



Written by [William F. Jasper](#) on July 24, 2006

Intelligence War: Players, Plans, and Betrayals

As WWII proceeded, Soviet and British intelligence operatives and American private interests sought to infiltrate and influence American operations.



May 1941, New York City. The 33-year-old woman stepped out of the office building lobby onto Broadway. It was late in the evening. “The street as usual at that hour was deserted,” she would later recall, “except for two young men, one on either side of the next corner, where they could effectively block my progress up Broadway. My heart felt as if it had stopped. This was it!”

With terror, she remembered that she was carrying, carefully wrapped in a newspaper, a package of documents that could not be allowed to fall into the wrong hands. Affecting as much composure as she could muster, she calmly walked into a candy store, intending to use the pay phone to warn “Yasha” and ask for help. But as she dropped a nickel into the slot, one of the pursuers slipped into the adjoining booth. She put the phone back on the hook and walked into the street. What should she do?

“My knees were shaking and a cold sweat was breaking out on me. I tried desperately to think what to do. If I returned to the World Tourists [office] I would let my pursuers know that I suspected I was being tailed—something I had been told not to do. Blindly, I headed up Broadway and then thought of a plan. The Pennsylvania Station was not far away. One could enter the Ladies’ Room there from the upper waiting room, go down the stairs, and then leave on the lower level.

“With seeming nonchalance, I walked through the door marked ‘Ladies,’ automatically noticing that my ‘tails’ were still behind me, then made a frantic dash down the stairs and out the lower exit. No one seemed to be behind me.” Taking no chances, she darted through the Public Library on 42nd Street and Fifth Avenue, then wearily caught a bus home and awaited a call from Yasha.

While waiting for the telephone to ring, it dawned on her that she had just taken an irrevocable step on a journey that would forever change her life. “I drew a deep breath and with a pang of nostalgia I realized that the good old days were over. Now I was one of the hunted, and no matter where I went, the footsteps of the hunters would be hot behind me.”

The hunters were Special Agents of the FBI. The prey was Elizabeth Bentley (shown), a member of the Communist Party, USA (CPUSA), who would soon become one of the top Soviet espionage operatives in America. She would also later prove to be one of the most important defectors from the Communist underground apparatus. Her revelations, together with the explosive disclosures of her even more famous fellow defector Whittaker Chambers, would rock the world and strike a major blow at the Soviet Union’s theretofore wildly successful penetration of the U.S. government and other American institutions.



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The Bentley case, however, is not just fascinating history; it is emblematic of the cancerous tumor of treason in the bowels of the federal government that was never excised and has continued to plague our nation. With few exceptions, the traitors and foreign agents Bentley and other defectors exposed were let off the hook. Many were even *promoted* and continued to serve in sensitive government positions, including inside our intelligence and security agencies, the very structures supposedly created to protect us.

The OSS/NKVD Nexus

Like many young people during the Great Depression, Elizabeth Bentley had become disillusioned with a world that seemed to be falling apart. Returning to the United States in 1934 after a year of study in Italy under Mussolini's increasingly repressive Fascist regime, she was introduced to and joined the American League Against War and Fascism, a Communist front organization. In 1935, she joined the Communist Party. Three years later, in 1938, she met Jacob "Yasha" Golos, who would become her Communist boss and paramour.

Golos was one of the Kremlin's top operatives in the United States. In addition to being an officer in the NKVD (forerunner of the KGB) and a member of the three-man Central Control Commission, which ruthlessly enforced Party discipline, he also ran a network of agents in New York and Washington, D.C., some of whom served in government agencies. Bentley became one of his most trusted agents, and when he died in 1943, she was appointed to take over his Communist network.

As fate would have it, at about the same time that Elizabeth Bentley was getting initiated into the world of espionage, another major intelligence organization was being set up in New York City at Rockefeller Center, not far from the World Tourists office. It would end up intersecting with Bentley's network in very interesting and history. changing ways. Known as the British Security Coordination Office (BSC), it was headed by master spy William S. Stephenson (code-name Intrepid), who represented Britain's Secret Intelligence Service (MI-6), as well as Britain's internal Security Service (MI-5), its Foreign Office, and Scotland Yard's Special Branch.

Stephenson's main job was to bring America into the war on Britain's side. President Franklin Roosevelt was eager to do this, but in 1940, American public opinion was still heavily against involvement in another world war. One of Stephenson's first tasks, therefore, was to secure U.S. journalists, media executives, and media organizations who would beat the drums for war. Another task was to help FDR set up an American intelligence organization patterned after (and intertwined with) British intelligence to help prosecute the war after the United States got in. The man FDR chose to lead this effort was William "Wild Bill" Donovan, a Wall Street lawyer and prominent insider of the New York Establishment. In 1941, with guidance from Stephenson, Donovan set up the office of Coordinator of Information (COI), which soon became the Office of Strategic Services (OSS) and later the Central Intelligence Agency (CIA).

Shortly after the formation of COI/OSS, the Japanese attack on Pearl Harbor guaranteed U.S. entry into the war. The OSS went into a rapid expansion mode, and budding Soviet NKVD agent Elizabeth Bentley got in on the "ground floor," managing Communist OSS employees with access to the very top offices of the new agency. One of her Communist underlings was Duncan Lee, special assistant to OSS chief William Donovan!

Donovan and the top OSS leadership were aware that Stalin's agents were penetrating their operation. Bentley relates in her autobiography, *Out of Bondage*, that Communist officials ordered party member



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Duncan Lee, Donovan's right-hand man, to get information from OSS personnel security files. He did so and gave Bentley "a slip of paper on which he had written down the names of people that the O.S.S. considered dangerous risks, divided into three categories- 'known Soviet agents,' 'known Communists,' and 'Communist sympathizers.'" However, Donovan ignored these alarms from his own security personnel, as well as warnings from J. Edgar Hoover's FBI, about the Communist security risks among his employees.

"It was simply amazing." Bentley wrote, "I thought. how careless the O.S.S. was, in keeping on people who were extremely dangerous." Dangerous for the United States and the Free World, that is, but very beneficial, on the other hand, for the Communists. Bentley records, for instance, that Communist agent Helen Tenney was "doing excellent work in O.S.S., bringing us [CPUSA] stacks of ditto-machined confidential O.S.S. reports from their undercover operatives in places as far away as Persia and Kurdistan." Other Communists in OSS were providing top-secret documents and information from White House meetings, military, operations, weapons development, diplomatic communiques, and much more.

Donovan, incredibly, pressed for even tighter-cooperation" with Stalin. He met with Milton Wolff and Eugene Dennis (then a top CPUSA official and later head of the party) to seek Communist recruits. Eugene Dennis boasted in a June 1942 message to Stalin's Bulgarian puppet-dictator Georgi Dimitrov about all of the agents that had been placed in the OSS. Bentley recorded that she and other CPUSA higher-ups were floored when they learned from Duncan Lee that his boss was proposing an official exchange of intelligence missions with the Soviets: "The N.K.V.D. was to send about ten or twelve men to this country and the O.S.S. would ship an equal number over there." In December 1943, Donovan traveled to Moscow, where he pressed the OSS/NKVD cooperation idea with Stalin's foreign minister Vyacheslav Molotov and NKVD chief Pavel Fitin.

The Deadly Network

Bentley and Golos not only knew and controlled Soviet agents inside the OSS, but also top-level agents in other high-level government positions. They ran two of the most notorious spy rings, the Perlo and Silvermaster cells. When Bentley defected in August 1945, she provided the FBI with over 100 names of people engaged in Soviet espionage and Communist activities. The public first became aware of her explosive charges when she testified before the House Committee on Un-American Activities in 1948. For her brave decision, she was to suffer the same vicious smear campaign that awaited every other defector who came alter her. *The Nation* called her charges "lurid" and not "worth the dignity of denial." The *New Yorker* referred to them as "the Nutmeg Mata Hari's claims." President Truman called them a "red herring." *Newsweek* dismissed her as a "New England spinster ... wearing slinky black silk."

Tragically, while the revelations of Elizabeth Bentley, Whittaker Chambers, Igor Gouzenko, Luis Budenz, Hede Massing, Nathaniel Weyl, Anatoliy Golitsyn, and other important defectors have stirred public outrage, the media and the ruling elites in both the Democrat and Republican Parties have always managed to contain, delay, emasculate, and sabotage investigation and prosecution of those exposed for treason at the highest echelons of the U.S. government. William Donovan, like most of his successors at the CIA, was a longtime member of the Council on Foreign Relations (CFR), the organization that liberal-left journalist Richard Rovere once aptly described as "a sort of Presidium for that part of the Establishment that guides our destiny as a nation." Over the past six decades, CFR members controlling various cabinet posts have, like William Donovan, repeatedly resisted or wantonly



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sabotaged efforts to expose, remove, or prosecute Communist agents operating at the top levels of our government.

Some of the most notable agents, who were responsible for U.S. policies and actions that turned over much of Europe and Asia to the Communists, resulting in the deaths of millions, include: Alger Hiss, State Department adviser and acting secretary-general of the United Nations' founding conference; Lauchlin Currie, presidential assistant; Harry Hopkins, presidential adviser; and Harry Dexter White, assistant secretary of the Treasury Department and first head of the International Monetary Fund. In these and dozens of additional cases, justifiable alarm was dismissed by the CFR political, media, and academic elites as "hysteria," "paranoia," "red baiting," and "witch hunting." However, the release in 1995 of thousands of pages of the "Venona Intercepts," decoded secret Soviet transmissions from the World War II era, have thoroughly vindicated accusers such as Elizabeth Bentley, while exposing the mendacity of their CFR detractors who went to such great lengths to discredit them.

Because the treachery and treason that Bentley exposed in the OSS and British intelligence was not rooted out, many of the Soviet moles continued their work at the CIA and MI-6. The exposure of Soviet moles Blake, Philby, Burgess, and Maclean during the 1950s and '60s, the exposure of Anthony Blunt in 1979, and of John Cairncross, Theodore Hall, and Aldrich Ames in the 1990s provided proof for the charges by Soviet defector Golitsyn and former CIA counterintelligence chief James Angleton that Communist moles — and more importantly, the political elites who protected them — did indeed still lethally compromise Western intelligence organizations.

* * *

The OSS Dirty Dozen

According to *Venona: Decoding Soviet Espionage in America*, by John Earl Haynes and Harvey Klehr, "Researchers have identified Communists in the Russian, Spanish, Balkan, Hungarian, and Latin American sections of the OSS's Research and Analysis Division and its operational Japanese, Korean, Italian, Spanish, Hungarian, Indonesian, and German Divisions. There is no exact count of the number of Communists who worked for OSS, but the total was easily more than fifty and probably closer to a hundred or more."

The following list of identified and proven Soviet agents who were key operatives at OSS is illustrative of the breadth and depth of Soviet influence, not an exhaustive list of the known moles that had penetrated the agency:

- Duncan Lee, an attorney in Donovan's own law firm whom Donovan selected as his special and confidential assistant in managing the world-wide operations of OSS.
- Maurice Halperin, chief of the Latin American Division of OSS.
- Noel Field, formerly of the State Department, served as a principal OSS liaison with Communist resistance fighters throughout Europe during the war years.
- J. Julius Joseph, an analyst in the "hush-hush" Japanese Division of OSS.
- Bella Joseph, wife of J. Julius Joseph, employed making films for the General Staff of the War Department in the OSS movie division.
- Helen Tenney, employed first in the OSS's Short Wave Research, then its very secret Spanish Division, which received reports from all OSS agents throughout Spain.



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- Milton Wolff, a well-known Communist and leader of the Veterans of the Abraham Lincoln Brigade, who was commissioned by Donovan to recruit Spanish Civil War vets (most of whom were Communists) into OSS.
- Leonard Mins, son of a charter member of the American Communist Party and a well-known revolutionary, hired as an OSS Russian interpreter.
- George Wuchinick, an Abraham Lincoln Brigade veteran who fought for the Communists in Spain and later used his OSS position to promote Communist triumphs in Yugoslavia and China.
- Lillian S. Traugott, who worked with underground organizations throughout Europe and served in OSS offices in New York, London, and Stockholm.
- Thomas Babin, a Communist organizer from Croatia and member of Soviet military intelligence (GRU) who had been deported from the United States in 1925 for his activities.
- Donald Wheeler, analyst in the Labor Research Division of OSS.

Photo of Elizabeth Bentley: AP Images



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