New Mexico town of Columbus, where several soldiers and civilians were killed. Furious over this brazen violation of American sovereignty, President Wilson ordered General John Pershing to pursue Villa. Pershing's efforts became known as the Punitive Expedition.

During this expedition, human intelligence (HUMINT) and signals intelligence (SIGINT) took on new proportions. Although an embryo intelligence staff had been organized in 1903 as part of the General Staff of the Army, it was up to Pershing to organize his own field intelligence network. He started an "Information Department" which employed a network of agents who reportedly penetrated Villa's camp. He also intercepted and deciphered Mexican communications. "By tapping the various telegraph and telephone wires and picking up wireless messages," according to Pershing, "we were able to get practically all the information passing between various leaders in Mexico."

When World War I began, no single federal agency had any substantial investigative capability, and the modern concept of a counterintelligence community did not exist. The counterintelligence efforts of the Secret Service, the Bureau of Investigation (later Federal Bureau of Investigation), and War Department's Military Intelligence and Navy's Office of Naval Intelligence were insignificant and not coordinated. In fact, these agencies were totally unprepared to deal with the disingenuous espionage and sabotage ring organized in the United States by German Ambassador Johann von Bernstorff.

During the war these agencies expanded and new federal offices emerged, many with intelligence departments. In this atmosphere, interagency competition became particularly acrimonious, first between the Department of Justice and the Secret Service, and later between Justice and Military Intelligence. This situation was noted by the Secretary of State who offered his department as the "clearinghouse" of information obtained from each of these agencies. However, an agreement concluded in 1918 shared the counterintelligence mission between Justice, State, Army and Navy.

## The Office Of Naval Intelligence: A Proud Tradition Of Service<sup>1</sup>

During the period immediately following our Civil War, the United States Navy found itself in a state of disarray and woefully incapable of protecting the nation. Along with ships and men, the ravages of conflict destroyed naval strength and readiness, leaving few seaworthy ships when peace finally arrived.

Yet fueled by the indomitable American spirit and spurred with challenge, there arose a class of naval officer who recognized the need for rebuilding a United States Navy that had come to be ignored in the postwar period by government and citizen alike.

The change that came was wholly owed to a recognition amongst the officer class that emerging technological and educational advances had to be adopted if the service was ever to fulfill its duty to the nation. It was precisely during this time and for those reasons that our nation's first organized agency devoted entirely to intelligence collection and associated activities was founded.

Years before, the U.S. Navy had come to recognize the importance of capitalizing on intelligence to counter enemy plans and movements during both the Revolutionary War and the War of 1812; however, those efforts were best characterized as disorganized and fragmented to such a degree as to be ineffectual.

On 23 March 1892, the Office of Naval Intelligence (ONI) was created with the signing of General Order 292 by William H. Hunt, Secretary of the Navy, and became the first U.S. Government agency devoted solely to the systematic collection of information regarding foreign military affairs.

Originally subordinate to the Bureau of Navigation, ONI would routinely acquire information from military attaches posted abroad or naval officers making cruises to foreign ports, where numerous collection opportunities were presented to command staff personnel. Whether it was charting foreign passages, rivers or other bodies of water, touring overseas fortifications and building yards or conducting other naval related activities as necessary, naval personnel busied themselves collecting

information for ONI regarding the strengths and weaknesses of any alien power that could someday pose a threat to U.S. national security interests.<sup>2</sup>

ONI quickly gained an enviable reputation and for three decades was considered by U.S. government officials to be the most authoritative and reliable source of information regarding foreign military affairs. Even so, a great deal of information collected by this organization, especially that dealing with European shipbuilding advances and associated industrial improvements, would never be put to substantive use.

In fact, volumes of valuable data frequently lay totally wasted and squirreled away in various navy bureaus because ONI lacked the capability in its infancy to render. In-depth analysis that would have insured the material was more thoroughly understood and better used. ONI's shortcomings were recognized as especially critical when it was finally realized that the United States, with a fleet of wooden sailing ships,

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### General Order No. 292

*Navy Department  
Washington, March 23, 1882*

An "Office of Intelligence" is hereby established in the Bureau of Navigation for the purpose of collecting and recording such information as may be useful to the Department in time of war, as well as peace.

To facilitate this work, the Department of Library will be combined with the "Office of Intelligence" and placed under the direction of the Chief of the Bureau of Navigation.

Commanding and all other Officers are directed to avail themselves of all opportunities which may arise to collect and forward to the "Office of Intelligence" professional matters likely to serve the object in view.

William H. Hunt  
Secretary of the Navy

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was quickly shrinking to inferiority in the face of European navies producing iron hulled men-of-war with rifled guns and metal turrets.<sup>3</sup>

During its early days, ONI was officially tasked by the Department of the Navy to collect specifically categorized information deemed essential to the U.S. defense. To fulfill this duty, the Secretary of the Navy mandated that naval officers who could objectively and skillfully collect and report matters of interest to the Navy be chosen for service with ONI in Washington, D.C., posted to any one of several naval attaché positions at U.S. foreign legations, or appointed as special aides to senior military personnel posted abroad. Generally all would restrict their collection to information that was publicly available and could be acquired through overt means like open source publications, from foreign officers with whom the naval attaché or aide might associate and through contacts with knowledgeable political or industrial figures.

Initially, the military and naval attaché system formally established by passage of Congressional Law on 22 September 1888, allowed for the posting that following year of five officers to Berlin, Paris, London, Vienna and St. Petersburg.

Within five years this rudimentary intelligence network expanded modestly and attaché personnel came to be posted in Rome, Brussels, Madrid, Tokyo and Mexico City. For years, the number of naval officers assigned such duties remained limited and at a fixed level or, in some cases, attaches would only be posted to a foreign nation in times of international tension or strife.

It became the primary responsibility of naval attaches to visit naval bases, shipyards, industrial sites and any other commercial or government facilities associated with building, supporting or directing foreign commercial and military maritime efforts. Though officially instructed to perform their duty in an open manner, our former attaches sometimes found it necessary to employ covert measures and the use of “secret agents” to gather information that would be unavailable by any other means.

Even as it was successful in certain regards, the attaché system was probably no more than moderately

effective due to a continual lack of funding and because the posts were difficult to fill with line officers, who generally did not regard such duty as prestigious or career enhancing.<sup>4</sup>

Initially, ONI was more concerned with collecting information regarding the characteristics and weaponry of foreign vessels than with tactics, movements, dispositions or the intentions of those navies. However, by 1915, when it became one of nine subdivisions organized into the Office of the Chief of Naval Operations, ONI would assume responsibility given it by the Navy “General plan” to develop and gather all manner of information on the Navy’s possible adversaries.

The plan allowed for certain collection to be done by covert means and by 1916 the first undercover operation, termed Branch Office, had commenced activity in New York City under the control of ONI. Staffed by naval reservists on active duty or civilian volunteers working without pay, the Branch Office garnered some impressive successes in the field of counterespionage while protecting U.S. persons and properties from subversion and sabotage in the wake of growing world conflict.

Simultaneous to these endeavors, a separate organization called the Aides for Information was developing and employing personnel who were locally assigned to the staffs of fifteen Naval District Commandants.

Individuals affiliated with this effort routinely searched passengers on incoming vessels, provided security at docks, warehouses and factories, investigated subversive activity and executed other necessary duties during this extraordinary period to protect the Navy and country from possible foreign inspired subversion. With Branch Offices centrally controlled from Washington, while aides were supervised by their respective districts it was inevitable that confusion, conflict and duplication arose to such an extent that all investigative activities came to be consolidated under the District Aides.

### **The War Years**

The preeminent concern of ONI when our nation finally declared war on Germany and its allies was the ferreting out of individuals deemed a threat to the

U.S. Navy or national security. Often working on tips provided by a variety of government agencies or patriotic organizations or on information acquired from private citizens swept up by the furor of the time, ONI pursued and worked tirelessly against all those suspected of subversive activity.

ONI operations became quite skilled at a variety of investigative techniques like surveillance and wiretapping and at one point it was actively involved in some 15,000 subversive investigations each week. The identification and neutralization of subversive elements became especially important to ONI after being assigned responsibility for protecting those war plants executing U.S. Navy contracts. ONI field agents routinely checked those plants for physical security, indications of labor unrest that would affect production, loyalty of factory workers and managers and the identification and elimination of anyone who could pose a threat to that company's vital work for the U.S. Navy.

There is no question that ONI did materially contribute to our nation's security and war-making capacity during this trying time although there was a certain amount of attendant frustration. In its enthusiasm to seek out individuals posing a possible threat to national security, ONI could be blame for periodically engaging in "witch hunts" or using questionable methods that would later be judged an affront to justice. Intolerance for different tactics or the needs of other government agencies led ONI into repeated conflicts with Army Intelligence and the U.S. Justice Department. Eventually, Rear Admiral Leigh V. Palmer, Chief of the Bureau of Navigation was forced to comment in August 1918, "...ONI might be pursuing suspects a bit too enthusiastically."

The Director of ONI at that time was further warned, apparently in the interest of fairness, "...to permit people accused of misdeeds to explain their actions before Naval Intelligence recommended dismissal, arrest or internment."<sup>5</sup>

During the First World War, ONI assigned four times the personnel and resources to domestic security work, as it did on foreign collection, after deciding that protecting the home front was its most important mission.

Yet in all fairness, it should be recalled that ONI traditionally considered its primary responsibility to be the collection, evaluation and dissemination of foreign intelligence that was of interest to the U.S. Navy. With our nation's declaration of war and involvement in armed hostilities, ONI was quickly forced to adopt many new responsibilities, like domestic security, without the luxury of extensive planning or very much forethought. Considering the seriousness of the time and overall circumstances, it is not entirely surprising that ONI would be chastised for being a bit too over zealous as it attempted to execute its duties in what was thought to be the most effective manner.

As had traditionally been the case, the bulk of all foreign intelligence collection continued to be performed by those naval attaches posted to U.S. diplomatic establishments in foreign countries. During the war years, naval attaches were forced to rely on the use of agent networks to insure the development of necessary and ever-increasing amounts of information. Emphasis was placed on the development of covert capabilities and the establishment of a global spy network that enlisted a string of agents throughout Latin American and the Far East.

### **The Lean Years**

Some of these networks proved to be quite effective and lent themselves to the development of valuable information while others suffered poor organization and management, producing little other than scant or erroneous information that had disastrous effects at times.

The end of World War I brought a general demobilization and the country's desire to rapidly return to normalcy. With the Armistice signed and our country at peace, few could give reason to the need for maintaining other than a modest military.

Though not completely expendable, ONI with a war machine to support, came to be ignored in large part by the Department of the Navy which cut funding for personnel or operations and pared the organization back in all aspects to its barest minimum. Several years would elapse until 1926 when a limited effort was undertaken to establish groups of volunteer reserve intelligence officers whose goal became the

gathering of information on individuals and activities that could pose a threat to U.S. naval security.

The intent was to create a cadre of personnel who could be called upon to render service in time of national emergency and by the beginning of 1927, some such groups had been created and started to operate in a manner that would be refined during the ensuing several years. Yet the mood of our nation was slow to change and it remained the strongest wish of many citizens that we continue to isolate ourselves from problems and entangling involvement with other nations.

Naturally, few could see the need to collect foreign intelligence and during these years such assignments continued to be regarded as especially undesirable by the regular Army and Navy officers given such responsibilities.

Though ONI by 1934 remained a small and neglected organization with only twenty-four officers and a clerical staff of eighteen, attitudes were slowly beginning to change in certain quarters of government where it was considered necessary to begin collecting more earnestly, information relating to the naval strength, war making capabilities and national intentions of certain foreign powers.

The chief source of this information continued to be the naval attaché system which had generally proven itself to be competent and capable in the past.



*Brigadier General Frederick Funston*

Additionally, a certain amount of data was collected by persons assigned to intelligence staffs of each Naval District although their contribution was quite often weakened by routinely being assigned too many diverse or non-intelligence activities. When the national ambitions of the Axis Powers finally brought Europe and the Far East to war, President Roosevelt mandated in June 1939, that ONI be responsible for the investigation of sabotage, espionage and subversive activities that pose any kind of threat to the Navy.

By the fall of 1940, a selective call-up of intelligence reservists for investigative and counterintelligence duties began, and following our entry into World War II, the Navy's investigative arm was manned almost entirely by reserve officer personnel.

### **A Tardy Awakening**

For some time before the spring of 1914, events along the southern border of the United States had plainly foreshadowed an unfavorable turn in American relations with Mexico. President William H. Taft, therefore, on 21 February 1913, directed the movement of an Army division to the Galveston-Texas City area in order to be prepared to meet any eventuality. Because the War Department General Staff had already gained considerable experience from the similar but poorly planned and executed venture of some two years earlier, this troop concentration was accomplished in a comparatively smooth manner. The anticipated crisis, though, came to an unexpected head on the Gulf Coast rather than along the border, with the Mexican authorities at Tampico seizing a United States navy launch and holding its crews and passengers as prisoners. While these personnel were soon released, apologies and amends in strict compliance with the demands of the commander of the Atlantic Squadron were not forthcoming, so the entire Atlantic Fleet was moved into a position of readiness off Vera Cruz. A small naval force was also put ashore within that city to prevent the landing of an arms shipment destined for Mexican Army use. Military skirmishes promptly occurred and there was consequent loss of life on both sides.

Thoroughly aroused by these provocative developments, Congress jointly resolved, effective 22 April 1914, that the President was fully justified in utilizing the armed forces of the United States to support the enforcement of his demands for redress against the Mexican Government.<sup>6</sup> Due principally to prior staff planning by the Joint (Army-Navy) Board, a reinforced brigade of Army troops under the command of Brig. General Frederick Funston was then successfully transported from several different American ports to disembark without major incident at Vera Cruz on 26 April 1914. This force proceeded to remain in Mexico until November of that same year.

Even though these significant military operations were taking place far to the south, the unsatisfactory military intelligence situation in Washington showed little real improvement. Only one bright spot had appeared on the horizon, with General Wood approving an order which stated that all units operating along the Mexican border would detail carefully selected officers to act, in addition to their other duties, as intelligence officers for collecting “such information as is possible from refugees and other sources, without leaving the limits of the United States.”<sup>7</sup> The main obstacle continuing to stand in the way of any fruitful results from a program of this nature, however, was the fact that the War Department still lacked a staff agency capable of properly processing information derived therefrom. Besides, the officers involved could hardly be expected to put forth much of an effort as long as they were being called upon to perform their intelligence tasks in addition to their normal troop duties.

An event of enormous future portent from the military intelligence standpoint occurred on 18 July 1914, when Congress authorized the formation of an Aviation Section within the Army Signal Corps.<sup>8</sup> While airplanes had previously been utilized on an experimental basis for reconnaissance during maneuvers near New York City in 1912 and an aviation school was already functioning at College Park, Maryland, this legislative enactment served measurably to stimulate further air development throughout the United States Army.<sup>9</sup> It would thus not be long before the eyes of military commanders could be extended over undreamed of distances in seeking information about the enemy and terrain but this same improved capability would also generate a number of complex problems dealing with

command, communications and logistics, so as to alter completely the entire existing military intelligence system.

Congress was at this time still appropriating separate funds each year for “Army War College Expenses” and “Contingencies, Military Information Section, General Staff Corps.”<sup>10</sup> With the departmental military intelligence agency forming an integral part of the War College Division of the General Staff, this outmoded fiscal arrangement naturally provoked a large number of upsetting administrative difficulties. Wanting to respect Congressional wishes in the matter but also desiring to insure that the War College officials would have full control of both funds, it was decided to alter the departmental organization by splitting the War College Division up into a “Military Information Section” and an “Army War College Section.” From this, it might be reasonable to assume that all the work performed by the Division, except that which was connected with operating the War College itself, would now bear directly upon military information activities. Such was not the case, however, because the so-called Military Information Section of the War College Division in May 1915 actually consisted of ten different standing committees, designated as follows:

Military Preparation and Policy  
*War Plans*  
*Organization, Equipment and Training*  
*Regular Troops*  
*Militia*  
*Militia Education*  
*Military Information and Monographs*  
*History*  
*Library and Map Room*  
*Legislation*<sup>11</sup>

According to a statement made by the Chief of the War College Division when this two-section was first adopted, the primary function of the new Military Information Section would be “to do current General Staff work.”<sup>12</sup> It thus becomes readily apparent that the departmental military intelligence agency had finally reached the end of its disastrous journey down the road toward total extinction. The remnants of the original agency were now effectively buried within the Military Information and Monographs Committee



of a misnamed Military Information Section comprising a regular part of the War College Division. Moreover, the members of this standing committee were principally engaged in handling current staff action papers of many different kinds. There was no appropriate agency in being therefore, that could be counted on to supervise a suitable military intelligence collection program, process any information obtained from a collection program, or conduct counter-intelligence activities to satisfy the needs of the War Department and Army at large. This was the vital element so plainly missing in the general staff organization toward the close of 1915, even though the earth-shaking assassination at Sarajevo had already taken place more than a year before.<sup>13</sup>

When World War I suddenly broke out in Europe during the summer of 1914, the War Department found itself right in the midst of a determined campaign, launched earlier by General Wood himself, to reduce the number of Army officers serving on detached service.<sup>14</sup> This drive had been occasioned mainly by a severe shortage of officers that kept reappearing whenever important maneuvers were planned, since there was no adequate provision in the existing tables of organization to compensate for an ever-growing number of officer positions requiring duty away from troops. It carried very serious

implications from the standpoint of military intelligence operations because all the military attaches and observers, as well as the officers attending foreign schools, came under this detached service classification. Even as late as February 1914, the Chief of the War College Division had forwarded to his superiors a most amazing official opinion to the effect that he considered American military attaches unnecessary in Spain, Italy, Austria and Belgium; Switzerland warranted a retired officer only; Russian remained doubtful; and the Balkan States and Turkey were merely of temporary importance.

This last item was apparently in reference to the Balkan Wars of 1912-13. An effort had been made in December 1912 to introduce a large group of American officers into the combat area, including a four-officer cavalry board headed by Brig. Gen. Edward J. McClernaud, to function as official military observers on the Balkan Allies side against the Turks. When the Bulgarian government refused to permit the presence of these observers, the cavalry board return to the United States. During a subsequent campaign, however, two of the other officers did manage to gain permission to visit "certain points of interest" in Serbia and were then able to secure a considerable amount of valuable military information.<sup>15</sup>



*A Counterintelligence Officer of the American Expeditionary Force and Belgian Intelligence questions a suspected enemy agent.*

Furthermore, in the event that the United States Army was called upon to perform any extensive field operations, five military attaches, four of them from Europe, plus all nine student officers stationed in France and Germany, could be quickly relieved and returned to the United States for troop duty.<sup>16</sup>

This threatening intelligence personnel situation commenced to clear up right after the start of the war in Europe because the departmental authorities promptly realized the tremendous importance of obtaining as much information as possible about the combat operations in order to keep the United States

fully abreast of all the latest military developments. The matter actually came to an immediate head during the opening days of the hostilities, when the American Military Attaches in Paris and Vienna, both requested permission to take to the field with their respective host armies and function in the capacity of military observers. This memorandum wisely concluded that it would be much better for the American military attaches in Europe to remain at their regular posts and execute intelligence tasks within the capital cities, while other officers, especially selected due to their technical ability and physical stamina, were detailed to act as observers in the field.<sup>17</sup>



*General Blackjack Pershing leading the Mexican Punitive Expedition to capture Pancho Villa in 1916.*

By November 1914, therefore, in addition to the thirteen military attache posts already established, which now included Austria, France, Germany, Great Britain, Italy, Japan, and Russia, American military observer groups were found to be operating with the combatant forces of France, Germany, Austria and Japanese. Two American military observers were also accepted by the Rumania Army early in 1916.

With this expanded military observer program resulting in a sizeable expenditure of extremely scarce War Department funds, Congress was soon persuaded to increase by \$15,000 the appropriation under "Contingencies, Military Information Section, General Staff" for that particular purpose during FY 1916.

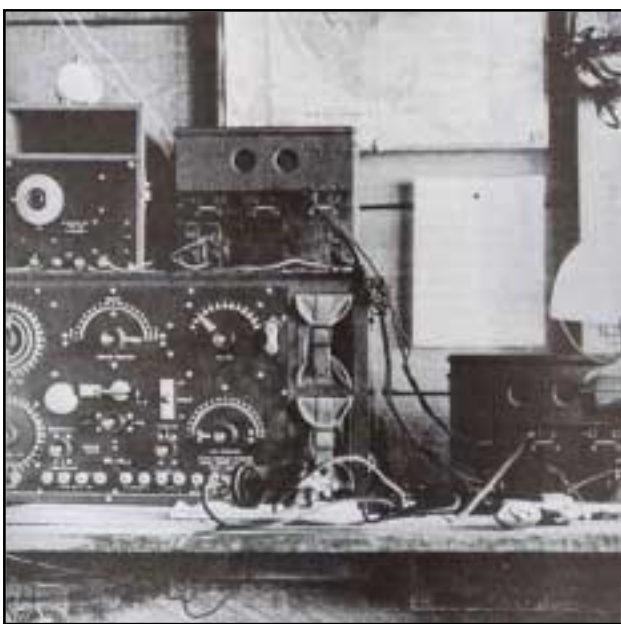
Apparently all went well with these several American military observer groups except the one which was initially formed in France. In that country, despite repeated complaints on the part of the officers directly concerned, the French authorities consistently refused to permit non-Allied personnel to accompany their armies in the field and thereby accomplish any worthwhile military observations. When this frustrating restriction was continued, the entire American group in France signed a "round robin" letter dated 19 July 1916 and addressed to the Chief of the War College Division, asking that they be granted the status of a Military Mission. They would then not only be able to operate independently of the United States Military Attaché in Paris but also



*Poncho Villa (second from left) with two of his Generals, Toribio Ortega and Juan Medina. On Villa's right is Rodolfo Fierro, AKA the "Butcher."*

acquire additional prestige for dealing with the recalcitrant French authorities.<sup>18</sup> While this move was strongly opposed by Lt. Col. Spencer Cosby, the American Military Attaché, it duly received official approval and the necessary inter-government negotiations were completed in November 1916.<sup>19</sup> No real improvement seems to have come from the change, though, because as late as 29 December 1916, the Chief of the American Military Mission in France was still complaining that the privileges being offered to his personnel by the French Army for observing under field conditions were “practically the same as those extended to small unimportant countries, such as, for example, Ecuador and Siam.”<sup>20</sup>

Mexican border incidents were now again on the rise. These disturbances reached a critical peak early in March 1916, when the Mexican bandit leader Pancho Villa crossed the international boundary and launched an attack against Columbus, New Mexico, killing both US soldiers and civilians. With the revolutionary Mexican Government under Provisional President Carranza having thus proved itself incapable of protecting American lives and property along the border, it was decided to organize a Punitive Expedition under Brig. Gen. John J. Pershing, for the specific purpose of entering Mexico and capturing Villa.<sup>21</sup> This turned out to be an exceedingly difficult



*The interior of an Intercept Station operated by the Signal Corps on the Mexican Border in 1918.*

military task, especially in view of the fact that General Pershing’s orders not only called for him to proceed against Villa and his followers but also directed him to pay scrupulous regard at all times to Mexican sovereignty.<sup>22</sup> The latter proviso became increasingly embarrassing after military contacts were developed with Mexican Federal troops following a relatively large scale skirmish with Villistas on 29 March 1916, near Guerrero, some 250 miles south of the border. From then on, clashes between the two regular forces stemmed chiefly from a growing hostile attitude taken by the Carranza government toward the continued presence of American troops in Mexican territory. The Punitive Expedition was finally withdrawn, effective 5 February 1917, with Pancho Villa still remaining at large but his military capabilities having been effectively curtailed.

As an experienced cavalry officer, General Pershing was fully aware of the direct relationship that must always exist between adequate reconnaissance and the security of a military command. He further recognized that the ultimate success or failure of his isolated expedition into Mexico would hinge largely upon an ability to secure timely and dependable information about the forces opposing him, as well as the terrain over which he would have to operate. Since he had previously held military intelligence and general staff duty assignments, he also realized the necessity for keeping the War Department properly informed on his current military situation. He thus took prompt steps to appoint as his intelligence officer Maj. (later Brig. Gen.) James A. Ryan, 13<sup>th</sup> Cavalry, an officer he considered well-qualified for directing an efficient field intelligence organization and one who was already proficient in the Spanish language.<sup>23</sup> Similarly, carefully chosen military intelligence personnel from both the War Department and the Southern Department were ordered to serve at his expedition headquarters. The net result of all this intelligence appreciation was that frequent and copious information reports were sent back to the War Department, mostly in the forms of telegrams. Although an officer of the War College Division had been detailed to read these reports, this was apparently the only positive action taken in connection with them. As a matter of fact, it remains very doubtful that the bulk of them ever found their way into the War College files.<sup>24</sup>

General Pershing was given tactical control of the First Squadron, Aviation Section, Signal Corps,

stationed at San Antonio, Texas, to assist him in solving his difficult reconnaissance problems and to utilize as a supplementary means of communications.<sup>25</sup> Because of the low power of the eight available airplanes, however, in contrast to the high altitude and long distance required for flights over Mexican territory, this service did not prove to be of “material benefit” for either of these purposes.<sup>26</sup> On the other hand, his intelligence organization seems to have made full and excellent use of native agents hired to provide the command with needed information concerning both the Villistas and Carranzistas.<sup>27</sup> Approximately 20 Apache Scouts were also engaged in performing local reconnaissance and tracking missions.<sup>28</sup>

While these historic events were taking place in Europe and Mexico, the unsatisfactory situation with reference to the submerged status of the departmental military intelligence agency continued to remain essentially unchanged. On the other hand, military information was still flowing into Washington from a steadily increasing number of established collection sources throughout the field. Most of this material sooner or later did find its way to the Military Information Committee of the War College Division, but the problem of properly processing it had admittedly become more than its limited membership could manage. Since the Committee was also unable to give any due consideration to the matter of publishing military information for use by the Army at large, this important



*Col. Ralph M. Van Deman became the first Chief of the War Department's Intelligence Organization when it was established in World War I.*

phase of the intelligence effort was likewise being noticeably neglected.<sup>29</sup>

Recognizing that this failure to disseminate available military information to the Army was a major deficiency, the departmental officials attempted early in 1916 to take one remedial step which had some rather embarrassing repercussions. Acting upon a suggestion from the Chief of the War College Division himself, arrangements were made with the Commandant of the Command and Staff School at Fort Leavenworth, Kansas, to have certain intelligence reports, forwarded to that institution for the purpose of preparing intelligence publications for appropriate Army distribution. The first publication issued under this new system, however, brought forth a strong note of protest from the British government because the information upon which it was based had been given to the American Military Attaché in London only after securing his solemn promise to maintain an utmost secrecy in the matter. Hence, this promising experimental program was abruptly cancelled.<sup>30</sup>

The dangerous state of affairs, relative to the manner in which the War Department was failing to fulfill its military intelligence responsibilities, during this period of ever-worsening international relations, was not permitted to go unchallenged by the few experienced intelligence officers remaining assigned to the War College Division.

As a matter of fact, they kept forwarding strenuous complaints on the subject to the Chief of Staff at regular intervals. One of the most comprehensive and forceful presentations along such lines was prepared by Maj. (later Maj. Gen.) Ralph H. Van Deman of the General Staff Corps, who had been an early member of the original Military Information Division, and had later played a key role in connection with Army intelligence operations in the Far East. As a true intelligence zealot he became gravely perturbed when, following his arrival in May 1915 for duty within the War College Division, he observed how the War Department was neglecting to execute its basic military intelligence mission. During March 1916, he drew up a detailed summary of historical facts bearing upon the problem and concluded therefrom that the reestablishment of a separate Military Information Section without further delay

was plainly indicated. This study was then not only promptly approved by Brig. Gen. H.H. Macomb, Chief of the War College Division, but also forwarded to the Chief of Staff with an added comment that he personally believed the time had now come to effect a sweeping reorganization of the entire General Staff structure on a totally new basis.<sup>31</sup>

Although no immediate improvement resulted from these particular War College Division recommendations, the Chief of Staff soon did authorize one important action, long advocated by the military intelligence officials, which was deliberately aimed at achieving a better coordination of effort for collection activities in the field. A general order was thus published, on 25 April 1916, directing as follows:

1. Department commanders will establish and maintain an intelligence office at their headquarters to operate under the personal supervision of the Department chief of staff.

2. This will also arrange for the detail of intelligence officers at such posts and field detachments of their subordinate commands as is deemed necessary by the circumstances.

3. Each Department intelligence, insofar as its intelligence duties are concerned, will be considered a branch of the War College Division.

4. The Department chief of staff is authorized direct communication in intelligence matters with the War College Division but all military information will first be brought to the attention of the Department commander before being forward thereto.

5. The duties of the intelligence officers will consist generally of collecting and preparing military information for use by the headquarters to which they are attached but, in addition, they should keep the superior headquarters properly informed.

6. Department intelligence officers will set up a complete file and index of all maps, reports, communications, and other intelligence data in accordance with subsequent instructions to be issued from the Office of the War Department Chief of Staff. Moreover, all intelligence items will be regarded as confidential until released by authority of the Chief of Staff.

This general order did initiate several progressive steps in the direction of improving intelligence

collection practices for the United States Army but it also represented a distinct compromise with reference to the key question of what direct command authority, if any, the departmental military intelligence agency should exercise over intelligence personnel operating in the field. Even though it included a statement that the department intelligence offices would function as "branches" of the War College Division, the strict application of this particular provision of the original statement remained clear, however, with the intelligence officials in Washington recalling the completely dependent status of the previous Havana and Manila Branch Offices, and wanting to form an Army-wide military intelligence system along parallel lines.

During 1915, when the Nation was simultaneously faced with the threat of further trouble in Mexico and the growing possibility of becoming directly involved in the European War, the matter of military reform again came under active consideration.<sup>32</sup> Secretary of War Lindley M. Garrison had already instructed the War College Division of the General Staff to prepare a broad study covering the entire field of America military policy. This study, which was finished in 1915, then led to a thorough airing of that politically explosive subject in Congress.<sup>33</sup>

With these Congressional discussions still in progress, Garrison chose to resign in order to register a sharp protest over President Wilson's refusal to accept his proposal for the establishment of a Federal Reserve force which could favorably supplement an enlarged Regular Army and improved National Guard.<sup>34</sup> This personal sacrifice on the part of a notably courageous Secretary of War served to dramatize the issue of military reform and helped materially to insure Congressional passage of a new and comprehensive National Defense Act in June 1916. The Act not only called for the creation of an Army of the United States to consist of a Regular Army, Volunteer Army, Officer's Reserve Corps, Enlisted Reserve Corps, National Guard while in the service of the United States, and other land forces authorized by law, but also permitted an increase in the strength of the Regular Army up to a total of 175,000 by means of annual increments extending over the next five years.

Meanwhile, on 9 March 1916, Newton D. Baker was appointed the new Secretary of War. Although possessed of a strong pacifist background and, like Secretary Elihu Root, without any previous experience in military matters, Baker was destined to be regarded as one of the truly great American Secretaries of War. This seems all the more noteworthy because, during a lengthy term of office, from 9 March 1916 to 4 March 1921, his extraordinary talents were constantly taxed to the utmost by the terrific demands of World War I and its complicated aftermath. When he first assumed office, for example, he was immediately faced with the tremendous task of revitalizing a newly-created Army of the United States under legislative authority granted to him by an untried National Defense Act that had been optimistically designed to mature over a lengthy period of five years. Actually, of course, it was to be less than one year before the war clouds descended upon the country in full force.

The National Defense Act of 1916 did represent a forward advance of major proportions for providing the War Department with badly needed legislative assistance in solving some of its more important national defense problems but it also included several unfavorable stipulations which were pointedly aimed at the Army General Staff. Unfortunately, these same stipulations could only serve to handicap the proper execution of the Act itself. One of them, for example, specified that not more than half of the officers detailed to the General Staff Corps “could be at any time stationed or assigned to or employed upon any duty in or near the District of Columbia.” Although the Act also granted an increase of 18 officers for the General Staff Corps, this expansion was scheduled to come in annual increments extending over a five-year period. In June 1916, therefore, the total number of General Staff Corps officers was fixed at 41 officers, with only 19 of them on duty within the Washington area. Since highly technical and difficult staff problems had already become the order of the day throughout the War Department, these personnel restrictions gravely hindered the successful conduct of any effective planning for a prewar expansion program.

The serious shortage of General Staff personnel was promptly reflected, of course, in the War College Division, which soon found itself reduced to a total

complement of just nine officers. At the same time, though, the flow of information into its so-called Military Information Section kept rapidly mounting. The problem of processing this huge amount of material thus soon became so overwhelming that toward the close of 1916, Brig. Gen. Joseph E. Kuhn, the Acting Division Chief, decided to cancel the remainder of the War College course and to utilize all available personnel in making an “extensive study of military intelligence reports from abroad, so the information compiled might be imparted to the troops.” Before doing this, he had also requested authority from the Chief of Staff to reorganize his division into three new sections and to designate them respectively as the Military Information, Military Operations and Military Preparedness Sections.<sup>35</sup> While such a move would have plainly helped to restore the lost independence of the departmental military intelligence agency, no definite action could be taken along those lines until after the war actually started.

General Kuhn also took several other positive steps to remedy glaring deficiencies in the military intelligence effort. During March 1917, for instance, he opened a series of discussions with the Chief of the Militia Bureau concerning the practicability of having selected National Guard officers nominated to become intelligence officers and receive special training under War Department direction. The result was that the Chief of Staff shortly authorized the dispatch of a confidential letter addressed to the Adjutants General of all States, the Territory of Hawaii and the District of Columbia, instructing them to make such appointments. On the eve of America’s entrance into World War I and prior to the start of a general mobilization, therefore, the War Department was assured of having at least the nucleus of an intelligence organization installed in most of the larger cities throughout the country. Likewise, a number of National Guard officers had already received a worthwhile amount of preliminary intelligence training, especially within the counterintelligence field.

Nevertheless, despite these few scattered signs of a tardy awakening, when the United States declared war against Germany on 6 April 1917, the period of

imposed adversity for the departmental military intelligence agency was still essentially in force. The agency thus continued to remain s deeply submerged with the General Staff organization that it could not execute any of its fundamental intelligence responsibilities in a proper manner. At the same time, along with the rest of the War Department, it was also suffering markedly from a lack of trained general staff personnel stemming from the restrictive provisions of the National Defense Act of 1916. Under the far-sighted leadership of General Kuhn, Chief of War College Division, strenuous last minute efforts had been made to improve this distressing situation but events were now marching ahead so swiftly that the cumulative mistakes of more than ten years duration could not possibly be rectified prior to the entrance of the United States into World War I. As a result, most of the indicated intelligence reforms had to be undertaken at a greatly accelerated rate right in the midst of the widespread confusion and uncertainties that habitually accompany large-scale military expansions. The marvel is that any satisfactory progress could be achieved at all in the face of the seemingly insuperable obstacles which were actually encountered.

With the advent of World War I, the general period representing the preliminary development of the departmental military intelligence agency came to an abrupt conclusion. Although the Military Intelligence Division was not officially reestablished until 26 August 1918, to all intents and purposes it started to function on a comparatively independent basis just three weeks after the declaration of war against Germany. Strongly influenced by sound operational principles that were originally formulated by General Washington during the course of the American Revolution and then subjected to trail in the field over a lengthy succession of formative years, the agency had experienced a highly promising start in 1855 under the direct sponsorship of the Adjutant General. Following the creation of a General Staff Corps within the United States Army in 1903, however, it became a victim of a series of unfavorable decisions by higher authority which promptly led to a disastrous decade of imposed adversity. Notwithstanding, the full period did witness a large number of intelligence activities that not only remain of important historical significance but also furnish several enlightening lessons of major concern to the future.

Pursuant to the Freedom of Information Act, 5 U.S.C. §552B(4), the article: "The Underside of the Mexican Revolution: El Paso 1912", pp.83-89, has been redacted at the request of the author.



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### **Imperial Germany's Sabotage Operations In The U.S.**

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As the industrial revolution swept across Western Europe, the nations there sought an outlet for their manufactured products in the less developed regions of the world. Great Britain grabbed the lion's share, but in the decade after 1870, the other European nations moved aggressively to obtain what was left. An imperialistic rivalry was born. France wanted to restore her national spirit after her defeat in 1870. Germany, with an astonishing industrial development and with the most powerful army in the world, demanded "a place in the sun." Russia desired an ice-free port on the Pacific Ocean and Japan searched for new markets to support her overflowing population. In this scramble for markets and territories, Africa was carved up into colonies and protectorates and there was every indication that the same fate awaited Asia.

The rivalries between these European nations were a continuous menace to peace. With Europe wallowing in an orgy of militarism, imperialism, nationalism and intelligence intrigues, it was unlikely that any balance of power could be maintained. It was finally upset in the Balkans where racial hatred and nationalist strivings were complicated by the conflicting ambitions of Austria and Russia.

It was June 28, 1914 in late morning as an inconspicuous Bosnian student waited by a cobble street in Sarajevo. He observed Archduke Franz Ferdinand and his wife drive by on their way to the town hall. The student was Gavrilo Princip, a member of the Young Bosnians, a group that was organized in 1910 to protest against the annexation in 1908 of Bosnia and Herzegovina. A few minutes earlier, another member of the Young Bosnians had tossed a bomb into the Archduke's car but it was deflected by Ferdinand and exploded beneath the security vehicle following the Archduke's car.

After his town meeting, the Archduke ordered his driver to take him to the hospital to visit the injured security guards. Although the driver wanted to take a different road, the Archduke insisted on using the same route where the attack took place. Princip saw them returning and as the Archduke's car passed slowly by, he stepped from the crowd into the street and fired several rounds at point-blank range into the archduke and his wife, killing both. World War I began less than two months later.

Following a century-old tradition, the United States declared a policy of neutrality. President Woodrow Wilson attempted to steer a neutral position among the belligerents but several major influences within the United States eventually caused this policy to be abandoned.

The least effectual of these influences was the heterogeneous character of the American population. When the war in Europe began, about one-third of the American population was foreign-born or of foreign-born parentage. It was this group that the European propagandists first focused their efforts. They had limited success but, in the last analyst, targeting this audience was of little importance in determining how the United States finally acted.



**Count Johann von Bernstorff, German Ambassador to the United States.**

The other three influences played a greater role in President Wilson's decision to declare war on Germany. The first of these was the economic affect the war had on the United States. It caused a tremendous upswing in the economy. The war was destroying the industrial and agricultural base in Europe and the United States became the major source for all types of commodities, particularly foodstuffs and munitions. All this meant a sudden and widespread prosperity. The profits came almost entirely from the Allied Powers. As Great Britain tightened the blockade around Germany and extended the contraband list, it became difficult to export to the Central Powers (Germany and its allies).

While economic interests were tying the United States more closely to the allied nations, organized propaganda was effectively used. Both the Allied and Central Powers exerted themselves to the utmost to influence public opinion, but in this effort, the allied Powers were far more successful. The success was due to Great Britain's control of the cables and strict censorship, which allowed only the news it wanted Americans to hear from the war front to reach the United States. Honest, unbiased news largely disappeared from American papers after August 1914. According to one journalist, the British censors eliminated three-quarters of the dispatches from American correspondents in Central Europe.<sup>83</sup> The British portrayed themselves as saviors of the world from the Teutonic hordes. The French reminded Americans of their contributions to American independence. Against the skillful Allied propaganda, the blundering efforts of Germany to subsidize the American press and influence American opinion made scant progress and were eventually utterly discredited by 1915.

As Franz Rintelen admitted,

*Everybody in Germany was raging. Large packets of newspapers had been received from America, and there was not a word of truth in the reports that were being made about the military situation. We were particularly indignant at the numerous stories of atrocities, which had found their way into the American papers. With this kind of journalism it was inevitable that not only the mass of newspaper readers, but gradually also official circles in America, would assume an anti-German attitude.<sup>84</sup>*

The last major influence was the violations of America's neutral rights by the Germans. To the Germans, the United States remained a problem and they had to develop a strategy to deal with it. The strategy they chose was to keep the United States neutral while at the same time closing off the flow of food and war material from the United States to the Allied Powers. The first part of the strategy depended on diplomacy and the second relied on sabotage.

To conduct this strategy in the United States, the German High Command selected Johann Heinrich Count von Bernstorff, the German Ambassador to the United States.

"Bernstorff, a seasoned diplomat, came to Washington as Imperial German Ambassador during a placid and superficially cordial period in German-American relations and played very well what was largely a ceremonial role before the summer of 1914. However, the outbreak of the World War, and particularly his government's decision in early 1915 to launch an unrestricted submarine campaign against merchant shipping, thrust Bernstorff into the center of a diplomatic firestorm that grew in intensity and culminated in an American declaration of war against the German Empire in 1917."<sup>85</sup>

In July 1914, nine days after the Archduke is assassinated in Sarajevo, Bernstorff left the United



*Captain Karl Boy-Ed*

States for Germany. He believed his summons home was to consult with the German Foreign Ministry. Instead, he met with Section 3B, military intelligence, of the German General Staff. Bernstorff was told that German military intelligence had no experienced officers it can devote to the United States. They informed Bernstorff that all their best officers and espionage agents had been deployed against Germany's enemies in the war, Great Britain, France and Russia. Even if Section 3B could identify a sufficient number of trained agents and mobilize them against the United States, the odds of infiltrating them into America undetected was remote.

*Section 3-B* told Bernstorff that he was to be Germany's espionage and sabotage chief for the Western Hemisphere. To support his effort, he would be assisted by Captain Franz von Papen, currently military attaché in Mexico who was to be transferred to the United States, Captain Karl Boy-Ed, naval attaché, and Dr. Heinrich Albert, the commercial attaché who would be the finance officer for the sabotage operations. With this small group of men, Bernstorff had to carry out the German strategy against the United States.

With Bernstorff in Washington, the other three officials established their operational base in New York City. Albert opened an office at 45 Broadway and von Papen and Boy-Ed use an office in the Wall Street area. Their first task was to identify and recruit agents for their sabotage and subversion operations. The early efforts of the group were ragged and ineffectual.

One of the first enlistee in their plans was Horst von der Goltz, who devised a plan to dynamite the Welland Canal, which linked Lakes Ontario and Erie on the Canadian side of the border, just west of Buffalo. Shippers to transport raw material to American munitions and commodities companies used the Canal.

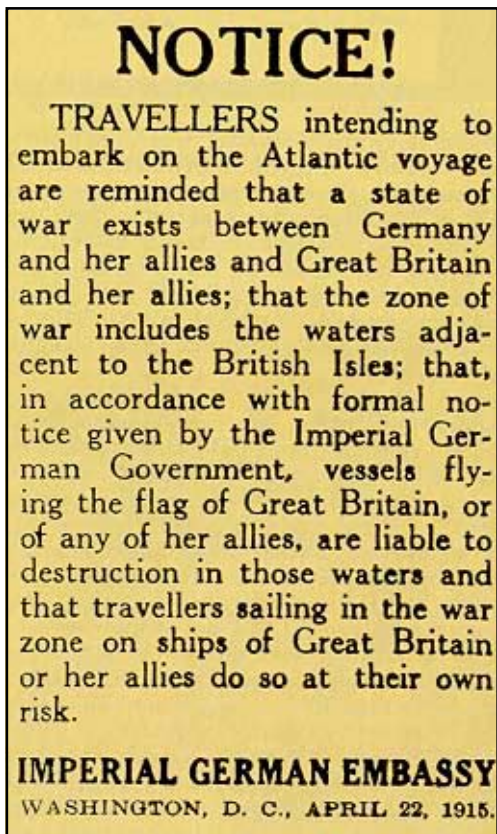
Using the pretext of blasting tree stumps on a farm, a Captain Hans Tauscher, the Krupp representative in New York obtained dynamite from the Dupont Powder Company. Tauscher gave the dynamite to von der Goltz who stored it at a German safehouse operated by Martha Held. Held's row house at 123



West 50<sup>th</sup> Street in Manhattan was also the gathering place for German ship captains who docked in New York.

To help him in his plan, von der Goltz, using the alias Bridgeman H. Taylor, engaged the services of several men. Several days after obtaining the dynamite, the small group of saboteurs left New York for Buffalo by train. Following them was the Secret Service. After surveying the canal and seeing that it was heavily guarded, the men got cold feet and abandoned the plan.

Von Papen reported back to Berlin about the failure and von der Goltz was recalled to Germany. Instead of being reprimanded, German military intelligence ordered him to return to the United States. On his return, the ship stopped in England and von der Goltz walked in to Scotland Yard with an offer of information on German air raids on Britain. Scotland Yard arrested him and during his interrogation, he informed them that he prevented a sabotage plot



*Notice in an American Newspaper advising travelers of the danger of sailing on British Ships.*

against the Welland Canal. The British extradited him to the United States to stand trial.

Once he was in the hands of the American authorities, von der Goltz repeated his story about the sabotage plot. He also guided Department of Justice officers to the safehouse run by Martha Held. Held was interviewed about the dynamite by the Justice officers but claimed she was asked to hold a suitcase but did not know what it contained. Although Justice was aware of this safehouse, they never investigated nor conducted surveillance against it. Horst von der Goltz was tried convicted and sent to prison in 1916.

The next operational plan conducted by von Papen and Albert was to obtain U.S. passports for use by German army reservists residing in the United States to return to Germany to fight against its enemies. After the reservists reached Germany, military intelligence took the passports and used them to send spies into Britain, France and Russia. The problem was that the Department of State had tightened the loose passport regulations by requiring more extensive proof of American citizenship and a photograph of the applicant. To circumvent the new regulations, the Germans resorted to passport fraud.

To conduct the operation, von Papen and Albert recruited a German, Hans von Wedell. Von Wedell devised a plan to have American longshoremen, sailors and street bums in the New York environs apply for American passports. Once they had the passports, von Wedell purchased the passport from them for a small amount of money, usually from ten to twenty-five dollars. It was a great scheme and worked well until some of the street-smart individuals realized what was happening and attempted to blackmail von Wedell for more money. American authorities got wind of the scam and began to investigate but Von Wedell left for Cuba before they had a chance to identify him.

Instead of curtailing their operation after von Wedell left, the Germans recruited another individual, Carl Ruroede, to take von Wedell's place. Ruroede's career as a German agent was short-lived. The Department of Justice's investigation had zeroed in on the location of the office used by the Germans. An undercover agent, Albert Adams, was sent in to make contact

with Ruroede. Posing as a Bowery bum with pro-German views, Adams was immediately enlisted to procure American passports.

With Department of State support, Adams was given four passports to give to Ruroede. Ruroede, an inexperienced agent, made the foolish mistake of showing Adams how the passports were doctored and saying that the passports were going to be used by four Germans to sail to Europe in a few days.

On 2 January 1915 the Department of Justice arrested Ruroede. The ship, *Bergensfjord*, carrying the four Germans using the false passports, was stopped in the harbor and boarded by Justice officials who promptly arrested the men. On board the ship was von Wedell but the officials missed him.

A few days prior to sailing aboard the *Bergensfjord*, von Wedell wrote the following letter, dated 26 December 1914, to von Bernstorff:

“His excellency The Imperial German Ambassador, Count von Bernstorff, Washington, D.C. Your Excellency: Allow me most obediently to put before you the following facts: It seems that an attempt has been made to produce the impression upon you that I prematurely abandoned my post, in New York. That is not true.

I. My work was done. At my departure I left the service, well organized and worked out to its minutest details, in the hands of my successor, Mr. Carl Ruroede, picked out by myself, and, despite many warnings, still tarried for several days in New York in order to give him the necessary final directions and in order to hold in check the blackmailers thrown on my hands by the German officers until after the passage of my travelers through Gibraltar; in which I succeeded. Mr. Ruroede will testify to you that without my suitable preliminary labors, in which I left no conceivable means untried and in which I took not the slightest consideration of my personal weal or woe, it would be impossible for him, as well as for Mr. Von Papen, to forward officers and ‘aspirants’ in any number whatever to Europe. This merit I lay claim to and the occurrences of the last days have unfortunately compelled me, out of sheer self-respect, to emphasize this to your Excellency.

II. The motives which induced me to leave New York and which, to my astonishment, were not communicated to you, are the following:

1. I knew that the State Department had, for three weeks, withheld a passport application forged by me. Why?

2. Ten days before my departure, I learnt from a telegram sent me by Mr. Von Papen, which stirred me up very much, and further through the omission of a cable, that Dr. Stark had fallen into the hands of the English. That gentleman’s forged papers were liable to come back any day and could, owing chiefly to his lack of caution, easily be traced back to me.

3. Officers and aspirants of the class which I had to forward over, namely the people, saddled me with a lot of criminals and blackmailers, whose eventual revelations were liable to bring about any day the explosion of the bomb.

4. Mr. Von Papen had repeatedly urgently ordered me to hide myself.

5. Mr. Igel had told me I was taking the matter altogether too lightly and ought to-for God’s sake-disappear.

6. My counsel...had advised me to hastily quit New York, inasmuch as a local detective agency was ordered to go after the passport forgeries.

7. It had become clear to me that eventual arrest might yet injure the worthy undertaking and that my disappearance would probably put a stop to all investigation in this direction.

How urgent it was for me to go away is shown by the fact that, two days after my departure, detectives, who had followed up my telephone calls, hunted up my wife’s harmless and unsuspecting cousin in Brooklyn, and subjected her to an interrogatory.

Mr. Von Papen and Mr. Albert have told my wife that I forced myself forward to do this work. That is not true. When I, in Berlin, for the first time heard of this commission, I objected to going and represented to the gentleman that my entire livelihood which I had created for myself in America by six years of labor was at stake therein. I have no other means, and although Mr. Albert told my wife my practice was not worth talking about, it sufficed, nevertheless, to decently support myself and wife and to build my future on. I have finally, at the suasion of Count Wedell, undertaken it, ready to sacrifice my future and that of my wife. I have, in order to reach my goal, despite infinite difficulties,

destroyed everything that I built up here for myself and my wife. I have perhaps sometimes been awkward, but always full of good will, and I now travel back to Germany with the consciousness of having done my duty as well as I understood it, and of having accomplished my task.

“With expressions of the most exquisite consideration, I am, your Excellency,”

Very Respectfully,

/s/ Hans Adam von Wedell

Ruroede was tried, convicted and sentenced to three years in prison. The four reservists, pleading guilty, protested that they had agreed to return to Germany on false passports out of patriotism, were fined \$200 each. As for von Wedell, the British took him off the Bergensfjord on the high seas off the coast of England but the British ship was torpedoed and von Wedell went down with the ship.

#### **Heinrich Friedrich Albert**<sup>86</sup>

On 27 July 1915 an ad appeared in the New York Evening Telegram. It read: “Lost on Saturday. On 3:30 Harlem Elevated Train, at 50th St. Station, Brown Leather Bag, Containing Documents. Deliver to G.H. Hoffman, 5 E. 47th St., Against \$20. Reward.” The ad was seeking to recover the lost briefcase of Heinrich Friedrich Albert, a German lawyer, who was serving as Commercial Attaché and financial advisor to the German Ambassador to the United States, Count Johann von Bernstorff. He was also the paymaster for the German sabotage operations in the United States.

To complement their sabotage operations, the Germans invented the idea of establishing a cover company to conduct a covert operation to induce labor unrest and encourage strikes by laborers at munitions companies in the United States. The conceived plan had three goals: the cover company was to purchase vital raw materials and manufacturing equipment and tools to keep them from reaching legitimate companies; to obtain armaments and powder contracts but not honor them; and to pay astonishing high salaries to its workers, causing other companies to do the same or face worker troubles. The plot called for the Bridgeport Projectile

Company, the name selected for the cover company, to begin construction in Bridgeport, Connecticut in April 1915 and ready for operations in September that same year.

It was a bold plan that never came to fruition because of carelessness on the part of Albert. Albert was at the offices of the Hamburg-Amerika Line, at 45 Broadway in lower Manhattan. George Sylvester Viereck, the editor of the *Fatherland*, a pro-German publication, joined him there. Viereck was also under investigation by the Secret Service for violations of America’s neutrality laws.

Before President Woodrow Wilson signed an Executive Order on 14 May 1915, authorizing surveillance of German Embassy personnel in the United States, the Secret Service was limited to watching clerks, technicians and errand boys for the Germans. After Wilson’s order, William J. Flynn, chief of the Secret Service, immediately assigned a ten-man squad to keep the Germans under surveillance. Frank Burke, a young agent, was named head of this unit, located on the top floor of the Customs House at the Battery. Burke initiated coverage on all the significant people he knew involved in German activities, including Viereck.

Viereck, not a trained operative of the Germans, failed to notice that he was under surveillance. Secret Service agent, William H. Houghton, had followed him to the Hamburg-Amerika Line offices. After Viereck entered the building, Houghton telephoned the Custom House in New York and suggested to Frank Burke, that he should join him in case Viereck exited the site with another individual.

Burke and Houghton waited until mid-afternoon before Viereck and Albert came out of the building and proceeded to the uptown-elevated train station at Rector Street. The Germans sat in the middle of the car while Houghton sat opposite them and Burke sat behind them. The Secret Service agents did not know the identity of Viereck’s companion at the time but suspected it might be Albert, a man they heard of but never saw before.

Albert was, indeed, an unknown individual to American counterintelligence. He was six-feet tall, heavy-set, and had crosscut saber scars on his right

cheek, a dimpled chin and a stubby dark moustache. Every day, Albert rode the elevated train between his office at 45 Broadway and his Ritz-Carlton hotel room. He always carried his briefcase, which was stuffed with Berlin telegrams, communications from German agents, financial records and subordinate reports.

Viereck disembarked at the Thirty-third Street stop, trailed by Houghton. Burke remained on the train watching Albert, who was carrying a briefcase. A woman came on board the train and sat opposite Albert. As the train proceeded to the next stop, Albert closed his eyes and dozed off, his briefcase resting on the seat against the wall of the car.

When the train stopped at Fiftieth Street and was ready to move again, Albert suddenly awoke and realized it was his stop. He sprang from his seat and raced out the back door. The woman called to him about his briefcase but Burke picked it up and rushed out the front door. Albert realizing he left his briefcase on the train, reentered the train only to find it missing. He again ran out of the train looking for the person who took the briefcase.

Seeing Albert between him and the exit stairs, Burke partially covered the briefcase with his coat and using other passengers as cover, stood against a wall until Albert went down the stairs. Burke also made his way down the stairs behind Albert. When Burke reached the street, Albert spotted him and began to give chase.

Burke hopped on a streetcar heading uptown. He quickly told the conductor that a crazy fellow who had just caused a big scene on the elevated train was pursuing him. The conductor seeing Albert racing after the streetcar, arms flailing, told the motorman not to stop at the next corner. The streetcar continued on, leaving Albert waving helplessly behind.

Knowing he could not retrieve his briefcase, Albert proceeded to the German Club on Central Park West, where he held an impromptu meeting with German Embassy military attaché, Captain Franz von Papen, and naval aide, Captain Carl von Boy-Ed. Based on what Albert told them, they decided that a common thief had taken the briefcase and, after searching through the papers, would find nothing of value. The

best way to get the papers back, they reasoned, was to place an ad in the newspapers offering a reward.

When Burke opened the briefcase and saw the papers, he notified Flynn. Flynn, in turn, contacted Secretary of the Treasury, William G. McAdoo, at his summerhouse in North Haven, Maine. Flynn took the briefcase to McAdoo, who with his aids decided that the contents proved beyond doubt that the German Embassy in the United States was violating the neutrality laws. McAdoo then took the papers to President Wilson.

The President asked McAdoo to consult with Col. Edward House, the president's closest advisor, and Secretary of State Robert Lansing. The United States government was in a bind because any use of the papers by the government would show that a government agency had stolen the papers of a fully accredited diplomat. Colonel House suggested that the contents of the papers be given to one of the newspapers to publish. The *New York World* was chosen and selected papers were given to the editor, Frank I. Cobb, who agreed to publish them without attribution in return for exclusive use of the documents.

The newspaper published the contents on page one and two succeeding pages 15 August 1915. The paper reported that Albert was the master German spy, who, along with van Papen, devised the Bridgeport Projectile Company operation and obtained approval for it from the German military general staff. According to the newspaper, it was their idea to divert legitimate orders from the British and French away from honest American munitions firms to their cover company with the intention of simply storing the gunpowder and shell casings. In fact, they hired an American industrialist, George Hoardley, to build and operate the plant so as to appear it was a genuine business.

The *New York World* also reported that the German government was financing Viereck's newspaper, *The Fatherland*. In letters between Viereck and Albert, published on the front page of the *New York World*, it showed that Albert was providing \$1,500 monthly to Viereck. It further revealed that Albert was pushing for more say in how the paper was to be managed.

He told Viereck that future payments were being held in abeyance until there was an understanding between them about the future direction of the paper's policy and that he, Albert, had a voice in its financial management.

Other newspapers picked up the story and were constantly hounding Albert for information. Albert, to try to calm the waters, gave the New York World a 2,500-word statement to print in its entirety. In his statement, he claimed that the press misinterpreted his papers. No one believed him and he was often mocked by being referred to as "the minister without portfolio."

Although Secretary of the Treasury, McAdoo wanted Albert recalled by the German government, no official U.S. action was taken against him. When the war began, Albert returned home to Germany where he was given responsibility for foreign assets in the country. When the war ended, he took charge of army surplus sales. In 1923, Chancellor Stresmann asked him to form a government in the Weimar Republic but he was unsuccessful in getting the agreement of the various parties. Instead, he left government to become a rich lawyer and advisor to foreign corporations in Berlin. During Hitler's Third Reich, Albert was on the sidelines, having no official role. After World War II he resumed his career in international business.



*Paul Koenig*

### **Paul Koenig**

On 22 August 1914, von Papen designates Paul Koenig to recruit and supervise a gang of saboteurs. Koenig owned a small detective company, the Bureau of Investigation that handled requests from the Atlas Line, a subsidiary of the German shipping company, the Hamburg-Amerika Line. To accomplish this new assignment, he established a Secret Service Division within his company and instituted strict operational security methods. He prohibited his agents from meeting with him at his office. Instead, he used various locations, the identities of which were coded using a "safety block system." For example, a street indicated during a telephone conversation meant that the actual meeting would occur five blocks further uptown from the street mentioned.

Over the next year he began to put together his sabotage rings. Koenig selects the dock area as the logical place to recruit his members. However, his activities come to the attention of the New York City Bomb Squad. The Bomb Squad was initially organized to investigate crimes of violence but as time goes by, the Squad's attention increasingly focused on the Germans.

One day, members of the Bomb Squad noticed a man apparently working the docks. Inquiries determined that this individual is Koenig, who is employed by the German steamship line. What struck the Bomb Squad as unusual about Koenig's activities, was that they did not appear to be legitimate. The German steamship lines had attempted to send ships to sea under false cargo manifests in order to supply German naval raiders. Because of this violation of American neutrality, the entire steamship line was tied up in Hoboken for the duration of the war. With absolutely nothing to do, the Bomb Squad felt it odd for Koenig to be so busy. They launched an investigation into his activities.

During contact with the Department of Justice, the Bomb Squad was informed that Koenig had previously come to their attention but they eventually dropped their surveillance when they came to the conclusion that he was not worth the effort. The Bomb Squad felt otherwise. They surveilled Koenig to several popular German hangouts in the city; one of which was the German Club in Central Park West.

This same club also frequently hosted Albert, Boy-Ed and von Papen.

The Bomb Squad also determined that Koenig conducted much of his business out of his office. Knowing that any attempt to enter the building to collect information would probably come to Koenig's attention, the Bomb Squad placed a tap on his telephone. For some time nothing happened until one day they heard a person calling Koenig several unspeakable names during their conversation. Several days later, the same person called again, which allowed the Bomb Squad to identify the telephone number from which the person placed the call. It was a public telephone at a bar.

The Bomb Squad contacted the bartender who was able to provide a description of the individual using the telephone. The bartender did not know his name but thought he lived at a nearby address. Checks in the neighborhood allowed the Bomb Squad to identify the caller as George Fuchs. Fuchs was a distant cousin of Koenig who recruited Fuchs to spy on the Welland Canal. Later, Fuchs moved to New York City where Koenig hired him to work for \$18 a week.

To make contact with Fuchs in a non-threatening way, a letter is sent to him by the Bomb Squad offering Fuchs a possible job. A meeting is later arranged and an undercover police officer, posing as the company representative, met with Fuchs. The undercover



*Franz von Rintelen*

officer was able to gain Fuch's confidence. Fuchs confided to the officer the details of the Welland Canal and how he came to New York to work for Koenig. He told the officer that Koenig fired him because of his constant feuding with one of Koenig's operatives and his drinking and disorderly habits. Fuchs was also bitter because Koenig refused to pay him for one days work, a total of \$2.57.

The Bomb Squad contacted the Bureau of Investigation and a few hours later, Koenig is arrested. A search of his house turned up his little black, loose-leaf book. In it, Koenig meticulously kept a record of all his agents and their assignments right up to the previous day.

### **Franz von Rintelen**

On 3 April 1915, Franz von Rintelen arrived in New York City aboard the S/S Christianiafjord from Sweden. Before leaving for the United States, he attempted to secure an American passport from the American military attaché in Berlin, Major Langhorne, but was unsuccessful. Instead, he procured a Swiss passport, originally issued to Emily V. Gasche but altered the name to Emile V. Gasche.

Rintelen's mission was to prevent the shipment of munitions from the United States to the Allies. He claimed he was sent by the German Naval Ministry to replace Carl Boy-Ed, who was considered inefficient and unsatisfactory. He also claimed to have acted independently of Boy-Ed, von Papen and Ambassador Bernstorff. Instead of seeking assistance from the Hamburg-American line, which was used by Boy-Ed, von Papen and Bernstorff, he went to the German Lloyd line.

After his arrival, he probably conferred with Albert, the commercial attaché and sabotage financier, about the current situation in the large American munitions plants and to review financial information gathered by the Reichspress Bureau. He then met with von Papen to obtain the services of Walter Theodore von Scheele. Scheele was a major in the German Army and an intelligence agent. He came to the United States on an industrial espionage mission but was seconded to von Papen after the latter's arrival. Von Papen agreed to Rintelen's request and Scheele began

to build incendiary bombs for use aboard supply ships carrying food and munitions to the Allies.

Besides Scheele, Rintelen gathered about him a select group of recruits to carry out his operational plans. Within this group was an Executive Committee composed of Scheele; Eno Bode, a German citizen and superintendent of the Hamburg-American line; Erich von Steinmetz, also known as Captain Steinberg, Stein, H. Reichart, and Harold Rasmussen, who reported entered the United States disguised as a woman and carrying disease germs; and Otto Wolpert, a German citizen who was the pier superintendent of Atlas Lines. The Executive Committee met on Saturday afternoons at the Hofbrau House at 27<sup>th</sup> and Broadway in New York City.

Rintelen's plans called for fomenting strikes, firebombing shipping, instigating embargoes and pacifist propaganda, fomenting revolution in Mexico, purchasing munitions for the German government and shipping supplies to Germany. To finance his operation, Rintelen received funds from the Reichsbank through Richard A. Timmerscheidt, a naturalized U.S. citizen of German origin. Timmerscheidt was a partner in the bank of Ladenberg Thalmann & Co. He was also a German finance agent for espionage, propaganda and commerce. Scheele testified that Rintelen's expenditures of \$10,000 and over were subject to approval by Albert. Most of the funds expended were not paid directly from Rintelen's bank account but rather was disbursed in certificates of deposit payable to bearer.

On 20 April 1915 Scheele delivered the first lot of 150 firebombs to Wolpert at a meeting at Carl Schimmel's office. Schimmel was responsible for obtaining information as to the exact sailing dates of vessels. Scheele had made the bombs in the engine room of the S/S Friederich der Grosse, NGL pier, in Hoboken. Scheele had constructed each incendiary device to look like a cigar-shaped tube. The tube was sealed at both ends. A thin copper disk separated two chambers within the tube. One of the chambers contained sulfuric acid and the other was filled with picric acid.

The first operation was planned for New Orleans. Steinberg had originally traveled there on 4 April to

make arrangements for the distribution of the tetanus, foot and mouth and meningitis germ cultures that he had smuggled into the country. However, the cultures had lost their vitality and he was attempting to revive them but was unsuccessful.

Rintelen ordered Steinberg to return to New Orleans with Bode to recruit individuals to plant the firebombs on ships sailing from New Orleans. They recruited Maurice C. Conners, an American citizen. They offered Conners \$25,000 cash for planting the bombs and \$5,000 for each ship disabled. Before any activity took place, Rintelen canceled the contract, recalled Steinberg and Bode and sent Scheele to New Orleans. Scheele contacted Conners to renegotiate the contract and offered \$5,000 in cash and \$10,000 in notes. When Conners accepted the terms, Rintelen, using the alias Hansen, confirmed the arrangements in a telegram. Rintelen sent \$5,000 to Scheele through Mechanics and Metals Bank in New York City to the Bank of New Orleans. Scheele withdrew the funds and paid Conners in cash.

Conners recruited two other individuals to help him and all three men traveled to New York. There they conferred with Steinberg, Bode and Scheele, who provided the three men with 80-90 firebombs. The three men returned to New Orleans but never carried out the plan. Conners sold the firebombs to a junk dealer.

Although the first sabotage attempt against shipping was a failure, Rintelen soon saw success. He persuaded a German-American woman he knew to write to the Russian military attaché in Paris, Count Alexis Ignatieff, who was an old friend of hers. In her letter, she informed the Count that she was acquainted with an American importer, E.V. Gibbons (in reality, Rintelen) who wanted to import some wine into the United States. The Count agreed to help and told the woman to have Gibbons use to his to make the purchase. Rintelen did so and promptly paid for the shipment.

Rintelen then wrote to the Count, offering the services of his import-export company to supply goods to Russia. The Count advised Rintelen to contact the Russian purchasing agents in New York and again lent his name to establish Rintelen's credentials.

The Russians awarded Rintelen's false company, E.V. Gibbons & Co. a large contract to deliver munitions and tin meat products. With the Russian contract in his pocket, Rintelen obtained a three million-dollar loan, which he deposited in a bank. Rintelen did no intent to fulfill the contract but the Russians contacted him to request a shorter delivery date and offered to pay a bonus.

Apprehensive that his intrigue might be exposed, Rintelen put together a partial shipment and had it loaded on the *Phoebus*. The Russians paid Rintelen his bonus at the docks. Unknown to them and to the guards that patrolled the decks of the ship with carbines at the ready to discourage pro-German rashness, anti-British stevedores had dropped at least six of Scheele's incendiary devices in hard-to-see crevices in the holds now piled tier upon tier with artillery shells for Russia.

Later *Shipping News* reported: Accidents. *S.S. Phoebus* from New York—caught fire at sea. Brought into port of Liverpool by *H.M.S. Ajax*.

The Russians did not suspect anything. Rintelen again offered his services and filled two large cargo vessels with material. To cover his plans and divert any suspicion from falling on him, Rintelen hired detectives to guard the vessels. After the ships left port, they met the same fate as the *Phoebus*.

The Russians continued to deal with Rintelen until several barges of ammunition suddenly sank as the barges were moved from the Black Tom Island terminal to ships waiting in the harbor. The Russians



*Robert Fay's Suitcase*

did not suspect Rintelen of any wrongdoing but demanded immediate delivery of the rest of their large order from him. Rintelen informed the Russians that he had no intention of honoring their order. Following his confrontation with the Russians, Rintelen moved quickly. He paid off his loan at the bank and liquidated his cover company. By the time the Russians obtained legal counsel, the firm of E.V. Gibbons no longer existed.

On 2 May 1915, the British freighter *Kirk Oswald* sailed from New York bound for Archangel, Russia but was diverted to Marseilles, France. On board the ship, French police discovered the incendiary devices and contacted the New York City Bomb Squad. The Bomb Squad began an investigation and pursued several dead end leads. They initially suspected that an individual or individuals had somehow placed the incendiary devices in the sugar bags as the bags were transported from small boats to the ships for loading. Their investigation failed to discover any saboteurs but they did find stealing of sugar by several of the barge captains.

The Bomb Squad had exhausted all their leads and their investigation was going nowhere until they received a telephone call from the French military attaché in New York. The attaché informed the Bomb Squad about a man who was believed to be involved in purchasing explosive material.

Officers from the Bomb Squad met with the man identified as Wettig. Wettig told his story and cooperated with the officers, who accompanied Wettig as he purchased the material and then delivered it to an address. A check by the officers revealed that the address was a delivery drop site. The actual destination for the package was a garage on Main Street in Weehawken, New Jersey. The officers also determined that the person to whom the package was destined was individual by the name of Fay.

The officers tried to deliver the package to Fay but he was out when they arrived. They left the package but placed surveillance on the garage. The Bomb Squad picked up Fay's trail and surveilled him and another individual along the Palisades where the two men stopped and disappeared into a wooded area. No attempt was made to follow them.



Surveillance continued on Fay for several days. Because the Bomb Squad had no arrest powers in New Jersey, the Bomb Squad contacted the Weehawken police and also the Secret Service. The three agencies agreed to cooperate and conducted joint surveillance on Fay. When Fay returned to the wooded area along the Palisades, surveillance team members followed them. Fay was arrested and confessed that he was a German agent but initially did not implicate anyone else. Later, he told the authorities that he had been waiting for word from von Papen or Boy-Ed to begin his sabotage operations. He said he never planted any incendiary bombs on any ships. He was tried, convicted and sentenced to eight years in prison. After a month in jail, Fay escaped and traveled to Baltimore where he met with Koenig who provided him with funds and instructed Fay to go to San Francisco. Fay, who feared that he would be killed, disobeyed and fled to Mexico and then to Spain, where he was finally captured in 1918.

The Bomb Squad was no closer to catching the saboteurs. A decision was made to send several German-speaking officers into the bars to strike up conversations with the customers. One officer got lucky when one of patrons asked the officer if he would like to be introduced to a man who was doing some work for the Germans. The officer, who used the cover story that he was a special agent for German Ambassador von Bernstorff, was subsequently presented to Captain Charles von Kleist.



*Robert Fay being fingerprinted after his arrest.*

At their first meeting, von Kleist never questioned the officer's bona fides but proceeded to tell the officer about an individual named Dr. Walter T. Scheele, who was using von Kleist in his laboratory in Hoboken. According to von Kleist, Scheele claimed to be a member of the German Secret service. Although the laboratory was ostensibly fabricating agricultural chemicals, von Kleist said its genuine operation was to manufacture incendiary devices. He provided further information on the other members involved in the operation and how the devices were assembled. The reason von Kleist unburdened his soul to the officer was his anger at Scheele because he was owed \$134 in back pay and Scheele would not pay up.

The officer asked von Kleist if he would be willing to meet with a man, who was close to Wolf von Igel and in a position to get von Kleist his back pay if what he said was true. Without any hesitation, von Kleist agreed.

Several days later the Bomb Squad officer and one of his colleagues, posing as the man close to von Igel, met with von Kleist. Again von Kleist repeated his story and offered to show the two officers proof. He took them to the back yard of his house where he dug up one of the empty bomb containers.

The officers then proceeded to arrest von Kleist and took him to their headquarters. Thomas Tunney, the chief of the Bomb Squad, interviewed von Kleist, who repeated his story. After von Kleist was finished, Tunney stepped out of the room for several minutes. A workman was nearby repairing a light fixture and von Kleist, having heard the workman speak some English with a German accent, asked the workman if he would deliver notes to several people. The workman agreed.

Oblivious to the fact that he had been conned twice by two police officers pretending to be someone they were not, von Kleist readily accepted the workman as a legitimate workman. In fact, the workman was another police officer planted in the room. The police used the notes written by Von Kleist as calling cards.

Unfortunately, Scheele escaped arrest and fled to Cuba but was later arrested by the Havana police. The other members of Scheele's operation and von

Kleist were tried, convicted and sentenced to 18 months in jail.

In late April, Rintelen met David Lamar at the offices of Frederico Stallforth, a German citizen and financier, who provided funds to Poncho Villa. Lamar, a U.S. citizen, was formerly employed by J.P. Morgan & Co. but was dismissed and became a crooked stock manipulator known as the “Wolf of Wall Street.” Rintelen and Lamar conceived a plan to foment strikes in munitions factories and shipping agencies. Their goal was to force an embargo on munitions by Presidential or Congressional action, hinder the manufacture and shipping of munitions by attacks on financial institutions and by litigation against pro-Ally business organizations, to create a peace sentiment in the country, and to crystallize pro-German sentiment.

Rintelen provided \$300,000 to \$400,000 to Lamar, who was considered to be the brains and the propelling force behind the conspiracy. Lamar’s experience on Wall Street and his anti-trust agitation, his knowledge of conditions and individuals, his genius for manipulation and his lack of scruples, seemed an ideal fit for Rintelen’s plan. However, Rintelen later realized that Lamar had swindled him.

Lamar’s scam of Rintelen did not mean that the plan was not put into effect. The group hired Frank Buchanan, former President of the International Union of Structural Workers, who was serving in Congress as the representative of the Seventh District (Northern Chicago area). Buchanan was expected to introduce and lead the fight in Congress for embargo legislation. He served the cause well until he was paid; thereafter he went on a prolonged drunk and was useless.

Rintelen was now under intense investigation by American authorities. He decided to leave the United States. Having failed to procure an American passport, he used his Swiss passport in the name of Emile Gasche on which he had entered the U.S. He departed the United States on 3 August 1915 aboard the *Noordam*. When he arrived in Britain on 13 August, British port Control officers arrested him. The British interned him.

Rintelen and several others were indicted by a Federal Grand Jury in December 1915, under the Sherman Act for conspiracy to instigate strikes.

However, it wasn’t until April 1917 that Rintelen was extradited to the United States from Great Britain. Rintelen was tried, convicted and sentenced to one year in prison. This was the first of several indictments of Rintelen. He was later indicted, tried and convicted of a conspiracy to obtain a U.S. passport by perjury, for a plot to destroy the ship *S.S. Kirk Oswald*, and for firebomb conspiracy.

In his jail cell in the Tombs, in New York City, Rintelen asked the Swiss Embassy to protest to the German government concerning his treatment and requested retaliation against members of the Allied Mission to Russia. The German government, through the Swiss Embassy, presented a note to the State Department regarding Rintelen. In the note, they stated that they have been unable to effect an improvement in the situation of Rintelen or his release and threaten reprisals. They proposed to exchange Rintelen for one Siegfried Paul London, who was condemned in Warsaw as a spy.

Secretary of State Robert Lansing answered the note, refusing to consider the release of Rintelen. He denied that reprisals in such a case would be legitimate and suggested that the German Government consider the large number of German subjects interned in the United States who could be made the subject of similar action.

### **Black Tom Island**

The single, most important munitions and gunpowder assembly and shipping center in the United States to supply the Allies was located at Black Tom Island in New York harbor. Because of its importance, it became an obvious target for sabotage. For more than one year the German sabotage leaders, von Papen and Boy-Ed, focused on the facility and viewed it as a critically important target that had to be hit. Despite the recall of von Papen and Boy-Ed in 1915, the targeting of the Black Tom Island facility continued.

On Sunday, 30 July 1916 New York harbor “erupted in one of the greatest military explosions prior to the holocaust of Hiroshima nearly four decades later.”<sup>87</sup> Several days after the explosion had destroyed the entire facility, federal officials and the media attributed the massive blast to carelessness not to

sabotage. In fact, the investigation by the police departments of New York and New Jersey and by federal authorities, which lasted many years, failed to clearly determine how the tremendous blaze originated.

The Bayonne police department acquired the first lead when Anna Chapman contacted them to report her suspicions regarding a lodger at her boarding house. She told Captain John J. Rigney, chief of the police department that her lodger, Michael Kristoff, had returned to the house about 4 A.M. the morning of the explosion and proceeded to pace the floor for a long time. She further stated that she had noticed that whenever Kristoff was out-of-town there had been reported explosions or fires at those locations. She further added that one-day she observed a letter written by Kristoff to an individual, whose name was something like Graentnor, demanding large sums of money.

The Bayonne Police Department contacted the New York City Bomb Squad and the Department of Justice to brief them on Chapman's information. Surveillance of Kristoff began and for three weeks he was followed. The police eventually arrested him but no real evidence had been gathered to make the prosecution's case and he was released.

The Lehigh Valley Railroad hired the William J. Burns Detective Agency to investigate Kristoff. One of the detectives gained Kristoff's confidence by using the cover as an anarchist. Kristoff told the detective that he was responsible for the Black Tom Island blast. He also introduced the detective to David Grossman, who confirmed Kristoff's involvement in the Black Tom Island affair.

### **The Kingsland Site**

Following the success of Black Tom Island, the next target selected by the German saboteurs was the Canadian Car and Foundry Company at Kingsland. The company had been contracted by the Russians to manufacture artillery shells. The company executives decided not to take any chances with security for their plant. They constructed a six-foot fence around the plant and hired security guards to conduct 24-hour patrols around the perimeter and to screen each worked as they entered the plant.

The group of saboteurs operated under the direction of Frederick Hinsch. Hinsch recruited a German national Curt Thummel, who changed his name to Charles Thorne. Hinsch instructed Thorne to obtain employment at the Kingsland site. Thorne is hired as assistant employment manager. In this position he facilitated the hiring of several operatives sent by Hinsch to infiltrate the factory. One of the men hired is Theodore Wozniak.

Unknown to the saboteurs, a British spy informed the British Secret Service that an individual by the name of Wozniak is a German or Austrian agent. According to the British source, Wozniak has obtained employment with a company located in Kingsland. Fortunately for the saboteurs, the British ignored the information.

After the Kingsland plant is completely destroyed, police and federal investigators uncovered the source of the fire. It started at Wozniak's workbench in Building 30. Like the Black Tom Island explosion, there is no conjecture that sabotage caused the destruction.

Executives of the company launched their own investigation and it pointed to Wozniak. They engaged the services of private detectives to follow Wozniak but he slipped away from them and disappeared.

When the United States declares war on Germany, the German Ambassador von Bernstorff returned home. Three days later, on 17 February 1917, three Germans are arrested for attempting to sabotage the Black Tom Island facility, which had been rebuilt. Under a wartime situation, sabotage was no longer an option since the penalty was death to anyone caught in the act. With the ringleaders gone, the other German saboteurs fled the United States.

## **Department Of State And Counterintelligence<sup>88</sup>**

Shortly after the Office of the Chief Special Agent in Washington was created in 1916, Joseph "Bill" Nye was appointed the first chief special agent. Nye, who also held the title of special assistant to the Secretary of State, reported directly to Secretary of

State, Robert Lansing. The office worked out of two locations, Washington and New York, and operated on confidential funds from the Secretary's Office.

There was no formal reporting of the Office's activities and there was no listing of the Office in the Department's organization or telephone book. The size of the Office was never mentioned, but there were a handful of agents plus some "dollar-a-year" men who had volunteered their services-businessmen, lawyers and from other professions. They covered the entire United States in their operations, and some were sent overseas on special missions.

In 1916, as the United States entry in World War I loomed on the horizon, Secretary Lansing directed Nye to tap the telephones of the German embassy in Washington and report directly to him, daily. Who made the actual telephone tap installation was never mentioned but it was quite clear that the Office of the Chief Special Agent performed the monitoring operation.

One important result of the tap pertained to the Zimmerman Telegram. Nye was able to report in advance to the Secretary why the German ambassador was going to call on him at 4 p.m. on January



*Secretary of State, Robert Lansing*

31, 1917. At that meeting, the ambassador advised Lansing that the German government would launch unrestricted submarine warfare in the Atlantic the next day. Nearly four weeks later, President Woodrow Wilson addressed Congress, asking for a declaration of war.

Each morning at 8 the chief special agent placed on the Secretary's desk a memorandum summarizing information developed during the proceeding 24 hours. Many projects were apparently assigned or approved directly by the Secretary and were reported back only to him.

After World War I, the scope of the Office's special activities diminished greatly. Robert C. Bannerman replaced Nye in 1920. The dollar-a-year men departed, leaving a few agents working out of the New York office, with only the chief special agent left in Washington. In 1927 the chief special agent began reporting to the assistant secretary for administration, Wilbur Carr. However, he still retained his title of special assistant to the Secretary and did report directly to him on sensitive matters.

From 1920 to 1940, jurisdiction for investigation of passport and visa frauds was unclear. Neither Justice, the FBI nor Immigration claimed absolute authority. The Office began to do passport and visa fraud investigations, working with the U.S. attorneys in various cities to obtain prosecutions. In many of these cases, the passport aspect was incidental to a much larger problem-Soviet and German espionage. The investigation of passport frauds in New York led to the discovery of a Soviet intelligence network and succeeded in exposing for the first time the existence of such Soviet operations. In addition, a ring of professional gamblers who operated on the Atlanta run of most steamship lines was broken up through prosecutions on passport frauds.

The accomplishments through the turbulent years of 1920-1940 were carried out by a minimal staff of special agents; at times no more than six. In 1936, when Robert L. Bannerman entered on duty with the Office of the Chief Special Agent in New York City, the New York office had a special agent-in-charge and four special agents. The Washington office

consisted of his father and four clerks; no agents were assigned there.

Some of the duties included passport and visa frauds; special inquiries on behalf of consular officers abroad; various inquiries on individuals and organizations of interest to the Department of State; liaison with all Federal agencies in New York, particularly Immigration and Customs; liaison with the police in New York and the Royal Canadian Mounted Police; arranging port courtesies for visiting foreigners; and providing protective arrangements in the U.S. for visiting heads of state.

All investigations were handled in person; none was conducted by correspondence. Each agent handled about 30 to 40 cases per month. For cases outside New York, the agents would share the travel.

**From Robert Lansing,  
With Enclosure**

*Private and Confidential*

My Dear Mr. President:  
*Washington November 20, 1915*

There has been an unfortunate and probably unavoidable lack of coordination between the different Departments of the Government charged with investigation of violations of law, growing out of the activity of agents of the belligerent Governments in this country. It seems to me that it would be advisable to have a central office to which results of investigations could be reported day by day and the proper steps taken to continue such investigations in the most efficient way. With the idea in view I submit to you a memorandum on the subject. This Department is not anxious to assume additional duties but, unavoidable, all these investigations-or at least the majority of them-have an international phase which should be not only considered but, I think, should control the action of other Departments.

The memorandum rests primarily on the idea that the Counselor for this Department should be the clearing house for the secret reports of the various Departments, and he could-if it seems advisable, and I think it does-furnish duplicates of his information

day by day to the Secretary of the Treasury and the Attorney General, who are especially interested in these investigations.

I should be pleased to receive your views upon the subject, or any suggestion which you may have as to a better plan of coordination of work.

Faithfully yours,

Robert Lansing  
Enclosure

It is understood that the attached memorandum deals only with the preliminary collection of information and investigations for the purpose of determining the importance of the information received. As soon as it appears that any laws have been violated or apparently violated the case would be turned over to the Department of Justice in the regular and orderly way.

The intent of the plan proposed is to keep this preliminary investigation free from delays and centralized in such a way as to keep the scattered threads together. It is also intended to keep the President accurately informed from day to day and the State Department constantly in touch with what is going on. The daily reports as summarized for the Counselor for the State Department should be forwarded in duplicate to the Secretary of the Treasury and the Attorney General.

*Confidential: Memorandum*

A great amount of information, some of it important, much of it trivial and a considerable part of it, misleading or absolutely untrue, is coming to various departments of the Government regarding the activities of people throughout the United States, who are alleged to be endangering the friendly relations of this Government with other governments by undertaking unneutral enterprises, some of which are criminal and some of which are merely indiscreet. Almost all of the acts reported, if true, require careful consideration from the viewpoint of our relations with other nations before this Government's action in the matter is determined.

The information may be divided roughly into information as to acts violating a law and for which the offenders can be prosecuted in the courts, and acts which are not technical violations of law but which are calculated to place the United States in the position of permitting violations of neutrality if they are not stopped. Under the latter may properly come certain acts of accredited representatives of foreign governments. Some of these matters can only be handled by confidential representatives to the accredited heads of the foreign governments involved that such acts are distasteful to our Government and must be discontinued.

There is another class of acts committed by citizens of the United States, either entirely on their own initiative or through influences which cannot be definitely traced and which can only be stopped by publicity, and in some cases the matters involved would be of such a delicate nature as to make it inadvisable even to call attention to them in an official way.

This information is at present coming to the Department of State, the War Department, the Navy Department, the United States Secret Service and the Department of Justice. Doubtless other Departments, such as Commerce, Post Office, and even Interior, receive or could gather information as well. It is seldom that information received is sufficiently definite even to warrant investigation and it is only by piecing together information from a number of sources that any practical lead can be obtained. At present there is no assurance that the various scattered scraps of information which when put together make a clear case will go to the same place. For instance, one item may be received by the Secret Service, the Navy may receive other information—all of which, when put side by side, makes a fairly clear case, but none of which when scattered through the different Departments seems of importance. It is evident that a single office where all this information must be instantly transmitted without red tape is absolutely necessary to an effective organization.

In view of the diplomatic questions involved it seems obvious that the receiving office should be under the Department of State. Otherwise grave errors may be made by well meaning but misdirected efforts. After this information has been received there are at

present three ways in which it may be taken care of: The Department of Justice, the Secret Service and the Post Office Inspectors. The Department of Justice is charged with the gathering of evidence by which the Attorney General may proceed to prosecute for a definite crime; the Secret Service is charged with the protection of the President and the protection against counterfeiting and customs frauds; the Post Office Department is charged with watching for violations of the United States mail. None of these Departments is legally or by organization fitted to handle these matters alone and efficient cooperation without a central directing force with authority to supervise their operations and to assign them their respective work cannot be accomplished practically. There is the further objection that a case turned over by the State Department to any one of these investigating departments or bureaus is lost sight of and its daily developments are unknown for weeks and sometimes months.

To cure this situation, it is suggested:

That an Executive Order be issued placing all these matters under the authority of the Department of State, directing all Government officials and Departments to transmit immediately to the Department of State any information received along these lines and to collect at the request of that Department any information asked for. The Order should also direct that the Post Office Department, the Secret Service and the Department of Justice place their men when requested at the disposal of the Department of State for the purpose of investigating these matters.

It is suggested that the Department of State should assign the Counselor, as being able to decide the legal questions which sometimes arise, without waiting for reference, as the head of the system, acting, of course, always under the Secretary of State and, through him, under the President himself.

It is not thought that any additional force for the Department of State would be required beyond possibly a thoroughly trustworthy stenographer, and if the work is unusually heavy a filing clerk, as it will be absolutely necessary to maintain a card index and to keep each case separate and up to day.

## From Robert Lansing

*Personal and Private*

My dear Mr. President:

Washington November 29, 1915

I feel that we cannot wait much longer to act in the cases of Boy-Ed, von Papen, and von Nuber. I believe we have enough in regard to the activities of these men to warrant us to demand of the German Government the recall of the first two named and to cancel the exequatur of von Nuber, giving notice to the Austro-Hungarian Government that we have done so.

The increasing public indignation in regard to these men and the general criticism of the Government for allowing them to remain are not the chief reasons for suggesting action in these cases, although I do not think that such reasons should be ignored. We have been over-patient with these people on account of the greater controversies under consideration for several months and did not wish to add to the difficulties of the situation by injecting another cause of difference. In my opinion action now cannot seriously affect the pending negotiations, and it would be well to act as expeditiously as possible.

In case you agree with me as to the action which should be taken would you favor informing Bernstorff orally that his attaches are *personae non gratae* or make a formal written statement to that effect without telling him in advance?

In the von Nuber case I would suggest that the Austrian Charge be told that we intend to cancel the *exequatur* of von Nuber.

As you know, I believe that we will soon have to go even higher up in removing from this country representatives of belligerents who are directing operations here. It would appear that these higher officials consider our patience to be cowardice. If this is so, the removal of subordinates would indicate our earnest purpose and would, I believe, help rather than hinder the progress of present negotiations.

I hope a decision can be reached speedily in this matter, as it should in my judgment be done, if at all, before Congress meets.

I enclose memoranda on German and Austrian officials here, among which you will find statements regarding the three mentioned.

## From Walter Hines Page

London, Feb. 24, 1917,

5747. My fifty-seven-forty-six,

February 24, 8 a.m.

Confidential, For the President and the Secretary of State.

Balfour has handed me the text of a cipher telegram from Zimmermann, German Secretary of State for Foreign Affairs, to the German Minister to Mexico,<sup>89</sup> which was sent via Washington and relayed to Bernstorff on January nineteenth. You can probably obtain a copy of the text relayed by Bernstorff from the cable office in Washington. The first group is the number of the telegram, one hundred and thirty, and the second is thirteen thousand and forty-two, indicating the number of the code used. The last group but two is ninety-seven thousand five hundred and fifty-six, with Zimmerman's signature. I shall send you by mail a copy of the cipher text and of the de-code into German and meanwhile I give you the English translation as follows:

"We intend to begin on the first of February unrestricted submarine warfare. We shall endeavor in spite of this to keep the United States of America neutral. In the event of this not succeeding, we make Mexico a proposal of alliance on the following basis: make war together, make peace together, generous financial support and an understanding on our part that Mexico is to reconquer the lost territory in Texas, New Mexico, and Arizona. The settlement in detail is left to you. You will inform the President of the above most secretly as soon as the outbreak of war with the United States of America is certain and add the suggestion that he should, on his own initiative, invite Japan to immediate adherence and at the same time mediate between Japan and ourselves. Please call the President's attention to the fact that the ruthless employment of our submarines now offers the prospect of compelling England in a few months to make peace. Signed, ZIMMERMAN."

The receipt of this information has so greatly exercised the British Government that they have lost no time in communicating it to me to transmit to you, in order that our government may be able without delay to make such disposition as may be necessary in view of the threatened invasion of our territory.

*The following paragraph is strictly confidential.*

Early in the war, the British Government obtained possession of a copy of the German cipher code used in the above message and have made it their business to obtain copies of Bernstorff's cipher telegrams to Mexico, amongst others, which are sent back to London and deciphered here. This accounts for their being able to decipher this telegram from the German Government to their representative in Mexico and also for the delay from January nineteenth until now in their receiving the information. This system has hitherto been a jealously guarded secret and is only divulged now to you by the British Government in view of the extraordinary circumstances and their friendly feeling towards the United States. They earnestly request that you will keep the source of your information and the British Government's method of obtaining it profoundly secret but they put no prohibition on the publication of Zimmermann's telegram itself.

The copies of this and other telegrams were not obtained in Washington but were bought in Mexico.

I have thanked Balfour for the service his Government has rendered us and suggest that a private official message of thanks from our Government to him would be beneficial.

I am informed that this information has not yet been given to the Japanese Government but I think it not unlikely that when it reaches them they may make a public statement on it in order to clear up their position regarding the United States and prove their good faith to their allies.

President Woodrow Wilson discussing his dilemma at the time of the Zimmerman Telegram:

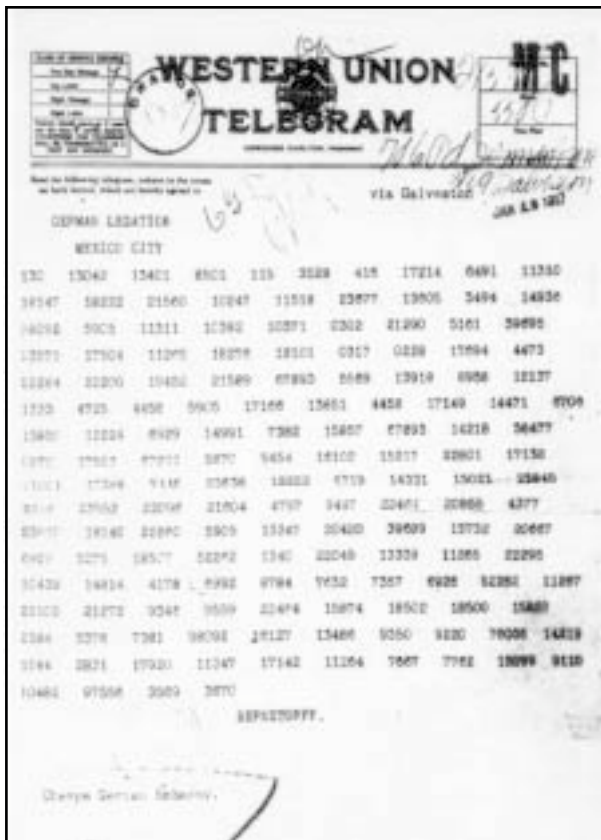
*You have got to think of the President of the United States as the chief counsellor of the Nation, elected for a little while but as a man meant constantly and every day to be the Commander-in-Chief of the Army and Navy of the United States, ready to order them to any part of the world where the threat of war is a menace to his own people.*

*And you cannot do that under free debate. You cannot do that under public counsel. Plans must be kept secret.*

*Knowledge must be accumulated by a system which we have condemned, because it is a spying system. The more polite call it a system of intelligence.*

*You cannot watch other nations with your unassisted eye. You have to watch them with secret agencies planted everywhere.*

*Let me testify to this my fellow citizens, I not only did not know it until we got into this war, but did not believe it when I was told that it was true, that Germany was not the only country that maintained a secret service. Every country in Europe maintained it, because they had to be ready for Germany's spring upon them, and the only difference between the German secret service and the other secret services was that the German secret service found out more than the others did, and therefore Germany sprang upon the other nations unaware, and they were not ready for it.*



**Zimmerman Telegram**



## Counterintelligence: Pre-World War I

The first federal domestic counterintelligence program originated shortly before the United States entered World War I in 1917. The initial threat perceived by federal officials was the activity of German agents, including sabotage and espionage directed at the United States in the period before America entered the war. Although the neutrality laws were on the books, no federal statute made espionage or sabotage a crime. Attorney General Thomas W. Gregory proposed such legislation in 1916, but Congress took no action before American entry into the war. Nonetheless, the Executive Branch went ahead with development of a domestic security intelligence capability.

Several federal agencies expanded their operations. The Secret Service, which was established in the Treasury Department to investigate counterfeiting in 1865, had served as the main civilian intelligence agency during the Spanish American War. With \$50,000 in War Department funds, the Secret Service had organized an emergency auxiliary force to track down Spanish spies, placed hundreds of civilians under surveillance, and asked the Army to arrest a number of alleged spies.<sup>90</sup> After the assassination of President William McKinley by an anarchist in 1901, the Secret Service was authorized to protect the President. Its agents were also assigned to the Justice Department as investigators until 1908 when

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### A Navy Spy

On 5 May 1917, George Roenitz, ex-chief clerk of the Commandant, Naval Station, Pearl Harbor, was arrested and charged with espionage. Rather than stand trial, Roenitz plead guilty to a charge of unlawful possession of documents pertaining to the Naval Station and received a one year prison sentence and a fine of \$250. Because he was discharged from the military in February 1917, Roenitz could not be courts-martial and was sentenced in civilian court. There was no information that he had passed the information on to a foreign power but he was suspected of being a German spy.

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Congress forbade the practice. In 1915 Secretary of State William Jennings Bryan decided that German diplomats should be investigated for possible espionage and he requested and received President Woodrow Wilson's permission to use the Secret Service.<sup>91</sup>

The military had performed extensive security intelligence functions during the Civil War, although operations were largely delegated to commanders in the field. When the military discontinued its surveillance programs after the War of Northern Aggression, as the South refers to the Civil War, Allan Pinkerton, who had worked for the War Department under President Abraham Lincoln founded a private detective agency. The Pinkerton agency and other private detective forces served both government and private employers in later years, frequently to spy upon labor organizing activities.<sup>92</sup> In the year immediately before American entry into World War I, military intelligence lacked the resources to engage in intelligence operations. Therefore, preparation for war rested largely with the Secret Service, and its main competitor, the Justice Department's Bureau of Investigation.

The Justice Department's investigative authority stemmed from an appropriation statute first enacted in 1871, allowing the Attorney General to expend funds for "the detection and prosecution of crimes against the United States."<sup>93</sup> The Attorney General initially employed several permanent investigators and supplemented them with either private detectives or Secret Service agents. When Congress prohibited such use of Secret Service personnel in 1908, Attorney General Charles J. Bonaparte issued an order authorizing creation of the Bureau of Investigation. There was no formal Congressional authorization for the Bureau, but once it was established, its appropriations were regularly approved by Congress. Members of the House Appropriations Committee debated with Attorney General Bonaparte over the need for safeguards against abuse by the new Bureau. Bonaparte emphasized, "The Attorney General knows or ought to know, at all times what they are doing." Some Congressmen thought more limits were needed, but nothing was done to circumscribe the Bureau's powers.<sup>94</sup>

Passage of the Mann Act and other federal statutes prohibiting interstate traffic in stolen goods, obscene materials, and prizefight films soon expanded the criminal investigative responsibilities of the Justice Department and its Bureau of Investigation.

By 1916 Attorney General Gregory had expanded the Bureau's personnel from 100 to 300 agents, primarily to investigate possible violations of the neutrality laws. The Attorney General objected to the Secret Service's investigations of activities which did not involve actual violations of federal laws. However, when President Wilson and Secretary of State Robert Lansing expressed continued interest in such investigations, Attorney General Gregory went to Congress for an amendment to the Justice Department's appropriations statute which would allow the Bureau to do what the Secret Service had already begun doing. With the agreement of the State Department, the statute was revised to permit the Attorney General to appoint officials not only to detect federal crimes, but also "to conduct such other investigations regarding official matters under the control of the Department of Justice or the Department of State, as may be directed by the Attorney General."

This amendment to the appropriations statute was intended to be an indirect form of authorization for investigations by the Bureau of the Investigation, although a State Department request was seen as a prerequisite for such inquiries.<sup>95</sup>

Under the direction of A. Bruce Bielaski, the Bureau concentrated at first on investigations of potential enemy aliens in the United States. According to the authoritative history of the Justice Department:

The Bureau of Investigation made an index of aliens under suspicion. At the end of March 1917, just before the entrance of the United States into the war, the chief of the Bureau submitted a list of five classes of persons. One class, ninety-eight in number, should be arrested immediately on declaration of war. One hundred and forty should be required to give bond. Five hundred and seventy-four were strongly suspected. Five hundred and eighty-nine had not been fully cleared of suspicion. Three hundred and sixty-seven had been cleared of specific offenses. Others, after investigation, had been eliminated from the lists.<sup>96</sup>



*In 1885 the Executive Office Building, then known as the State, War and Navy Building in Washington, D.C., was the first home of Army Intelligence.*

Theoretically, the threat of dangerous aliens was the responsibility of the Immigration Bureau in the Labor Department. As early as 1903 Congress had enacted legislation requiring the deportation within three years of entry of persons holding anarchist beliefs or advocating “the overthrow by force or violence of the Government of the United States.”<sup>97</sup> In early 1917 the immigration laws were amended to eliminate the three year limit and require deportation of any alien “found advocating or teaching the unlawful destruction of property...or the overthrow by force or violence of the Government of the United States.”<sup>98</sup> Nevertheless the Immigration Bureau lacked the men, ability, and time to conduct the kind of investigations contemplated by the statute.<sup>99</sup>

As the United States entered World War I, domestic security investigations were the province of two competing civilian agencies-the Secret Service and the Bureau of Investigation-soon to be joined by military intelligence and an extensive private intelligence network called the American Protective League.

### **The American Protective League**

The American Protective League (APL) was a voluntary association of patriotic citizens acting through local branches which were established in cities and counties throughout the country to operate under the control of a National Board of Directors. The league was formally created on 22 March 1917, two weeks before the American declaration of war,



**Bruce Bielaski**

and, on that same date, became designated as an auxiliary to the Bureau of Investigation of the Department of Justice.<sup>100</sup> The original idea for such an organization had been conceived by *A.M. Briggs* of Chicago, who then continued to function as Chairman of the National Board of Directors. The two other members of this national triumverate were *Victor Elting* and *Charles Daniel Frey*. The league itself was ultimately composed of some 250,000 male citizens, representing “every commercial, industrial, professional, social and economic level in American life.”<sup>101</sup> Moreover, its members were provided with credentials in the form of a membership card and badge showing that the holder was connected with the Department of Justice.<sup>102</sup> These cards were actually issued in certain circumstances by the military intelligence division.

Although strongly supported during its entire career by Attorney General Thomas W. Gregory, the APL was never free from violent criticism. In June 1917, for example, Secretary of the Treasury William G. McAdoo, who was always on the alert to prevent any unauthorized use of the words “secret service” by an agency other than his own Secret Service of the United States, not only wrote to Gregory to register a complaint<sup>103</sup> but also to President Wilson himself in order to lodge a general protest against the whole organization. For the President, McAdoo even chose to compare the APL with the Sons of Liberty of the American Revolution “through which many injustices and abuses resulted.”<sup>104</sup> This historical comparison by McAdoo is neither cogent nor valid. A more fitting description of the prejudicial side of the APL would be the New York Bar Association Report of 1919 which discussed vigilante associations in World War I:

*“...These associations did much good in awakening the public to the danger of insidious propaganda but no other one cause contributed so much to the oppression of innocent men as the systematic and indiscriminate agitation against what was claimed to be an all-pervasive system of German espionage.”*

Defending the league, however, Gregory was able to answer McAdoo:

*“...you state that your attention has been called to this association and that it seems to you it would be dangerous to have such an organization operating*

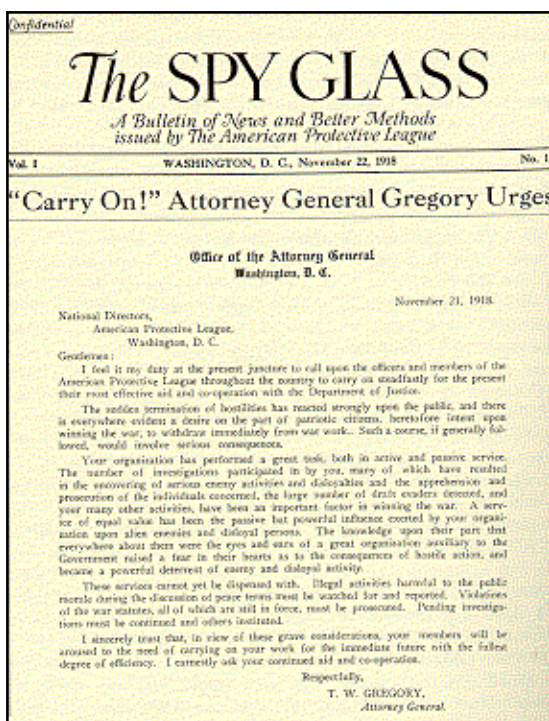
*in the United States, and you ask if there is any way which we could stop it...Briefly stated, the American Protective League is a patriotic organization, composed of from eighty to one hundred thousand members, with branches in almost six hundred cities and towns, was organized with my approval and encouragement, and has been tremendously helpful in the work of the Bureau of Investigation of the Department of Justice. It has no official status and claims none. Its members serve without the slightest expense to the Government, and not a single officer or member receives compensation from any source."*<sup>105</sup>

Beyond any question, the APL did provide the military security officials of the War Department with a tremendous amount of invaluable assistance in the conduct of their many difficult investigative chores. It was found convenient during November 1917, therefore, after the headquarters of the league moved from Chicago to Washington, to commission Charles Daniel Frey, one of the three national directors, as an Army captain. While still remaining a league official, he was then assigned to the departmental military intelligence agency for the express purpose of processing all cases requiring APL action. This task soon assumed such proportions that a regular APL

liaison group was established and, in April 1918, made a separate subsection of MI.3. The civilian chief of this new group was Urban A. Lavery, who continued to act in that role until September 1918, when he was replaced by Captain John T. Evans. By the time of the Armistice, the APL subsection was using the services of 39 clerks, stenographers and typists.

## Counterintelligence In World War I

Shortly after the declaration of war, Congress considerably strengthened the legal basis for federal investigations by enacting the Espionage Act of 1917, the Selective Service and Training Act, and other statutes designed to use criminal sanctions to assist the war effort. But Congress did not clarify the jurisdiction of the various civilian and military intelligence agencies. The Secretary of War established a Military Intelligence Section under Colonel Ralph Van Deman, who immediately began training intelligence officers and organizing civilian volunteers to protect defense plants. By the end of 1917 the MIS had branch offices throughout the United States to conduct investigations of military personnel and civilians working for the War Department. MIS agents cooperated with British intelligence in Mexico, with their joint efforts leading



**American Protective League Publication**



**National Directors, American Protective League  
(l-r) Charles Frey, Albert Briggs, Victor Elting.**

to the arrest of a German espionage agent during the war.<sup>106</sup>

A major expansion of federal intelligence activity took place with the formation of the American Protective League, which worked directly with the Bureau of Investigation and military intelligence. A recent FBI study recounts how the added burdens of wartime work led to the creation of the League:

To respond to the problem, Attorney General Thomas W. Gregory and then Bureau Chief A. Bruce Bielaski, conceived what they felt might suffice to answer the problem. The American Protective League (APL) composed of well-meaning private individuals, was formed as a citizen's auxiliary to "assist" the Bureau of Investigation. In addition to the authorized auxiliary, ad hoc groups too it upon themselves to "investigate" what they felt were un-American activities. Though the intentions of both groups were undoubtedly patriotic and in some instances beneficial, the overall result was the denial of constitutional safeguards and administrative confusion. To see the problem, one need only to consider the mass deprivation of rights incident to the deserter and selective service violator raids in New York and New Jersey in 1918, wherein 35 agents assisted by 2,000 APL operatives, 2,350 military personnel, and several hundred police rounded up some 50,000 men without warrants of sufficient probable cause for arrest. Of the 50,000 arrestees, approximately 1,500 were inducted into the military service and 15,000 were referred to draft boards.<sup>107</sup>

The FBI study also cites the recollection of an Agent of the Bureau of Investigation during World War I regarding the duplication of effort:

How did we function with relation to other agencies, both federal and state? In answering this query, I might say that while our relationship with the Army and Navy Departments was extremely cordial at all times, nevertheless there was at all times an enormous overlapping of investigative activities among the various agencies charged with winning the war. There were probably seven or eight such active organizations operating at full force during the war days and it was not an uncommon experience for an Agent of this Bureau to call upon an individual in the course of his

investigation, to find out that six or seven other government agencies had been around to interview the party about the same matter.<sup>108</sup>

The Secret Service opposed the utilization of American Protective League volunteers and recommended, through Treasury Secretary McAdoo, establishment of a centralized body to coordinate domestic intelligence work. The Treasury Department's proposal was rejected in early 1918, because of the objections of Colonel Van Deman, Bureau Chief Bielaski, and the Attorney General's Special Assistant for war matters, John Lord O'Brien. Thereafter the role of the Secret Service in intelligence operations diminished in importance.<sup>109</sup>

During World War I the threat to the nation's security and the war effort was perceived by both government and private intelligence agencies as extending far beyond activities of enemy agents. Criticism of the war, opposition to the draft, expression of pro-German or pacifist sympathies, and militant labor organizing efforts were all considered dangerous and targeted for investigation and often prosecution under federal or state statutes. The federal Espionage Act forbade making false statements with intent to interfere with the success of military, attempting to cause insubordination, and obstructing recruitment of troops.<sup>110</sup> With little guidance from the Attorney General, the United States Attorneys across the country brought nearly 2,000 prosecutions under the Espionage Act for disloyal utterances.<sup>111</sup> Not until the last month of the war did Attorney General Gregory require federal prosecutors to obtain approval from Washington before bringing Espionage Act prosecutions. John Lord O'Brien, the Attorney General's Special Assistant, recalled "the immense pressure brought to bear throughout the war upon the Department of Justice in all parts of the country for indiscriminate prosecution demanded in behalf of a policy of wholesale repression and restraint of public opinion."<sup>112</sup>

In addition to providing information for Espionage Act prosecutions, intelligence operations laid the foundation for the arrest, of which some 2,300 were turned over to military authorities for internment and the remainder released or placed on parole.<sup>113</sup>

## War Department General Order

**26 August 1918**

This order reestablished the Military Intelligence Division (MID), General Staff when it re-formed the General Staff into four divisions designated: Operations; Military Intelligence; Purchase, Storage and Traffic; and Plans. Appointed to head the reestablished MID was Col. Marlborough Churchill. The functional assignment then given to the new Division was:

This division shall have cognizance and control of military intelligence, both positive and negative, and shall be in charge of an officer designated as the director of military intelligence, who will be an assistant to the Chief of Staff. He is also the chief military censor. The duties of this division are to maintain estimates revised daily of the military situation, the economic situation, and of such other matters as the Chief of Staff may direct, and to collect, collate, and disseminate military intelligence. It will cooperate with the intelligence section of the general staffs of allied countries in connection with military intelligence; prepare instructions in military

intelligence work for the use of our forces; supervise the training of personnel for intelligence work; organize, direct, and coordinate the intelligence service; supervise the duties of military attaches; communicate direct with department intelligence officers and intelligence officers at posts, camps, and stations; and with commands in the field in matters relating to military intelligence; obtain, reproduce and issue maps; translate foreign documents; disburse and account for intelligence funds; cooperate with the censorship board and with intelligence agencies of other departments.

*The term "negative" intelligence fell into gradual disgrace following World War I and was replaced by "counterintelligence."*

### From Albert Sidney Burluson

Dear Mr. President:

*(Washington) November 30, 1918*

I am this moment in receipt of your letter of date November 27th in which you express the opinion that the mail censorship is no longer performing a necessary function. I thoroughly concur in the view expressed and shall accept your letter as a direction to me to bring same to an end.

On the same day you wrote me I received a letter from Mr. Swagar Sherley, Chairman of the Committee on Appropriations, advising me that "it is the purpose of the Committee on Appropriations of the House of Representatives to begin hearings next Monday with the view of returning to the Treasury such appropriations and the cancellation of such authorizations, or parts thereof, granted in connection with the prosecution of the war, as no longer may be required under present conditions" and requesting me to take immediate steps to furnish him "the available information" upon which the Committee could base action looking to the accomplishment of its purpose. I will make known to the Chairman of the Committee on Appropriations the action which has been taken in connection with mail censorship and also advise him that I have reduced the clerical force used in connection with the enforcement of Espionage and Trading with the Enemy Acts in so far as they relate to the Postal Establishment to the lowest possible basis. These are the only activities carrying appropriations which



*Gen. Marlborough Churchill*

*Post Civil War*

have been imposed on the Post Office Department during the progress of the war.

Faithfully yours,

A.S. Burluson

**From Newton Diehl Baker**

Dear Mr. President:

*Washington, December 27, 1918*

It is suggested that in view of the armistice, it would be advisable to modify the Executive Order of September 26, 1918, concerning the censorship of submarine cables, telegraph and telephone lines as far as it affects the telegraphic and telephonic censorship.

The pressure of military necessity is removed, and the activities of the German agents in Mexico are no longer of a sort to require so elaborate and expensive an organization for their observation or control.

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Pursuant to the Freedom of Information Act, 5 U.S.C. §552B(4), the article: "The Witzke Affair: German Intrigue On The Mexican Border", pp.114-122, has been redacted at the request of the author.

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shall willfully obstruct...the recruiting or enlistment service of the United States, and whoever, when the United States is at war, shall willfully utter, print, write, or publish any disloyal, profane, scurrilous, or abusive language about the form of government of the United States, or the Constitution of the United States, or the military or naval forces of the United States, or the flag...or the uniform of the Army or Navy of the United States, or any language intended to bring the form of government...or the Constitution...or the military or naval forces...or the flag...of the United States into contempt, scorn, contumely, or disrepute...or shall willfully display the flag of any foreign enemy, or shall willfully...urge, incite, or advocate any curtailment of production in this county of any thing or things...necessary or essential to the prosecution of the war...and whoever shall willfully advocate, teach, defend, or suggest the doing of any of the acts or things in this section enumerated and whoever shall by word or act support or favor the cause of any country with which the United States is at war or by word or act oppose the cause of the United States therein, shall be punished by a fine of not more than \$10,000 or imprisonment for not more than twenty years, or both...

## **The Espionage Act May 16, 1918**

*Be it enacted*, That section three of the Act...approved June 15, 1917, be...amended so as to read as follows:

**“Section 3.** Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies, or shall willfully make or convey false reports or false statements, or say or do anything except by way of bona fide and not disloyal advice to an investor...with intent to obstruct the sale by the United States of bonds...or the making of loans by or to the United States, or whoever, when the United States is at war, shall willfully cause...or incite...insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or

## **From Edward Mandell House**

*Paris Nov 12, 1918*

Number 99. Secret for the President. Referring further to our number 61, I beg to suggest the following:

The whole problem of securing political intelligence, establishing an adequate counter espionage organization and providing protection for you and for the personnel, papers, and property of the American representatives at the Peace Conference should be dealt with, I believe along the following lines:

### *I. Political Intelligence*

At the present time the United States officials in Europe charged with considering political and economic questions presented by the termination of the war are receiving practically no dependable

information concerning political and economic conditions in the following countries: Poland, Bohemia, Ukraine, Austria, Servia (including Yugo-Slavia), Hungary, Bulgaria, Albania and Turkey. From Roumania and Greece some information is obtained but it is very incomplete. I consider it essential that we at once set up instrumentalities in these localities which will furnish us with information concerning political conditions in these countries and that this information should come to us through American eyes. I do not think it will be difficult promptly to set up an organization for this purpose and I suggest that I be authorized to proceed along the following lines:

A. After conferring with Hoover and learning his plans for relief, to select men from among the United States military and naval forces now in Europe and from any other available sources, who shall be appointed for the time being agents of the Department of State. These men to constitute the basis of a "political intelligence section" of the American delegation to the Peace Conference.

B. To dispatch the men so selected as soon as practicable to do so, to points such as Warsaw, Lemberg, Posen, Prague, Bern (Moravia), Budapest (and some point in Transylvania), Kiev, Serejevo, Scutari, Constantinople, and Odessa. One agent should be sent to each place and he should take with him one code clerk with codes, one stenographer and if necessary one interpreter. A courier service also will shortly have to be established to operate between the United States and individual agents and their base from which messages could be forwarded by telegraph to Paris.

C. These agents so selected not to be in any sense accredited to the countries in which they are located. The military and naval men will of course not wear their uniforms. So far as possible the Governments in the localities to which they are sent will be requested to give them assistance in the conduct of their work. These men would work in close cooperation with any relief (arrangements?) (agencies) set up by Hoover.

D. To set up at some point in the Balkans, such as possibly Bucharest, a central office to which these agents can forward (probably for the President by courier only) their reports for transmission to the United States via Paris.

E. To establish at Paris for the assistance of the American delegation at the Peace Conference a "political intelligence section" under the direction of Grew and such other persons as the State Department may send to help him to which would be forwarded all reports from these agents and from other agents of the Department of State already constituted in European countries.

## II. Counter Espionage Organization

I have conferred with General Nolan the head of the United States Military Intelligence in Europe and I believe that this work should be handed over to him and I suggest that a civil official of the Department of State who has an appreciation of the duty of work desired done should be associated with him.

## III. The protection of the President and of the American delegation at the Peace Conference and their papers and property.

I suggest that the most practical method of handling this problem is through the use of the military authorities working under the direction of General Nolan who is entirely familiar with the peculiar conditions presented by this kind of work in France.

Almost all of the personnel to do the work outlined in paragraph one can be obtained here in Europe. I should very much appreciate an expression of your views respecting this important matter. If the plan as outlined is promptly approved it can be put into operation before the Peace Conference is called.

Edward House

## The Red Scare Period

The end of the war in 1918 did not bring about the termination of counterintelligence operations. The Bureau of Investigation shifted its attention from critics of the war to the activities of radical and anarchist groups. The new threat was dramatized vividly by a series of terrorist bombings in 1919, including one explosion on the doorstep of Attorney General A. Mitchell Palmer's residence. Congress responded with calls for action, although the applicable provisions of the Espionage Act had expired at the end of the war



and no new federal criminal statute was enacted to replace it. Instead, state statutes and the deportation provisions of the Immigration Act became the basis for the federal response.

Attorney General Palmer authorized two major revisions in Justice Department counterintelligence operations in 1919. First, he established a General Intelligence Division in the Justice Department, headed by J. Edgar Hoover, who had served during the war as head of the Department's program for compiling information on enemy aliens. At the same time, Palmer appointed William J. Flynn, former head of the Secret Service, as Director of the Bureau of Investigation.

Less than two weeks after the GID was established, Flynn ordered a major expansion of Bureau investigations "of anarchistic and similar classes, Bolshevism, and kindred agitation advocating change in sedition and revolution, bomb throwing, and similar activities." Since the only available federal law was the deportation statute, Flynn stressed that the investigations "should be particularly directed to persons not citizens of the United States." Nevertheless, he also directed Bureau agents to "make full investigations of similar activities of citizens of the United States with a view to securing evidence which may be of use in prosecutions under the present existing state or federal laws or under legislation of that nature which may hereinafter be enacted." The instructions discussed the provisions of the recent amendments to the Immigration Act, which expanded the grounds for deportation to include membership



*Attorney General A. Mitchell Palmer.*

in revolutionary organizations as well as individual advocacy of violent overthrow of the government.<sup>156</sup> Director Flynn concluded by urging Bureau agents to "constantly keep in mind the necessity of preserving the cover of our confidential informants."<sup>157</sup>

The results of these investigations were reported to the Department's General Intelligence Division for analysis and evaluation. Overall direction of the work of the GID under Hoover and the Bureau under Flynn was placed in the hands of an Assistant Attorney General Francis P. Garvan, who had been a division chief in the New York district attorney's office before the war.<sup>158</sup>

Historians have documented fully the tremendous pressures placed on Attorney General Palmer, not just by his subordinates, but by public opinion, other members of President Wilson's cabinet, and the Congress to act decisively against the radical threat in 1919. For example, Secretary of State Lansing declared in a private memorandum written in July, "It is no time to temporize or compromise; no time to be timid or undecided; no time to remain passive. We are face to face with an inveterate enemy of the present social order." The Senate unanimously passed a resolution demanding that Palmer inform it whether he had yet begun legal proceedings against those who preached anarchy and sedition. According to his biographer, after passage of the Senate resolution, Palmer decided that the "very liberal" provisions of the Bill of Rights were expendable and that in a time of emergency there were "no limits" on the power of the government "other than the extent of the emergency."<sup>159</sup>

The principal result of the Justice Department's counterintelligence activities, in coordination with Immigration Bureau investigations, was the infamous "Palmer raids" on the night of January 2, 1920. Bureau of Investigation and Immigration Bureau agents in thirty-three cities rounded up some ten thousand persons believed to be members of the Communist and Communist Labor Parties, including many citizens and many individuals not members of either party. A summary of the abuses of due process of law incident to the raids includes "indiscriminate arrests of the innocent with the guilty, unlawful

seizures by federal detectives, intimidating preliminary interrogations of aliens held incommunicado, highhanded levying of excessive bail, and denial of counsel.”<sup>160</sup> Apart from the unavoidable administrative confusion in such a large-scale operation, these abuses have been attributed to several crucial decisions by federal officials.

The first was Director Flynn’s instructions to Bureau agents that, in order to preserve “the cover of our confidential informants,” they should “in no case...rely upon the testimony of such cover informants during deportation proceedings.”<sup>161</sup> Consequently, Flynn’s assistant Frank Burke, advised the Immigration Bureau that informants should not be called as witnesses and that immigration inspectors should “make an effort to obtain from the subject a statement as to his affiliations.” The success of eliciting incriminating admission depended, in turn, upon decisions which made possible the prolonged detention and interrogation of arrested persons without access to counsel. In previous deportation proceedings, defense attorneys had urged aliens to remain silent. Therefore, it was necessary to amend the immigration regulation which allowed “attorneys employed by the arrested persons to participate in the conduct of hearings from their very commencement.”<sup>162</sup> The head of the Justice Department’s General Intelligence Division, J. Edgar Hoover, reiterated this request for a modification of immigration procedures.<sup>163</sup> Three days before the raids the regulation was revised to permit hearings to begin without the presence of counsel.

Another barrier to effective interrogation was the alien’s right to bail. Three weeks after the round-up, J. Edgar Hoover advised the Immigration Bureau that to allow aliens out on bail to see their lawyers “defeats the ends of justice” and made the revision of immigration regulations “virtually of no value.”<sup>164</sup> Hoover later told immigration officials that since the purpose of the raids was to suppress agitation, he could not see the sense of letting radicals spread their propaganda while out on bail.<sup>165</sup> He also urged the Immigration Bureau to hold all aliens against whom there was no proof on the chance that evidence might be uncovered at some future date “in other sections of the country.”<sup>166</sup> However, despite the Justice Department’s pleas, the Secretary of Labor ordered a return to previous policies after the raids, once again

allowing detained aliens access to legal counsel and admission to bail if hearings were delayed.<sup>167</sup>

An advantage of the amended Immigration Act had been that aliens could be deported simply for membership in a revolutionary group, without any evidence of their individual activity. J. Edgar Hoover urged literal application of the law to all members regardless of the individual’s intent or the circumstances involved in his joining the organization.<sup>168</sup> Nevertheless, the Labor Department refused to deport automatically every Communist Party alien, instead adopting a policy of differentiating between “conscious” and “unconscious” membership, declining to deport those who membership in the Socialist Party had been transferred to the Communist Party without the member’s knowledge and those whose cases were based on self-incrimination, without counsel or illegally seized membership records. Assistant Secretary of Labor Louis F. Post, who strongly opposed the Justice Department’s position, also defied Congressional threats of impeachment in his vigorous defense of due process of law.<sup>169</sup>

During the months following the “Palmer raids,” a group of distinguished lawyers and law professors prepared a report denouncing the violation of law by the Justice Department. They included Dean Roscoe Pound, Felix Frankfurter, and Zechariah Chafee, Jr. of the Harvard Law School, Ernest Freund of the University of Chicago Law School, and other eminent lawyers and legal scholars. The committee found federal agents guilty of using third-degree tortures, making illegal searches and arrests, using agent provocateurs, and forcing aliens to incriminate themselves. Its report described federal counterintelligence operations in the following terms:

We do not question the right of the Department of Justice to use its agents in the Bureau of Investigation to ascertain when the law is being violated. But the American people have never tolerated the use of undercover provocative agents or “agents provocateurs” such as have been familiar in old Russia or Spain. Such agents have been introduced by the Department of Justice into radical movements, have reached positions of influence therein, have occupied themselves with informing upon or instigating acts which might be declared criminal, and at the express direction of Washington have brought about meetings of radicals

in order to make possible wholesale arrests at such meetings.<sup>170</sup>

The initial reaction of the head of the Justice Department's General Intelligence Division to such criticism was to search the files, including military intelligence files, for evidence that critics had radical associations or beliefs.<sup>171</sup>

The work of the General Intelligence Division was summarized by J. Edgar Hoover in a report prepared later in 1920. Even though federal criminal statutes were "inadequate to properly handle the radical situation," Hoover stressed the "need in the absence of legislation to enable the federal government adequately to defend and protect itself and its institutions (from) not only aliens within the borders of the United States, but also American citizens who are engaged in unlawful agitations." Therefore, in addition to providing intelligence for use in the deportation of aliens, the General Intelligence Division (GID) supplied information to state authorities for the prosecution of American citizens under the broad state sedition laws.

The GID also had expanded "to cover more general intelligence work, including not only the radical activities in the United States and abroad, but also the studying of matters of an international nature, as well as economic and industrial disturbances incident thereto." Hoover described the GID's relationship to the Bureau of Investigation:

While the General Intelligence Division has not participated in the investigation of the overt acts of radicals in the United States, its solo function being that of collecting evidence and preparing the same for proper presentation to the necessary authorities, it has however by a careful review system of the reports received from the field agents of the Bureau of Investigation, kept in close and intimate touch with the detail of the investigative work.

The GID developed an elaborate system for recording the results of Bureau surveillance:

In order that the information which was obtained upon the radical movements might be readily accessible for use by the persons charged with the

supervision of these investigations and prosecutions, there has been established as a part of this division a card index system, numbering over 150,000 cards, giving detailed data not only upon individual agitators connected with the radical movement, but also upon organizations, associations, societies, publications and social conditions existing in certain localities. This card index makes it possible to determine and ascertain in a few moments the numerous ramifications of individuals connected with the radical movement and their activities in the United States, thus facilitating the investigations considerably. It is so classified that a card for a particular city will show the various organizations existing in that city, together with their membership rolls and the names of the officers thereof.

The report said little about any tangible accomplishments in the prevention of terrorist violence or the apprehension of persons responsible for specific acts of violence. Instead, groups and individuals were characterized as having "dedicated themselves to the carrying out of anarchistic ideas and tactics"; as "urging the workers to rise up against the Government of the United States"; as having "openly advocated the overthrow of constitutions, governments and churches"; as being "the cause of a considerable amount of the industrial and economic unrest"; as "openly urging the workers to engage in armed revolt"; as being "pledged to the tactics of force and violence"; as being "affiliated with the III International formed at Moscow" and under "party discipline regulated by Lenin and Trotsky"; and as "propagandists" appealing directly to "the negro" for support in the revolutionary movement.

The only references to particular illegal acts were that one group had participated in an "outlawed strike" against the railroads, that one anarchist group member had assassinated the king of Italy, and that Communists had smuggled diamonds into the United States to finance propaganda. The head of the GID did not claim to have identified terrorists whose bombings had aroused public furor. Instead, Hoover reported that the mass arrests and deportations "had resulted in the wrecking of the communist parties in this country" and that "the radical press, which prior to January 2nd had been so flagrantly attacking the Government of the United States and advocating its

overthrow by force and violence, ceased its pernicious activities.” State sedition prosecutions had served to protect “against the agitation of persons having for their intent and purpose the overthrow of the Government of the United States.” Finally the GID’s work had enabled the government to study the situation from a more intelligent and broader viewpoint.<sup>172</sup>

Parallel to the Justice Department and Immigration Bureau operations, military intelligence continued its wartime surveillance into the post-war era. After a temporary cut-back in early 1919, the Military Intelligence Division resumed investigations aimed at strikes, labor unrest, radicals, and the foreign language press. The American Protective League disbanded, but its former members still served as volunteer agents for military intelligence as well as for the Bureau of Investigation. While the military did not play a significant role in the “Palmer raids,” troops were called upon in 1919 to control race riots in several cities and to maintain order during a steel strike in Gary, Indiana, where the city was placed under “modified martial law.” Following the 1920 round-up of aliens, J. Edgar Hoover arranged for mutual cooperation between the GID and military intelligence. Reports from the Bureau of Investigation would be shared with the military, and investigations conducted at military request. In return, military intelligence agreed to provide Hoover with information from foreign sources, since the State Department had refused to do so and Hoover was prohibited from having agents or informants outside the United States.<sup>173</sup>

The domestic intelligence structure as finally established in 1920 remained essentially intact until Attorney General Harlan Fiske Stone took office in 1924. Under the Harding Administration and Attorney General Harry Daugherty, the GID was made a part of the Bureau of Investigation under Director William J. Burns, with J. Edgar Hoover becoming an Assistant Director of the Bureau. Although the deportation program was strictly limited by Labor Department policies, the Bureau still supplied results of its surveillance operations to state authorities for the prosecution of Communists.<sup>174</sup> Hoover also prepared a lengthy report for the Secretary of State on Communist activities in the United States. The State Department submitted the

information to the Senate to back up its opposition to a resolution to grant diplomatic recognition to the Soviet Union.<sup>175</sup> During this period, the Bureau spelled out its domestic intelligence activities in annual reports to Congress, including summaries of investigation findings on the role of Communists in education, athletic clubs, publications, labor unions, women’s groups, and Negro groups. Radical propaganda was “being spread in the churches, schools, and colleges throughout the country.” The Bureau also told the Congress that it was furnishing information for prosecutions under state laws punishing “criminal syndicalism and anarchy.”<sup>176</sup>

## Military Intelligence Division

### Neglect of Military Intelligence 1919

Prior to our declaration of war with Germany this essential general staff agency which is charged with gathering, collating, and disseminating the military information necessary as a basis for correct military decisions existed only in a rudimentary form. In April, 1917, it consisted of a section of the War College Division comprising a total personnel consisting of two officers and two clerks and supplied with only \$11,000 by congressional appropriation for the performance of duty vital to the interests of the Army and the Nation. Every other army of importance was provided with a far-reaching military intelligence service directed by a well-equipped general staff agency recognized as a par with agencies charged with military plans, operations, and supplies. As a result of our neglect of this service, the valuable information gathered by the officers whom we had attached to European armies during the first year and a half of the war was never properly used. We were also without accurate data as to the powerful and insidious espionage, propaganda, and sabotage methods with which Germany at once attempted to thwart our military effort.

### Organization of Military Intelligence Division

On July 1, 1918, the Military Intelligence Section, War College Division, General Staff, had been reorganized as the Military Intelligence Branch, Executive Division, General Staff, and consisted of 173 officers, 23 noncommissioned officers, and 589

clerks in Washington, as well as representatives in the more important cities of the United States, in all important foreign countries, and an extensive field force made up of specially chosen and instructed personnel in each military unit at home and overseas. This service had already rendered Gen. Pershing great assistance by supplying him with the required intelligence funds, with competent, loyal interpreters, agents, code and cipher experts, and other special intelligence personnel, with the material peculiarly adapted for intelligence needs.

The Staff reorganization, effected by General Orders, No 80, War Department, August 26, 1918, made the Military Intelligence Service a coordinate division of the General Staff and placed it on a par with similar services of general staffs of other nations of the world. The additional authority and prestige thus provided made it possible for this division to deal with other governmental agencies and with the intelligence services of our allies much more expeditiously and effectively than was possible under the previous imperfect organization. At the time of the armistice the Military Intelligence Division in Washington was made up of a highly specialized personnel consisting of 282 officers, 29 noncommissioned officers and 948 civilian employees, their field force had been greatly improved and enlarged, the assistance furnished the intelligence section of Gen. Pershing's staff was becoming daily more direct and more valuable, as was the staff itself becoming daily more direct and more valuable, as was the cooperation with State Department, the Treasury Department, the Department of Justice, the Post Office Department, Naval Intelligence, the War Trade Board, the War Industries Board, and the National Research Council.

Since the signing of the armistices the Military Intelligence Division, in spite of the necessary rapid demobilization of its civilian and temporary commissioned personnel, had contributed much valuable information to the American commission to negotiate peace, for which over 20 officer-specialists were furnished, and with which was effectively linked the military attaché system and the intelligence service of the American Expeditionary Forces. Investigation of alleged cases of enemy activity and disloyalty within the civil population in the United States which

had been necessary during the period of actual hostilities terminated November 30, 1918, but the enormous financial interests of the United States involved in the cancellation of war contracts and the salvage of surplus stores has made necessary the continuance of a small bureau in this division for the investigation of alleged graft and fraud in connection with such matters. The gathering and effective use of military information is, however, held to be primary function of the Military Intelligence Division in time of peace; and it is upon this principle that the business of this division is now being conducted.

The duties assigned to Military Intelligence Division by General Orders, No. 80, War Department, 1918, are:

*This division shall have the cognizance and control of military intelligence, both positive and negative, and shall be in charge of an officer designated as the Director of Military Intelligence, who will be an assistant to the Chief of Staff. He is also the chief military censor. The duties of this division are to maintain estimates revised daily of the military situation, the economic situation, and of such other matters as the Chief of Staff may direct, and to collect, collate, and disseminate military intelligence. It will cooperate with the intelligence section of the general staffs of allied countries in connection with military intelligence; prepare instructions in military intelligence work for the use of our forces: supervise the training of personnel for intelligence work: organize, direct, and coordinate the intelligence service: supervise the duties of military attaches: communicate direct with department intelligence officers and intelligence officers at posts, camps, and stations, and, and with commands in the field in matters relating to military intelligence: obtain, reproduce, and issue maps: translate foreign documents: disburse: and account for intelligence funds: cooperate with the censorship board and with intelligence agencies of other departments of Government.*

In order to perform the duties thus assigned it the Military Intelligence Division has been organized into an Administrative Section and 12 other sections, grouped according to the nature of their functions into three branches, Positive, Geographic, and Negative. The magnitude, importance, and variety of the work of this division can best be shown by a summary of the activities of its various sub-divisions.

### **The Negative Branch**

This branch collects, collates, and disseminates information upon which may be based measures of prevention against activities and influences tending to impair our military efficiency by other than armed force.

This branch was created on August 18, 1918, by uniting four existing sections. The sections so united were the Foreign Influence Section, the Army Section, the News Section, and the military morale Section. In September, 1918, the Travel Section and the Fraud Section were added. On October 19, 1918, the Military Morale Section became the Military Morale Branch of the General Staff. The organization at the time of the cessation of hostilities, when the branch had reached its highest point of development, consisted of five sections, as follows: Foreign Influence (M.I. 4); Army (M.I. 3); News (M.I. 10); Travel (M.I. 11); Fraud (M.I. 13).

At its maximum the branch employed the services of 202 officers, 60 enlisted men (Corps of Intelligence), 65 volunteers (candidates for commissions), and 605 clerks. It directed the activities of thousands of officers and enlisted men in the field and through this organization did the War Department's share in completely foiling the well-laid plans of the enemy to impede our military program. In which aggregate more than the entire appropriation for Military Intelligence.

A consideration of the functions of the several subdivisions of the branch gives a comprehensive view of its activities, which included the handling of cases during the current year in number closely approximating half a million.

The Foreign Influence Section (M.I.4), is the present section from which grew the Negative Branch. As delimited by the diversion of specialties to other sections, the duty of this section in general is the study of espionage and propaganda directed against the United States or against its allies, and also the study of the sentiments, publications, and other actions of foreign language and revolutionary groups both here and abroad, in so far as these matters have a bearing upon the military situation. The activities of the section were carried on through seven subsections, as follows:

The Executive Subsection apportioned, supervised and coordinated the work of the section, determined questions of policy and represented the section in its relations with important officials.

The Departmental subsection studied the intelligence situation in the territories embraced within the several geographical military departments of United States. It investigated enemy espionage activities and channels of communication, the financing of enemy activities and particular cases of enemy influence.

The Propaganda subsection studied and collated information on dissemination by the enemy of doctrines and false rumors aimed to create confusion of thought and so impair our military efficiency. It also studied and suggested methods for meeting and overcoming this imponderable mode to attack.

The Foreign Subsection studied the intelligence situation abroad and, in cooperation with the corresponding agencies of allied powers, determined the nature and extent of enemy secret activity and formulated methods for overcoming its effect.

The Legal and Liaison Subsection maintained liaison with the various Government agencies in Washington through officers familiar with the various departments. Specific recommendations of measures for fire prevention. It organized watch and guard systems for plants engaged in Government work and provided watchmen where necessary. It also devised plans and furnished agents for detecting and preventing sabotage or other malicious interference with the production. In addition, it systematically studied legislation, enacted or pending, proclamations, executive orders, and legal decisions affecting the Intelligence Service.

The Research Subsection took over from other subsections, cases which appeared to have reached unusual significance or importance, summarized all material information available and prepared such cases for final disposition.

The Labor and Sabotage Subsection handled all matters relating to the prevention or delay of deliveries of war materials by immobilization of resources, control of factories, or raw materials, subversion or

intimidation of labor or physical damage to plants or products.

*The Army Section (M.I.3)* — The Functions of this section is the organization, instruction and supervision of the Negative Intelligence Service within the Military Establishment: more specifically it protects the Army by the prevention and detection of enemy and disloyal activity among the military, including civilian personnel under military authority and in volunteer auxiliary associations. It supervises and coordinates the work of the Negative Intelligence officers stationed with each military unit and promulgates instructions for the operation and maintenance of the Negative Intelligence Service in the field.

The Executive Subsection coordinated the work of the section, assigned personnel and issued the bulletins and instructions which determined policy for the field organization. It also handled a variety of special and miscellaneous matters which did not fall within the province of another subsection. Among such specialties were the observation of conscientious objectors and of foreign church organizations and pacifist religious bodies operating among troops. The intelligence problems arising through their presence in the American Army of large bodies of Negro troops were studied in this subsection and much valuable information was secured and digested.

The Line Subsection cooperated with intelligence officers in line units in the field in investigating cases of disloyalty, sedition or enemy activity, either among troops or at points where troops were stationed. It also investigated and reported upon the antecedents and personal character for loyalty and integrity of candidates for commissions in the line of the Army. The duties of this section included not only the observations of dangerous tendencies or incidents arising within military units, but also those which operated from without directly upon the Army personnel.

Three other subsections performed for the technical and administrative corps and departments duties identical with those which the Line Subsection handled for the line of Army. This work was grouped as follows: (a) General Staff, Judge Advocate

General's Office, Adjutant General's Office, Corps of Engineers, Ordnance Department, Quartermaster Corps, and Motor Transport Corps. (b) Medical, Dental, and Veterinary Corps and the Chemical Warfare Service. (c) Signal Corps and Air Service.

The Personnel Subsection served all other subsections by conducting preliminary investigations of candidates for commissions and other persons under investigation, and so from further consideration all whose character for loyalty and integrity proved to be questionable. This subsection also performed a valuable service in detecting applicants for commissions in technical branches who had previously been rejected or discharged for cause from other branches of the service. One result of the investigations of this group was to prove the utter unreliability of letters of recommendation in estimating the fitness of individuals. Approximately 15,000 cases were handled during the emergency.

The Statistical Subsection, by means of maps and indexes, kept records of all military units in the United States and of the Intelligence organization of each; of the various cooperating agencies and of the status of the field service in general. It had custody of all literature issued by the section and attended to the mailing of circulars, bulletins, and instructions. It coordinated the administrative work of the field and the office. This subsection maintained liaison with statistical offices of other branches of the War Department.

The Instruction Subsection, studied the development of the Negative Intelligence system, evolved general principles and specific policies of general application and promulgated the result for the improvement of the service. It developed a well-considered plan for the personal instruction of Negative Intelligence officers, and prior to the signing of the armistice conducted schools for two groups of officers brought in from the field instruction.

The Plant Protection Bureau.—This was a civilian organization which originated in the Air Service as a measure of protection for the airplane production program. It was taken over by Military Intelligence and its scope enlarged to include the protection of Government plants and construction projects as well

as all private plants engaged in war work. This bureau systematically studied and inspected fire risks and made recommendations of measures for fire prevention. It organized watch and guard systems for plants for engaged in Government work and provided watchmen where necessary. It also devised plans and furnished agents for detecting and preventing sabotage or other malicious interference with the production of war material. Approximately 5,000 plants were under the inspection of this bureau, which employed an operative force of 373 and supervised the activities of thousands of guards and watchmen. Offices were maintained at Boston, Springfield, New Haven, Bridgeport, New York, Albany, Syracuse, Buffalo, New York, Philadelphia, Baltimore, Nitro, Atlanta, Nashville, Pittsburgh, Cleveland, Dayton, Indianapolis, Detroit, Chicago, Milwaukee, Minneapolis, Davenport, St. Louis, Fort Worth, San Francisco, and Los Angeles.

An important by-product of the activities of this bureau arose from its intimate knowledge of the operation of plants working on Government contracts whereby it was in a position to frustrate false claims and overcharges. No account was kept from which an accurate statement can be made of the total savings effectuated in this way. One item amounted to \$600,000. and the total is estimated as \$2,000,000.

Liaison with American Protective League: American Protective League was a volunteer civilian organization of 3,000,000 members, operating under the supervision of the Department of Justice, and thoroughly covering the United States. By special arrangement with the Department of Justice this agency of information was placed at the disposal of Military Intelligence Division, and to facilitate communication directly with the various local branches of the league a Liaison Subsection was created under the direction of an officer of Military Intelligence, who was also an officer of the American Protective League.

The News Section (M.I.10)—On June 11, 1918, the Director of Military Intelligence was appointed to represent the War Department on the Censorship Board and the work incidental to this additional duty was at first handled in several sections of the Negative Branch. On August 16, 1917, the Director of Military

Intelligence assumed the duty of Chief Military Censor and this section, which was originally called the Censorship Section, was created to handle increased volume of work entailed.

Censorship—In practice it was found that much of the organization necessary to examine publications and communications for censoring served equally well for collecting and digesting current news in a manner which proved to be of great value to the War Department. As time progressed these informational functions became more and more important and when, with the close of hostilities, the censorship became unnecessary, this feature of the section, now called the News Section, was continued. At its maximum the section had 15 subsections, as follows:

The Executive Subsection coordinated and supervised the work of the section, handled necessary administrative details, together with miscellaneous matters which did not fall within the province of any other subsection, and maintained liaison with the boards of experts in other departments.

The Legal Subsection advised on the legal aspects of the censorship and recorded the precedents established upon rulings obtained from the staff of technical experts organized in the various bureaus of the War Department to cooperate with the Chief Military Censor.

The Postal Subsection maintained liaison with the Post Office Department and handled those matters which arose through the duties of the Chief Military Censor as War Department member of the Postal Censorship Board.

The Prisoner of War Subsection censored all mail to or from prisoners of war held by the United States in the several war prison camps and coordinated the work in this country with that done abroad.

The Telegraph and Telephone Subsection conducted the censorship of telegraph and telephone messages to Mexico during the period that the regulation were in force.

The Radio Subsection supervised the interception of radio messages originating in Mexico and through



this service obtained much invaluable information regarding the activities and intentions of the enemy.

The Official Photograph Subsection censored all official motion and still pictures and made appropriate recommendations to the Signal Corps, the Historical Branch, and the Committee on Public Information.

The Commercial Motion Picture Subsection surveyed the private motion picture field for harmful propaganda or indiscreet revelations and in conjunction with Customs Intelligence censored the importation and exportation of films.

The Photographic Permit Subsection in cooperation with the Committee on Public Information handled the matter of official permits to make photographs on or about military camps and reservations.

The Press Subsection examined newspapers and periodicals to detect violations of the voluntary press censorship, advised the press regarding the suppression of information which might be of military value to the enemy, and attended to the accrediting of war correspondents.

The Foreign Language Press Subsection examined publications in foreign languages published in the

United States and foreign language material entering this country.

The Book Subsection examined books, pamphlets, posters and all publications other than newspapers and periodicals, reported on such as were contrary to the interests of the United States, and recommended repressive measures where necessary.

The Propaganda Subsection examined periodicals and publications clearly engaged in propaganda activities for the purpose of ascertaining if their teachings are inimical to the interests of the United States.

The Digest Subsection prepared a daily news summary, a semi-weekly digest of editorial opinion for transmission to France, and a weekly press review for the Secretary of War.

The Clipping Bureau maintained a newspaper and magazine clippings service for all of the Military Intelligence Division and several other branches of the General Staff.



*The Signal Intelligence Service was housed in this building from 1929 to 1942. The building was located on Constitution Avenue in Washington, D.C.*

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IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

POST CIVIL WAR TO WORLD WAR I,  
1866-1919

1871	1 July	Department of Justice is established.
1876		U.S. Supreme Court issues Totten Decision, affirming that the President has the power to appoint "Secret Agents" and pay them from the Contingent Fund.
1882	23 March	Office of Naval Intelligence (ONI) established within the Bureau of Navigation.
1884	6 October	Navy War College is established at Newport, Rhode Island.
1885	October	The War Department establishes the Bureau of Military Intelligence (Military Information Division -MID) at the Adjutant Generals Office.
1889	27 February	Army institutes the Military Attaché system that was approved by Congress in 1888.
1898	15 February	U.S. battleship <i>Maine</i> destroyed by an explosion in Havana Harbor.
	21 April	The Spanish-American War begins. The War ends almost four months later on 13 August.
	10 December	ONI overseas networks demobilized at the conclusion of the Spanish American War.
	10 December	Treaty of Paris signed. Spain granted Cuba its freedom and ceded Guam, Puerto Rico, and the Philippines to the United States.
1901	6 September	President William McKinley assassinated by Leon Czolgosz, an anarchist.
	6 September	Secret Service tasked with Presidential Protection.
1902	18 June	Separate Military Intelligence Division (MID) established in Division of the Philippines, later absorbed by the MID.
1903	14 February	G-2 for military intelligence created with the designation of General Staff Corps.
1908	24 June	G-2 and G-3 merged.
	26 July	Attorney General Charles Bonaparte appoints a force of special agents.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

POST CIVIL WAR TO WORLD WAR I,  
1866-1919

1908	30 June	Secret Service, which fulfilled a counterintelligence function during the Spanish American War, stripped of all but investigations of treasury violations and presidential protection, and is prohibited from investigating members of Congress.
1909	16 March	The special force in the Department of Justice becomes the Bureau of Investigation.
1910	26 March	Congress amends the Immigration Act of 1907 to prohibit criminals, paupers, anarchists and diseased persons from entering the US.
1911	7 March	President Taft dispatches 20,000 troops to the Mexican border as fighting in the Mexican Revolution occurs close to US territory.
	26 October	General Bernardo Reyes' conspiracy to use Texas as a base of operations to overthrow the Mexican government is stopped.
1914	September	First successful U.S. aerial reconnaissance by airplane.
	9 April	An unarmed group of sailors from the USS <i>Dolphin</i> , patrolling in Mexican waters, is arrested in Tampico, Mexico after they accidentally enter a restricted area while seeking to secure supplies.
	21 April	American forces bombard Vera Cruz, Mexico and occupy the city to prevent a German ship from landing arms there.
	28 June	Serb nationalist at Sarajevo, Bosnia, assassinates Archduke Franz Ferdinand, heir to the Austrian throne. Incident leads to World War I.
	7 July	Berlin summons its Ambassador, Johann von Bernstorff, home from the United States.
	18 July	Congress authorizes Formation of an Aviation Section within the Army Signal Corps.
	30 July	German Military Attaché Franz van Papen leaves Mexico for the United States.
	August	Russian Navy reportedly finds a German naval code book, which is given to British Naval Intelligence.
	2 August	Von Bernstorff returns to the United States with sabotage instructions and funds to finance them.

POST CIVIL WAR TO WORLD WAR I,  
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1914	4 August	President Wilson issues a proclamation of neutrality on outbreak of World War I.
	22 August	German Military Attaché to U.S., Franz von Papen, tasks Paul Koenig to form an intelligence and sabotage ring in New York.
	September	Horst von der Goltz fails to blow up the Welland Canal.
	2 November	German General Staff issues directive to military attaches in neutral countries to recruit anarchists for sabotage operations.
	15 December	Von Bernstorff receives cable from German Foreign Office instructing him to target Canadian Railways for destruction.
1915	1 January	Roebing wire and cable plant in Trenton, New Jersey is blown up.
	26 January	Von Bernstorff and von Papen urged to recruit Irish agitators for sabotage by German Foreign Office.
	28 January	A German ship sinks an American merchant ship carrying wheat to Britain.
	2 February	Werner Horn captured attempting to blow up the Vanceboro Bridge.
	April	Germans covertly establish a munitions plant, the Bridgeport Projectile Company, in Connecticut to divert U.S. war materials destined for its enemies.
	2 April	Doctor Walter Scheele forms a front company in New Jersey to manufacture incendiary devices for German sabotage operations.
	3 April	Captain Franz von Rintelen and Robert Fay arrive in U.S. with sabotage assignments.
	7 May	Lusitania torpedoed by German U-boat off Irish coast.
	15 May	Unexploded bombs found in ship docking at Marseilles; devices traced to von Rintelen operation.
	2 July	U.S. Capital bombed.
3 July	Financier J.P.Morgan shot by protester.	

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

POST CIVIL WAR TO WORLD WAR I,  
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1915	15 July	Doctor Heinrich Albert leaves portfolio with plans to foment labor unrest, other German schemes on subway. A Secret Service agent, following Albert, takes the portfolio.
	13 August	Von Rintelen captured by British at Dover as he was attempting to return to Germany.
	30 August	Documents of Austro-Hungarian Ambassador Constantin Dumba, which included instructions for subversion and implicating Von Papen and Captain Karl Boy-Ed, seized by British; President Wilson demands recall of Dumba.
	24 October	Robert Fay arrested, further implicates Von Papen and Boy-Ed in German sabotage operations.
	1 December	President Wilson demands recall of Von Papen and Boy-Ed.
	28 December	Von Rintelen indicted for fomenting strikes in American munitions plants.
1916	January	Director of ONI complains that Secretary of the Navy Franklin D. Roosevelt is forming his own secret intelligence bureau separate from ONI.
	16 February	Key meeting at Section 3B, German General Staff takes place to plan sabotage and use of new incendiary devices in U.S.
	9 March	Pancho Villa raids Columbus, a New Mexico border town, killing 17 American soldiers and civilians.
	15 March	President Woodrow Wilson dispatches a Punitive Expedition under Brigadier General John J. "Blackjack" Pershing against Villa.
	May	House of Representatives defeats anti-espionage legislation proposed by the Attorney General.
	21 June	US troops in Mexico are attacked at Carrizal.
	9 July	German merchant submarine <i>Deutschland</i> arrives in Baltimore; provides front for Captain Frederick Hinsch's sabotage activities.
	30 July	German agents blow up Black Tom Island, a munitions transfer point between New York and New Jersey. The explosions killed two and caused \$20 million in damage.

POST CIVIL WAR TO WORLD WAR I,  
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1916	10 August	Hilken pays \$2,000 to Hinsch for the Black Tom sabotage.
	29 August	Council of National Defense is formed to coordinate war preparedness efforts in American industry.
	4 November	Secretary of State Robert Lansing creates the Bureau of Secret Intelligence, funded with confidential funds, much of which comes from American businessmen.
1917	11 January	Fire destroys the Kingsland Plant.
	1 February	Germany launches unrestricted submarine warfare.
	3 February	President Wilson breaks off diplomatic relations with Germany; sends Von Bernstorff home.
	5 February	General Pershing's Punitive Expedition withdraws from Mexico.
	24 February	The British give The Zimmerman Telegram to Walter Hines Pages, the U.S. Ambassador to Great Britain.
	22 March	American Protective League established to support the government in its domestic investigations of "radicals."
	31 March	Attorney General, Thomas W. Gregory, without congressional authority, authorizes Bureau of Investigations to investigate German espionage in the United States.
	3 April	Most German saboteurs leave U.S. because, under declaration of war, anyone committing sabotage can be sentenced to death.
	6 April	U.S. declares war on Germany.
	13 April	Fred Herrman, German saboteur, writes Paul Hilken, German sabotage paymaster, invisible message requesting funds to blow up Tampico oil fields.
	14 April	First wartime Executive Order dealing with the broad subject of censorship issued by President Wilson.
	28 April	Secretary of War given wartime censorship control over telegraph and telephones leading out of the United States.



IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

POST CIVIL WAR TO WORLD WAR I,  
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1917	3 May	Col. Ralph Van Deman, head of Military Intelligence, initiates unauthorized secret intelligence efforts, contrary to orders of the Chief of Staff.
	3 May	Military Intelligence Section of the U.S. Army War College is created.
	18 May	Selective Service Act is passed.
	10 June	Van Deman hires Herbert O. Yardley to head the Code and Cipher Bureau (MI-8), thus beginning the US government's special effort to decipher foreign coded communications.
	15 June	Espionage Act passed.
	13 August	Corps of Intelligence Police officially established.
	31 August	General Pershing creates the Intelligence Section, General Staff.
	6 October	Trading with Enemy Act passed which authorizes president to place an embargo on imports, forbids trade with enemy nations, and allows the government to censor the mail.
	12 October	President Wilson creates the National Censorship Board.
	12 November	First Signal Corps intercept station in World War I operational at Souilly, France.
	25 November	Corps of Intelligence Police arrived in St. Nazaire, France.
20 December	Bolsheviks create the Cheka, the Soviet forerunner of the KGB, now the SVRR.	
1918	1 February	Lothar Witzke arrested crossing into U.S. and confesses role in Black Tom Island sabotage but later recants.
	22 February	Radio Intelligence Service created in MID to intercept and record all messages originating in Mexico,
	28 August	Negative Branch (counterintelligence) officially created in Military Intelligence Division.
	16 May	The Sedition Act, an amendment to the Espionage Act, is passed.
	17 August	Witzke convicted and sentenced to hang; only man thus sentenced in U.S. in World War I. Sentenced later commuted and he is eventually freed.

POST CIVIL WAR TO WORLD WAR I,  
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1918	14 September	Eugene Debs, Socialist Party, is found guilty of making seditious statements that impede recruitment efforts and is sentenced to 10 years in prison under the Espionage Act of 1917.
	16 October	The Deportation Act passed by Congress; provided for the deportation of aliens who were anarchists.
	11 November	Armistice ending World War I signed.
1919	January	MID orders all civilian investigations to cease; MID personnel to confine investigations to military reservations.
	2 June	A bomb explodes in front of Attorney General Palmer's townhouse in Washington, D.C. The bomber was killed, but leaflets found on the body suggest foreign involvement.
	13 June	Soviet Representative Marten arrested and deported in 1920.
	12 August	J. Edgar Hoover appointed Head of the General Intelligence Division.
	7 November	The General Intelligence Division, headed by J. Edgar Hoover, raided the offices of the Union of Russian Workers, a labor society.
	22 December	Attorney General A. Mitchell Palmer initiates a series of raids against communists, anarchists and other radicals.