

investigation. Agency regulations may provide that only the head of the agency, or his delegate, is empowered to order an employee to submit to a polygraph examination. Results of polygraph examinations should not be relied upon to the exclusion of other information obtained during investigations.

6. The Attorney General, in consultation with the Director, Office of Personnel Management, is requested to establish an interdepartmental group to study the federal personnel security program and recommend appropriate revisions in existing Executive orders, regulations, and guidelines.

Ronald Reagan

The Walker Spy Ring

John Anthony Walker Jr. and his son, Michael Lance Walker, were indicted 28 May 1985, by a Federal grand jury in Baltimore, Maryland, on six counts of espionage. The elder Walker, a retired Navy warrant officer who had held a Top Secret Crypto clearance, was charged with having sold classified material to Soviet agents for the past 18 years.

John Walker Jr. was raised in Scranton, Pennsylvania. He had an unhappy childhood with alcoholic and separated parents. Walker left high school while in the 11th grade and on 25 October 1955, he joined the US Navy. While serving in the Navy, Walker was considered highly competent and in the first half of his 21 years of active duty, he rose from the seaman grade to warrant officer. He also earned the Navy equivalency



John Walker, charged by a Federal grand jury in Baltimore, Maryland on six counts of espionage.

for a high school and college diploma. When he retired in July 1976, he was a Chief Warrant Officer. His active duty assignments included responsible positions in communications, including Communications Systems Officer for the Amphibious Force Atlantic Fleet and Communications Officer for the Naval Surface Force Atlanta Fleet.

During his military career, Walker made some investments in which he lost money. To make up for his losses, in late 1968 at the age of 30, Walker went to the Soviet Embassy in Washington, DC and offered his services for the purpose of espionage. He was paid \$2,000 or \$3,000 at this first meeting, although he stated he could not remember the exact amount. He compromised key cards used for enciphering messages and also provided information on the encryption devices themselves. The Soviets provided Walker with a rotor decryption device used for testing wiring circuitry for rotors used by the US Navy for encryption purposes.

During his more than 17 years of espionage performed on behalf of the Soviet KGB, Walker compromised at least a million classified messages of the military services and US intelligence agencies. In addition, Walker recognized that when he left active duty he would no longer have direct access to classified information. He therefore recruited a friend, Jerry Alfred Whitworth, who also held communications positions similar to those previously occupied by Walker.

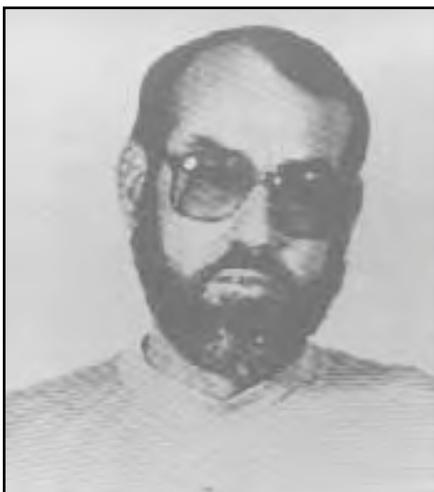
Upon retirement and his opening of a private investigation firm, Walker attempted to expand his espionage net further by first recruiting his brother, Arthur James Walker, a retired US Navy officer, and urging him to find civilian employment with a Department of Defense contractor. Next he recruited his son, Michael Lance Walker, who had recently enlisted in the US Navy. Earlier he had attempted without success to recruit one of his daughters who was, at the time, serving in the US Army.

John Walker's arrest resulted from a tip to the FBI from his former wife. She knew from almost the beginning that her husband was involved in espionage. On numerous occasions she had threatened to turn him in to authorities. An unhappy marriage eventually led to divorce and finally, in 1985, Walker's former wife informed the FBI of Walker's espionage activities. The

FBI initiated an investigation and surveillance of Walker. He was apprehended on 20 May 1985, at a Maryland motel after depositing a number of documents at a roadside drop. Soviet embassy official, Alexei Tkachenko, who was spotted in the area, returned to Moscow within days of Walker's arrest.

Vitaliy Yurchenko, Deputy Chief of the First Department of the First Chief Directorate of the KGB, defected to the United States by voluntarily walking into the US Embassy in Rome, Italy, in July 1985. Soon after Walker's arrest and the attendant publicity, Yurchenko was briefed and consulted about the Walker case. The KGB did not believe that the FBI had been tipped by Barbara Walker and suspected that one of the KGB officers directly involved with Walker had been compromised by Western intelligence agencies. Because of his expertise in internal security matters, Yurchenko's advice was sought with regard to the appropriate course of action for dealing with the suspected compromise. In his position in the First Department, it was also appropriate to brief him concerning the Walker and Whitworth case. Because of the high degree of compartmentalized protection given to a case like Walker-Whitworth, Yurchenko, despite his previous assignments involving internal security and at the Soviet's US Embassy, had not previously been aware of the Walker/Whitworth operation.

From his briefings, Yurchenko learned that the KGB regarded the Walker/Whitworth operation to be the most important operation in the KGB's history. Yurchenko



Jerry Alfred Whitworth, convicted on 24 July 1986 on seven counts of espionage.

stated that the information delivered by Walker enabled the KGB to decipher over one million messages. Early on, the operation was transferred to Department Sixteen of the KGB, which handled only the most sensitive and important clandestine KGB operations around the world.

The KGB officers who handled the operation received important promotions and decorations for their successes. One of these officers secretly received the "Hero of the Soviet Union" award after the Soviet Navy expressed its delight over the success of the operation. Two other KGB officers involved with the Walker/Whitworth operation were awarded the coveted "Order of the Red Banner." Certain KGB officers from Department Sixteen were, at various times, assigned to the Soviet Embassy in Washington solely to handle "drops" made in connection with Walker/Whitworth espionage.

Yurchenko was informed by a high KGB official that the information learned from the Walker/Whitworth operation would have been "devastating" to the United States in time of war.

On 28 October 1985, John Walker pleaded guilty to espionage charges under a plea agreement by which Walker agreed to testify in the trial of Jerry Whitworth and to provide full information on what was given to the Soviets in exchange for a lesser sentence for his son. On 6 November 1986, John Walker was sentenced to two life terms plus 10 years to be served concurrently. A federal grand jury was convened to pursue some of the unresolved questions including the location of up to \$1 million possibly hidden by John Walker and the involvement of minor players in the espionage ring.

Jerry Alfred Whitworth

Jerry Alfred Whitworth was born in Muldrow, Oklahoma, on 10 August 1939. His parents separated shortly after he was born, and his grandparents and an uncle raised him. He was known as a good-natured youth who, in his senior year in high school, was voted class clown. In September 1956, Whitworth joined the US Navy. Following his four-year enlistment in the Navy, Whitworth left the service and enrolled in college. He was unsuccessful in his college classes and reenlisted in the Navy in 1962.

During an assignment in 1970, when Whitworth and John Anthony Walker were stationed together, the two became acquainted, and Walker eventually started a conscious effort to assess Whitworth as a potential agent for expanding and continuing Walker's espionage efforts on behalf of the KGB. In 1974, Whitworth had decided to resign from active duty. During this same year, in a San Diego restaurant, Walker finally asked Whitworth to join him in a conspiracy that would allow them to receive significant payments for selling classified information. Walker asked Whitworth to provide him information which he, in turn, would sell to criminal elements where there was a known market. The two men would then split the profits. Whitworth agreed to cooperate with the knowledge that the information was being sold to the KGB coming only at a later date in their conspiracy.

Whitworth thereafter reenlisted in the Navy. He advanced to Senior Chief Radioman and received the highest ratings from his supervisors. Following his recruitment by Walker, Whitworth became a model service member and excelled in his specialty until his retirement on 31 October 1983.

Whitworth was secretly married in 1976. Between that year and 1985, Whitworth met with Walker on an average of two to four times a year at which time he would pass to Walker 25 to 50 rolls of Minox film containing classified information. Whitworth was originally paid \$2,000 per month for the material he



Arthur James Walker

supplied; however, this was subsequently increased to \$4,000 and then \$6,000 per month later in the conspiracy. It is estimated that Whitworth received total pay of at least \$332,000 for the documents he passed. The activities of Whitworth, continuing as the principal agent of collection for John Walker, permitted the Soviets to gauge the true capabilities and vulnerabilities of the US Navy.

Whitworth's trial began on 6 March 1986. He was convicted on 24 July 1986 on seven counts of espionage and one count of tax evasion. On 28 August 1986 Whitworth was sentenced to 365 years in prison and a \$410,000 fine.

Arthur James Walker

Arthur James Walker is the eldest brother of John Walker Jr. Arthur grew up in West Scranton, Pennsylvania, where he attended parochial school and two years at the University of Scranton. He enlisted in the US Navy when he was 19 years old, was subsequently commissioned and reached the rank of lieutenant commander prior to his retirement in July 1973. According to court testimony of both Arthur and John Walker, Arthur was recruited by John to obtain employment with a Department of Defense contractor. At the time of his recruitment, Arthur was having serious financial problems. His active involvement in espionage was restricted to 1981 and 1982.

At VSE Corporation of Chesapeake, where he was hired in February 1980, as an engineer, Arthur had limited access to classified information. He provided John with two classified documents obtained from his employment with VSE for which he was paid a total of \$12,000. One document was a repair manual for two command and control fleet vessels. The second document consisted of breakdown reports on amphibious landing craft. Arthur had rationalized that these documents were not significant and could do no serious damage to US security interests. John had also tasked Arthur to obtain US defense readiness plans.

On 20 May 1985, following the arrest of John Walker, Arthur was visited at his home by FBI agents. He was taken in for questioning and admitted to his cooperation with his brother in espionage activities. On 9 August 1985, the 51-year-old Arthur was found guilty on seven counts of espionage and on 12 November 1985 was

sentenced to life in prison. His sentence included three life terms plus three 10-year terms as well as a fine of \$250,000.

Michael Lance Walker

Michael, the only son of John Walker, dropped out of high school in 1980 due to problems associated with use of drugs and poor grades. Having left his divorced mother's house to live with his father in Norfolk, he reentered high school and graduated from Ryan Upper High School in June 1982. Although he wanted to go to college, his grades were inadequate for college acceptance. He enlisted in the US Navy on 13 December 1982. His father convinced Michael that he could make money by turning over classified documents to him. Michael agreed to the arrangement for monetary reasons as well as his desire to please his father.

Following his recruitment in approximately August 1983, Michael began turning over classified documents to his father for which he was paid \$1,000. His access to classified material increased when he was assigned to Operations Administration as a seaman (E-3) aboard the aircraft carrier *Nimitz*. Following the arrest of John Walker, Michael was interviewed aboard the carrier. In his sleeping area, investigators found approximately 15 pounds of classified information, which had been destined for destruction but which Michael had hidden away to turn over to his father at the time of his next port call.

Michael was arrested on 22 May 1985 and during his admissions it was determined that he had passed so many documents to his father that he had no accurate



Michael Walker

count of the total. However, it was later determined that he had passed in excess of 1,500 documents since his initial agreement to cooperate with his father. On 28 October 1985, the 22-year old Michael pleaded guilty to five counts of espionage. On 6 November 1986 he was sentenced to two 25-year terms and three 10-year terms to run concurrently.

Meeting the Espionage Challenge: Review of United States Counterintelligence and Security Programs

*Report of the Select Committee on Intelligence
United States Senate
3 October 1986*

(Paragraphs not pertinent to counterintelligence omitted)

I. Introduction and Summary

As espionage is ancient, so is counterintelligence. The Chinese military theorist Sun Tzu stated the principle in the fourth century BC: "It is essential to seek out enemy agents who have come to conduct espionage against you..."¹ Today, over two millennia later, the battle is still being waged.

A. Background

At the beginning of the 99th Congress, the Select Committee on Intelligence initiated a comprehensive review of the capabilities of U.S. counterintelligence and security programs for dealing with the threat to the United States from Soviet espionage and other hostile intelligence activities. This decision was an outgrowth of eight years of Committee interest in these issues. The review is also consonant with the Committee's mission to "oversee and make continuing studies of the intelligence activities and programs of the United States Government, and to submit to the Senate appropriate proposals for legislation and report to the Senate concerning such intelligence activities and programs." Senate Resolution 400, which established the Committee ten years ago, specifies that intelligence activities include "activities taken to counter similar activities directed against the United States."