

15 November 1954

MEMORANDUM FOR: DIRECTOR, CENTRAL INTELLIGENCE

VIA : Deputy Director (Plans)

SUBJECT : Project MKULTRA, Subproject 35

1. This project concerns cover for the DD/P/TSS biological and chemical warfare program and involves an expenditure of \$125,000 by CIA and the resultant expenditure of an additional equal amount in matching funds by another element of the Government. In the opinion of the undersigned this total investment of \$250,000 is fully justified because of benefits to the Agency outlined in Tab A.

2. Tab A describes a proposed arrangement whereby the Agency would make a single non-recurring grant of \$125,000 to the [redacted] B Hospital for the construction of a new research wing using the [redacted] as cut-out. Agency-sponsored research projects in these sensitive fields would be carried out in the new wing, and Agency employees would be able to participate in the work without the University being aware of CIA interest. Each project would be separately funded under existing procedures using the [redacted] as cut-out.

3. The [redacted] B Hospital will not be aware of Agency participation in either the building fund or future research projects. This Agency is also encouraging the [redacted] B [redacted] to make a contribution of \$500,000 to the same construction fund. The Hospital will be aware of the [redacted] B donation but not of our encouragement.

4. Project MKULTRA, as previously approved by the DCI, sets up controls and procedures under which TSS spends a percentage of its annual Research and Development budget for highly sensitive projects in certain fields, including covert biological, chemical and radiological warfare. The establishment of the cover to be provided by Subproject 35 was not in mind when Project MKULTRA

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T. S. 101077

was originally approved, and permission is therefore now requested to use it for this purpose. No new funds are required, and all existing MKULTRA controls and audit procedures remain unchanged. Tab B attached is a memorandum to the DD/A for your signature authorizing this procedure should it receive your approval.

~~████████████████████~~ A
Chief, DD/P/TSS

Attachments: (2)

- Tab A - Outline of Plan (T. S. 101077A)
- Tab B - Suggested Memorandum to DD/A for signature (T. S. 101077B)

APPROVED:

1st Richard Helms Date: 16 Nov. '54
for Deputy Director (Plans)

Concur C. Rebell DDC 1 8 Jan 55

APPROVED:

A Date: JAN 15 1955
Director, Central Intelligence

Distribution:

- Copy # 1 w/attachments A and B - DCI (for approval; then return to TSS/OC)
- Copy # 2 w/attachment A - TSS/CD

*"On understanding that other funds adequate to carry out project are made available from other sources. A.W.D."

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SUBPROJECT 35 - PROJECT MKULTRA

For the purpose of establishing a cover organization for highly sensitive projects in the field of covert Biological, Chemical and Radiological Warfare

I. Background of Project MKULTRA.

In 1953 the DCI approved Project MKULTRA which established procedures and controls under which research projects in certain highly sensitive fields could be carried out by TSS without the necessity of signing the usual contracts. The approved procedures apply to ~~10%~~ of the annual over-all Research and Development budget, and no additional funds are required. Controls established in the Project Review Committee approval of the Research and Development program (other than the signing of a contract) remain unchanged, and special provisions for audit are included. All files are retained by TSS.

These procedures and controls were approved since it is highly undesirable from a policy and security point of view that contracts be signed indicating Agency or Government interest in this field of endeavor. In a great many instances the work must be conducted by individuals who are not and should not be aware of Agency interest. In other cases the individuals involved are unwilling to have their names on a contract which remains out of their control in our files. Experience has shown that qualified, competent individuals in the field of physiological, psychiatric and other biological sciences are very reluctant to enter into signed agreements of any sort which would connect them with this activity since such connection might seriously jeopardize their professional reputations.

When Project MKULTRA was approved, it was not contemplated that it would be used for the establishment of cover. Over forty individual research and development projects have been established under this framework and have been carried out extremely successfully, both from technical and administrative points of view. The experience gained in handling these projects has emphasized that establishment of better cover both for the projects and for associated Agency scientists is of utmost importance. Subproject 35 would establish such cover.

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T. S. 101077A

II. Background of the [redacted] B

The [redacted] was incorporated in the State of [redacted]. It has a Board of Directors of six members, one of whom is Dr. [redacted] who acts as Executive Director of the Fund. Since [redacted] it has solicited funds from various individuals to finance a program of basic research in the chemotherapy of cancer, asthma, hypertension, psychosomatic disorders and other chronic diseases. Since 1951 the Fund has co-operated with the Chemical Division of TSS and acted smoothly and efficiently, both as a cut-out for dealing with contractors in the fields of covert chemical and biological warfare, and as a prime contractor for certain areas of biological research. Projects presently being handled for the Agency by the Fund are administered under the controls and procedures previously approved for MKULTRA.

III. Background of Dr. [redacted] C

Dr. [redacted] is internationally known as a [redacted] in the field of cancer research and is Professor of [redacted] at [redacted]. In the past he has been associated in a research capacity with both the [redacted] and the [redacted] University. During the war Dr. [redacted] served as a [redacted] in the Bureau of Medicine and Surgery in the Navy. Since then he has maintained a consulting relationship to the Navy medical research program. Dr. [redacted] is TOP SECRET cleared and witting of Agency sponsorship of the programs carried out by the Fund as are two other members of the Fund's Board of Directors.

IV. [redacted] Hospital Building Fund. B

Dr. [redacted] as Professor of Pathology at [redacted] has been actively engaged in a campaign to raise funds for the purpose of erecting a new clinical research wing on the existing [redacted] Hospital. The research wing will consist of a building [redacted] high, [redacted] long and [redacted] wide. [redacted] of the space will be research laboratories and offices while [redacted] research beds will occupy the remainder. Dr. [redacted] participation in the fund-raising campaign outlined below will result in his having control of one-sixth of the total space in addition to the base-

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ment and general out-patient facilities. In this effort, Dr. [redacted] has secured the enthusiastic support of the medical faculty and the officers of the University who have carried the preliminary arrangements forward to the maximum extent of their resources.

V. Financial Situation.

The University will require about \$3,000,000 for the [redacted] addition. This sum is exclusive of the cost of land and the heating and power supply which are already available at the site. At the present time under Public Law 221, funds are available to match funds raised by the University. The University has allocated \$1,000,000 to this project and will assume upkeep and staffing obligations. Dr. [redacted] has agreed that if CIA will provide the [redacted] a grant of \$125,000, the Fund will match this amount and make a total donation of \$250,000 to the University Building Fund. This Agency's contribution will be made under the condition that it will be refunded if construction does not take place.

TSS has discussed this situation with Mr. [redacted] Chairman, [redacted] and has encouraged the [redacted] to donate \$500,000 to the building project on the basis that radiological research will be conducted in the new wing. Mr. [redacted] though aware of our interest in the building, is unwitting of our specific fields of research and individual projects. In summary, the financial situation would be as follows:

- \$1,000,000 - Provided by [redacted] B
- 250,000 - Donation from [redacted] (\$125,000 supplied by CIA)
- 1,250,000 - Matched funds from Public Law 221
- 500,000 - Grant from [redacted] B
- \$3,000,000 - TOTAL

Although it is recognized that the Federal contribution of \$1,250,000 under P. L. 221 is seemingly inflated by reason of the inclusion of the CIA contribution in that of the [redacted] actually the value to the CIA is \$250,000 and not just \$125,000, the amount of CIA's contribution; furthermore the inclusion of the CIA contribution in that of the [redacted] B is the best method of maintaining security.

VI. Difficulties Faced by TSS.

It has been generally recognized for some time that the external research activities of the Chemical Division of TSS in the field of covert biological, chemical and radiological warfare are sorely in need of proper cover. Although Project MKULTRA provides excellent administrative and financial cover for projects, it does not afford cover for scientific or technical personnel. MKULTRA has been used for dealing through the [redacted] as a cut-out and for working directly with individuals or private companies. The use of the [redacted] in the future will be increasingly limited due to

- (a) The increasing number of people who, albeit properly cleared, are aware of the Agency connection with the [redacted] B
- (b) The feeling by [redacted] that the Agency employees contacting him (Drs. Gottlieb, A [redacted] etc.) have no cover of any sort and consequently expose him to unnecessary and highly undesirable personal risk; and
- (c) The widespread intra-Agency awareness of the nature of the relationship between the Fund and the Agency.

Another serious problem faced by TSS/CD as a result of lack of suitable cover is the difficulty in planning careers for technical and scientific personnel in the biological field. A long-range career concept of activities in this field inevitably includes proper cover for the individual concerned. B The availability of research facilities at the [redacted] Hospital will offer an excellent opportunity to solve many of the above problems, and Dr. [redacted] is willing and able to make any reasonable arrangements to suit our needs. Up to three Chemical Division employees can be integrated into Dr. C [redacted] program for work in the new hospital wing on the Agency's research projects. Although career planning was not a consideration when planning the procedures and controls established by Project MKULTRA, nevertheless this particular subproject, in addition to its primary objective, will be of very great secondary help

in simplifying and eliminating many of the very awkward and dangerous conditions facing certain Chemical Division employees.

VII. Advantages and Benefits Accruing to TSS.

The contemplated arrangements will result in many advantages and benefits, including the following:

- (a) One-sixth of the total space in the new research wing is to be available to Dr. [REDACTED] and in turn, will be available to the Chemical Division of TSS. This will provide laboratory and office space, technical assistants, equipment and experimental animals for use of Chemical Division personnel in connection with specific future projects.
- (b) The cost of Chemical Division projects which are to be carried out under this cover will be covered by funds made available through Project MKULTRA, and projects will be subject to the procedures and controls established for MKULTRA. The funds will be passed through the [REDACTED] B as has been done in the past. The Fund in turn will either pay expenses directly or transfer the money to the University for this purpose. Each project will be individually funded based on its particular budget, and there will be no other continuing or recurring charges for items such as space, facilities, etc.
- (c) The Agency's sponsorship of sensitive research projects would be completely deniable since no connection would exist between the University and the Agency.
- (d) Excellent professional cover would be provided for up to three bio-chemical employees of the Chemical Division of TSS. This would allow open attendance at scientific meetings, the advancement of personal standing in the scientific world, and as such, would constitute a major efficiency and

morale booster.

- (e) Human patients and volunteers for experimental use will be available under excellent clinical conditions with the full supervision of the [redacted] Hospital.
- (f) There would be available the equivalent of a hospital safehouse.
- (g) It is expected that the output of useful results of the Chemical Division in the bio-chemical field will be greatly improved through the more efficient use of technical personnel who would be able to spend more of their time on actual laboratory work.
- (h) [redacted]
- (i) Excellent facilities would be provided for recruiting new scientific personnel since members of the Chemical Division working under this cover will be in daily contact with members of the Graduate School of the University.
- (j) The regular University library and reprint service will be available as a source of technical information.

VIII. Funding.

It is proposed that \$125,000 be granted to the [redacted] If approval is granted, TSS will arrange for payment to be made under the procedures and controls of MKULTRA. These funds would come out of the presently approved TSS Research and Development budget for FY 1955 and no new funds are involved. The funds would be transferred as a grant to the [redacted] In turn the [redacted] will match these funds with an equal amount and donate a total of \$250,000 to the University as outlined in paragraph V. The sum of \$125,000 would be entirely in the nature of a grant and would in due

course be merged with the entire \$3,000,000 raised for the construction of the wing. The Agency would retain no residual interest in the building or title to any equipment or facilities purchased with this money.

This single grant will constitute the Agency's entire participation in the new hospital wing, and there will be no recurring obligations in the form of annual support of the hospital or additional grants. Transmission of Agency funds to the [redacted] will be made through previously established cover channels set up by the [redacted] H [redacted] for similar transmittals in the past. The donation on the Fund's books will be shown as having been received from an anonymous trust in [redacted] B

In the future when TSS sponsors sensitive research projects which are to be carried out in the [redacted] Hospital, each project will be individually financed through the [redacted] as it has been in the past in accordance with previously established procedures and controls using allotted portions of the annual Research and Development budget. The University will be totally unwitting of Agency sponsorship, and the projects to every outward appearance will be sponsored by Dr. [redacted] C

In the event of Dr. [redacted] C death, the Fund will continue in being and any activities under this project will be continued through the Fund and will be unaffected by his death.

IX. Memorandum of Agreement.

A memorandum of agreement will be signed with Dr. [redacted] C outlining to the greatest extent possible the arrangements under which the hospital space under his control will be made available to Chemical Division personnel and the manner in which cover will be provided and other benefits obtained. No contract will be signed since Dr. [redacted] C would be unable to reflect any of the Agency's contractual terms in his arrangements with the University when the [redacted] makes the donation in question. The memorandum of agreement will be retained in TSS.

X. Security.

All security matters and details are being co-ordinated with the TSS/ Liaison and Security Office.

~~Handwritten signature~~

XI. Resultant Financial Saving.

The \$125,000 to be contributed by CIA plus the \$125,000 in matching funds provided under P. L. 221 to the Building Fund will be more than offset in a few years by the savings which will result from use of this non-profit fund. If a research project at [redacted] or other educational non-profit institution is sponsored by the U. S. Government, it is customary for the Government to pay for salaries, equipment, supplies, etc. and for overhead as well. In the case of [redacted] ^B [redacted] the overhead amounts to 80% of salaries. However, if a non-profit foundation such as the [redacted] ^B sponsors research at a non-profit institution, the funds granted for the work are customarily used to pay for salaries, equipment and supplies but not for overhead. The Government dollar thus buys considerably more research through the [redacted] ^B than would be the case if no cut-out were used.

XII. Legal Matters.

This matter has been discussed with Mr. [redacted] ^A of the Office of General Counsel, and he is fully aware of all details surrounding this grant.

ALTERNATE VERSION FOLLOWS

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VIA : Deputy Director (Plans)

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[Redacted signature]

Chief, DD/P/TSS

Attachments: (2)

Tab A - Outline of Plan (T.S. 101077A)

Tab B - Suggested Memorandum to DD/A for signature (T.S. 101077B)

APPROVED:

Helm

Richard Helms

Deputy Director (Plans)

Date: 16 November '54

concur *C.P. Farrell* DDCI

8 Jan 55

* APPROVED:

Allen Dulles

Director, Central Intelligence

Date: JAN 13 1955

Distribution:

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Authority of: 187475

June 1977

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* An understanding that new funds allocated to carry out project are made available from other sources

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