

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)
)
) CRIMINAL NO. 01-188-A
)
ROBERT PHILIP HANSEN)

STATEMENT OF FACTS

If this matter were to proceed to trial, the United States would prove beyond a reasonable doubt the following:

1. Defendant ROBERT PHILIP HANSEN was a Special Agent of the Federal Bureau of Investigation (FBI), who entered on duty with the FBI on January 12, 1976, and served continuously until February 18, 2001. Throughout most of his FBI career, defendant HANSEN worked in the FBI's Intelligence Division, renamed the National Security Division. In that capacity, defendant HANSEN worked with, and had access to, classified information relating to the foreign intelligence and counterintelligence activities of the FBI and other United States Intelligence Community agencies, including the Central Intelligence Agency (CIA), the National Security Agency (NSA), and the Defense Intelligence Agency (DIA).

2. From in or about January 1981 to in or about September 1985, defendant HANSEN was assigned to FBI Headquarters in Washington, D.C. From in or about September 1985 to in or about August 1987, defendant HANSEN assigned to the FBI Field Office

in New York, New York. In or about August 1987, he returned to Washington, D.C., where he served in a variety of FBI assignments until February 18, 2001.

3. Upon entering on duty with the FBI on January 12, 1976, defendant HANSSEN signed an Oath of Office in which he swore that: "I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God." That same day, he signed the FBI Pledge for Law Enforcement Officers, in which he pledged, in part, as follows:

Humbly recognizing the responsibilities entrusted to me, I accept the obligation in connection with my assignments to . . . consider the information, coming into my knowledge by virtue of my position as a sacred trust, to be used solely for official purposes. . . . In the performance of my duties and assignments, I shall not engage in unlawful and unethical practices While occupying the status of a law enforcement officer or at any other time subsequent thereto, I shall not seek to benefit personally because of my knowledge of any confidential matter which has come to my attention. I am aware of the serious responsibilities of my office and in the performance of my duties I shall wage vigorous warfare against the enemies of my country, of its laws, and of its principles; . . . I shall always be loyal to my duty, my organization, and my country.

4. Executive Order 12958 and its predecessor orders establish that information in any form that (1) is owned by,

produced by or for, or under the control of the United States Government, and (2) falls within any of the categories set forth in Section 1.5 of the Order (including: intelligence sources or methods; cryptology; military plans; and vulnerabilities or capabilities of systems, installations, projects or plans relating to the national security), may be classified by an original classification authority who determines that the unauthorized disclosure of such information reasonably could be expected to result in damage to the national security. Where such damage would be "serious", the information may be classified as SECRET. Where such damage would be "exceptionally grave", the information may be classified as TOP SECRET. Access to classified information at any level may be further restricted through compartmentation in SENSITIVE COMPARTMENTED INFORMATION (SCI) categories. Dissemination of classified information at any level may also be restricted through caveats such as NOFORN (Not Releasable to Foreign Nationals) or ORCON (Dissemination and Extraction of Information Controlled by Originator), and was formerly likewise restricted through the caveats NOCONTRACT (Not Releasable to Contractors or Contractor/Consultants) and WNINTEL (Warning Notice: Intelligence Sources and Methods Involved).

5. Defendant HANSSEN held TOP SECRET clearances continuously from the time he joined the FBI in 1976, and was indoctrinated for access to a variety of SCI programs.

Specifically:

a. Upon entering on duty with the FBI, on January 12, 1976, defendant HANSSEN signed an Employment Agreement in which he acknowledged that:

I understand that Federal Law such as Title 18, United States Code, Sections 793, 794, and 798; . . . (Executive Order 11652); and regulations issued by the Attorney General . . . prohibit loss, misuse, or unauthorized disclosure or production of national security information, other classified information and other nonclassified information in the files of the FBI; . . . I understand that unauthorized disclosure of information in the files of the FBI or information I may acquire as an employee of the FBI could result in impairment of national security, place human life in jeopardy, . . . or prevent the FBI from effectively discharging its responsibilities. . . . I agree that I will never divulge, publish, or reveal either by word or conduct, or by any other means disclose to any unauthorized recipient without official written authorization . . . any information from the investigatory files of the FBI or any information relating to material contained in the files, or disclose any information or produce any material acquired as part of the performance of my official duties or because of my official status . . .

b. On or about June 23, 1980, defendant HANSSEN signed a Nondisclosure Agreement for Sensitive Compartmented Information, in which he acknowledged having received a security indoctrination for a specific SCI program, and further acknowledged, among other things, that he had been advised that the direct or indirect unauthorized disclosure by him of SCI information "could cause irreparable injury to the United States, and be used to advantage by a foreign nation," and pledged that "I will never divulge such information, in any form or any

manner, to anyone who is not authorized to receive it, without prior written authorization from an appropriate official of the United States Government." He also acknowledged that he had been advised that such unauthorized disclosure could constitute violations of criminal laws including Title 18, United States Code, Section 794.

Defendant HANSSEN signed further iterations of this SCI Nondisclosure agreement, in connection with a variety of SCI programs, on or about October 1, 1981; March 1, 1982; September 8, 1983; April 10, 1985; and May 31, 1991.

6. Defendant HANSSEN knew that the *Komitet Gosudarstvennoy Bezopasnosty*, known as the KGB, was the intelligence service of the Union of Soviet Socialist Republics (USSR), and that in or about December 1991 the *Sluzhba Vneshney Razvedki Rossi*, known as the SVR, assumed the foreign intelligence functions of the former KGB for the principal successor state of the USSR, the Russian Federation.

7. a. Defendant HANSSEN knew that an operational feature of the KGB/SVR was the "dead drop", that is, a prearranged hidden location used for the clandestine exchange of packages, messages, and payments, which avoids the necessity of an intelligence officer and an agent being present at the same time.

b. Defendant HANSSEN knew that an operational feature of the KGB/SVR was the "signal site", that is, a prearranged

fixed location, usually in a public place, on which an agent or an intelligence officer could place a predetermined mark in order to alert the other to operational activity.

c. Defendant HANSSEN knew that an operational feature of the KGB/SVR was the "accommodation address", that is, a "safe" address, not overtly associated with intelligence activity, used by an agent to communicate with the intelligence service for which he is working.

The October 1985 Initial Contacts

8. On or about October 1, 1985, defendant HANSSEN mailed an envelope to the KGB addressed to the residence of a Soviet Embassy official named Viktor M. Degtyar in the City of Alexandria in the Eastern District of Virginia. The envelope contained an inner envelope marked: "DO NOT OPEN. TAKE THIS ENVELOPE UNOPENED TO VICTOR I. CHERKASHIN" - who at the time was the KGB's Line KR (Counterintelligence) Chief at the Soviet Embassy in Washington, D.C. The letter read in part as follows:

DEAR MR. CHERKASHIN:

SOON, I WILL SEND A BOX OF DOCUMENTS TO MR. DEGTYAR. THEY ARE FROM CERTAIN OF THE MOST SENSITIVE AND HIGHLY COMPARTMENTED PROJECTS OF THE U.S. INTELLIGENCE COMMUNITY. ALL ARE ORIGINALS TO AID IN VERIFYING THEIR AUTHENTICITY. PLEASE RECOGNIZE FOR OUR LONG-TERM INTERESTS THAT THERE ARE A LIMITED NUMBER OF PERSONS WITH THIS ARRAY OF CLEARANCES. AS A COLLECTION THEY POINT TO ME. I TRUST THAT AN OFFICER OF YOUR EXPERIENCE WILL HANDLE THEM APPROPRIATELY. I BELIEVE THEY ARE SUFFICIENT TO JUSTIFY A \$100,000 PAYMENT TO ME.

I MUST WARN OF CERTAIN RISKS TO MY SECURITY OF WHICH YOU MAY NOT BE AWARE. YOUR SERVICE HAS RECENTLY

SUFFERED SOME SETBACKS. I WARN THAT MR. BORIS YUZHIN (LINE PR, SF), MR. SERGEY MOTORIN, (LINE PR, WASH.) AND MR. VALERIY MARTYNOV (LINE X, WASH.) HAVE BEEN RECRUITED BY OUR "SPECIAL SERVICES."

The information about Yuzhin, Motorin, and Martynov was information related to the national defense and classified SECRET. The information about Motorin and Martynov resulted in their identification by the USSR as agents of the United States and consequently in their deaths. In the letter, defendant HANSSEN proceeded to describe the existence of an FBI technical penetration of a particular Soviet establishment, as well as the specific location of the penetration device, and the methods and technology utilized, which information was related to the national defense and classified TOP SECRET, and directly concerned communications intelligence. In addition, "TO FURTHER SUPPORT MY BONA FIDES", the letter provided specific closely-held items of United States Intelligence Community information regarding three then-recent Soviet defectors. The letter also contained the following operational instructions:

DETAILS REGARDING PAYMENT AND FUTURE CONTACT WILL BE SENT TO YOU PERSONALLY. . . . MY IDENTITY AND ACTUAL POSITION IN THE COMMUNITY MUST BE LEFT UNSTATED TO ENSURE MY SECURITY. I AM OPEN TO COMMO SUGGESTIONS BUT WANT NO SPECIALIZED TRADECRAFT. I WILL ADD 6, (YOU SUBTRACT 6) FROM STATED MONTHS, DAYS AND TIMES IN BOTH DIRECTIONS OF OUR FUTURE COMMUNICATIONS.

9. On or about October 15, 1985, defendant HANSSEN mailed a package to the KGB addressed to the residence of the Soviet Embassy official Degtyar in the Eastern District of Virginia,

which package contained classified documents.

10. On or about October 24, 1985, defendant HANSSEN mailed an envelope, postmarked in New York City, addressed to the residence of Soviet Embassy official Degtyar in the Eastern District of Virginia. The envelope contained the following message:

DROP LOCATION

Please leave your package for me under the corner (nearest the street) of the wooden foot bridge located just west of the entrance to Nottoway Park. (ADC Northern Virginia Street Map, #14, D3)

PACKAGE PREPARATION

Use a green or brown plastic trash bag to cover a waterproofed package.

SIGNAL LOCATION

Signal site will be the pictorial "pedestrian-crossing" signpost just west of the main Nottoway Park entrance on Old Courthouse Road. (The sign is the one nearest the bridge just mentioned.)

SIGNALS

My signal to you: One vertical mark of white adhesive tape meaning I am ready to receive your package.

Your signal to me: One horizontal mark of white adhesive tape meaning drop filled.

My signal to you: One vertical mark of white adhesive tape meaning I have received your package.

(Remove old tape before leaving signal.)

The message established a date and time for the signals and drops, and concluded: "I will acknowledge amount with my next

package."

11. Defendant HANSSEN and the KGB thereafter referred to the Nottoway Park dead drop site by the name "PARK".

The November 1985 KGB Payment and HANSSEN Letter

12. Between on or about Saturday, November 2 and Friday, November 8, 1985, defendant HANSSEN retrieved from the "PARK" (Nottoway Park) dead drop site in the Eastern District of Virginia a package from the KGB containing \$50,000 cash and a message proposing procedures for future contacts with him.

13. On or about November 8, 1985, defendant HANSSEN mailed a letter to the KGB addressed to the residence of the Soviet Embassy official Degtyar in the Eastern District of Virginia. The letter read in part as follows:

Thank you for the 50,000.

I also appreciate your courage and perseverance in the face of generically reported bureaucratic obstacles. I would not have contacted you if it were not reported that you were held in esteem within your organization, an organization I have studied for years. I did expect some communication plan in your response. I viewed the postal delivery as a necessary risk and do not wish to trust again that channel with valuable material. I did this only because I had to so you would take my offer seriously, that there be no misunderstanding as to my long-term value, and to obtain appropriate security for our relationship from the start.

In the letter, defendant HANSSEN rejected the contact plans proposed by the KGB, and suggested a particular communications scheme based on "a microcomputer 'bulletin board'" at a designated location, with "appropriate encryption". Meanwhile,

he wrote: "Let us use the same site again. Same timing. Same signals." He proposed that the next dead drop occur on "September 9" which, according to the "6" coefficient he had established with the KGB in his first letter, actually meant that the dead drop operation would take place on March 3, 1986. He also wrote:

As far as the funds are concerned, I have little need or utility for more than the \$100,000. It merely provides a difficulty since I can not spend it, store it or invest it easily without triping [sic] "drug money" warning bells. Perhaps some diamonds as security to my children and some good will so that when the time comes you will accept by [sic] senior services as a guest lecturer. Eventually, I would appreciate an escape plan. (Nothing lasts forever.)

Referring to Yuzhin, Motorin, Martynov, whom he had identified in his first letter as United States intelligence recruitments, defendant HANSEN wrote:

I can not provide documentary substantiating evidence without arousing suspicion at this time. Never-the-less, it is from my own knowledge as a member of the community effort to capitalize on the information from which I speak. I have seen video tapes of debriefings and physically saw the last, though we were not introduced. The names were provided to me as part of my duties as one of the few who needed to know. You have some avenues of inquiry. Substantial funds were provided in excess of what could have been skimmed from their agents. The active one has always (in the past) used a concealment device -- a bag with bank notes sewn in the base during home leaves.

The information about the concealment device pertained to Martynov, related to the national defense, and was classified SECRET; its transmittal to the KGB resulted in his identification

by the USSR as an agent of the United States and consequently in his death. Defendant HANSSEN also wrote about the existence of a successful United States intelligence collection operation against a Soviet target, which information was classified TOP SECRET/SCI.

The Summer 1986 Operations

14. On or about June 30, 1986, defendant HANSSEN mailed a typed letter to the KGB addressed to the residence of the Soviet Embassy official Degtyar in the Eastern District of Virginia. The letter read in part as follows:

I apologize for the delay since our break in communications. I wanted to determine if there was any cause for concern over security. I have only seen one item which has given me pause. When the FBI was first given access to Victor Petrovich Gundarev, they asked . . . if Gundarev knew Viktor Cherkashin. I thought this unusual. I had seen no report indicating that Viktor Cherkashin was handling an important agent, and heretofore he was looked at with the usual lethargy awarded Line Chiefs. The question came to mind, are they somehow able to monitor funds, ie., to know that Viktor Cherkashin received a large amount of money for an agent? I am unaware of any such ability, but I might not know that type of source reporting.

In the letter, defendant HANSSEN disclosed the fact that the United States knew of a particular technical vulnerability in Soviet satellite transmissions and was actively exploiting the vulnerability, which information related to the national defense, was classified TOP SECRET/SCI, and directly concerned satellites. He then concluded:

If you wish to continue our discussions, please have someone run an advertisement in the Washington Times during the week of 1/12/87 or 1/19/87, for sale, "Dodge Diplomat, 1971, needs engine work, \$1000." Give a phone number and time-of-day where I can call. I will call and leave a phone number where a recorded message can be left for me in one hour. I will say, "Hello, my name is Ramon. I am calling about the car you offered for sale in the Times." You will respond, "I'm sorry, but the man with the car is not here, can I get your number." The number will be in Area Code 212. I will not specify that Area Code on the line.

Defendant HANSSEN signed the letter: "Ramon". According to the established "6" coefficient, the week the advertisement was actually to run was July 6, 1986, or July 13, 1986.

15. From on or about July 14, 1986, to on or about July 18, 1986, the following advertisement appeared in The Washington Times:

DODGE - '71, DIPLOMAT, NEEDS ENGINE WORK, \$1000. Phone (703) 451-9780 (CALL NEXT Mon., Wed., Fri. 1 p.m.)

16. On or about Monday, July 21, 1986, defendant HANSSEN placed a call to the telephone number given in the KGB's Washington Times advertisement, and gave a phone number to the KGB officer with whom he spoke.

17. On or about Monday, July 21, 1986, about an hour after the conversation described in the foregoing paragraph, defendant HANSSEN received a telephone call at the number he had given to the KGB, and had a conversation with a KGB officer who informed HANSSEN that the Nottoway Park dead drop site was being loaded for him.

18. On or about August 7, 1986, defendant HANSSEN mailed a letter to the KGB addressed to the residence of the Soviet Embassy official Degtyar in the Eastern District of Virginia.

The typed letter read as follows:

I found the site empty. Possibly I had the time wrong. I work from memory. My recollection was for you to fill before 1:00 a.m. I believe Viktor Degtyar was in the church driveway off Rt. 123, but I did not know how he would react to an approach. My schedule was tight to make this at all. Because of my work, I had to synchronize explanations and flights while not leaving a pattern of absence or travel that could later be correlated with communication times. This is difficult and expensive.

I will call the number you gave me on 2/24, 2/26 or 2/28 at 1:00 a.m., EDST. Please plan filled signals. Empty sites bother me. I like to know before I commit myself as I'm sure you do also. Let's not use the original site so early at least until the seasons change. Some type of call-out signal to you when I have a package or when I can receive one would be useful. Also, please be specific about dates, e.g., 2/24. Scheduling is not simple for me because of frequent travel and wife. Any ambiguity multiplies the problems.

My security concerns may seem excessive. I believe experience has shown them to be necessary. I am much safer if you know little about me. Neither of us are children about these things. Over time, I can cut your losses rather than become one.

Ramon

P.S. Your "thank you" was deeply appreciated.

According to the established "6" coefficient, the dates 2/24, 2/26, and 2/28 actually referred to August 18, 20, and 22.

19. On or about August 18, 1986, defendant HANSSEN placed a call to the telephone number given in the KGB's Washington Times advertisement, and spoke to a KGB officer. The latter portion of

the conversation was recorded as follows ([UI] = unintelligible):

HANSSEN: Tomorrow morning?

KGB: Uh, yeah, and the car is still available for you and as we have agreed last time, I prepared all the papers and I left them on the same table. You didn't find them because I put them in another corner of the table.

HANSSEN: I see.

KGB: You shouldn't worry, everything is okay. The papers are with me now.

HANSSEN: Good.

KGB: I believe under these circumstances, mmmm, it's not necessary to make any changes concerning the place and the time. Our company is reliable, and we are ready to give you a substantial discount which will be enclosed in the papers. Now, about the date of our meeting. I suggest that our meeting will be, will take place without delay on February thirteenth, one three, one p.m. Okay? February thirteenth.

HANSSEN: [UI] February second?

KGB: Thirteenth. One three.

HANSSEN: One three.

KGB: Yes. Thirteenth. One p.m.

HANSSEN: Let me see if I can do that. Hold on.

KGB: Okay. Yeah.

[pause]

HANSSEN: [Whispering] [UI]

KGB: Hello? Okay.

[pause]

HANSSEN: [Whispering] Six Six

[pause]

HANSSEN: That should be fine.

KGB: Okay. We will confirm you, that the papers are waiting for you with the same horizontal tape in the same place as we did it at the first time.

HANSSEN: Very good.

KGB: You see. After you receive the papers, you will send the letter confirming it and signing it, as usual. Okay?

HANSSEN: Excellent.

KGB: I hope you remember the address. Is . . . if everything is okay?

HANSSEN: I believe it should be fine and thank you very much.

KGB: Heh-heh. Not at all. Not at all. Nice job. For both of us. Uh, have a nice evening, sir.

HANSSEN: Do svidanya.

KGB: Bye-bye.

According to the established "6" coefficient, the operation discussed in this conversation was actually scheduled to occur on August 19, 1986, at 7:00 am.

20. On or about August 19, 1986, defendant HANSSEN retrieved from the "PARK" (Nottoway Park) dead drop site in the Eastern District of Virginia a package from the KGB containing \$10,000 cash and a letter. In the letter, the KGB proposed two additional dead drop sites, a new accommodation address codenamed "NANCY", and plans to enable defendant HANSSEN to personally

contact KGB personnel in Vienna, Austria, in the event of an emergency. The "NANCY" address was the residence of KGB Line PR officer Boris M. Malakhov in Alexandria, Virginia. The KGB instructed defendant HANSSEN to mis-spell Malakhov's name as "Malkow."

21. On or about August 19, 1986, defendant HANSSEN mailed an envelope to the KGB addressed to the residence of the Soviet Embassy official Degtyar in the Eastern District of Virginia. The envelope bore a handwritten address and the return address: "Ramon Garcia, 125 Main St, Falls Church VA". Inside the envelope was a handwritten note: "RECEIVED \$10,000. RAMON."

The September 1987 Operations

22. On or about September 8, 1987, defendant HANSSEN mailed an envelope to the KGB, bearing a handwritten address to "B.N. MALKOW" at the "NANCY" address in the Eastern District of Virginia. Inside the envelope was the following typed letter:

Dear Friends:

No, I have decided. It must be on my original terms or not at all. I will not meet abroad or here. I will not maintain lists of sites or modified equipment. I will help you when I can, and in time we will develop methods of efficient communication. Unless a [sic] see an abort signal on our post from you by 3/16, I will mail my contact a valuable package timed to arrive on 3/18. I will await your signal and package to be in place before 1:00 pm on 3/22 or alternately the following three weeks, same day and time. If my terms are unacceptable then place no signals and withdraw my contact. Excellent work by him has ensured this channel is secure for now. My regards

to him and to the professional way you have handled this matter.

sincerely,
Ramon

According to the established "6" coefficient, the dates referred to in this letter were actually September 10, 12, and 16.

23. On or about September 14, 1987, defendant HANSSEN mailed to the KGB a package containing classified documents, including documents of the National Security Council.

24. On or about September 15, 1987, defendant HANSSEN retrieved from the "PARK" (Nottoway Park) dead drop site in the Eastern District of Virginia a package from the KGB containing \$10,000 cash and a message. In the message, the KGB proposed two additional dead drop sites, one codenamed "AN" located in Ellanor C. Lawrence Park in Western Fairfax County in the Eastern District of Virginia, and another named "DEN" at a different location farther away. The KGB proposed that defendant HANSSEN load the dead drop at "PARK" or "AN" on September 26, 1987, and that the KGB respond by loading "DEN".

25. On or before September 26, 1987, defendant HANSSEN placed at the "PARK" (Nottoway Park) dead drop site in the Eastern District of Virginia a package for the KGB containing a letter and a classified document. The letter, which was handwritten, began as follows:

MY FRIENDS:

THANK YOU FOR THE \$10,000.

I AM NOT A YOUNG MAN, AND THE COMMITMENTS ON MY TIME PREVENT USING DISTANT DROPS SUCH AS YOU SUGGEST. I KNOW IN THIS I AM MOVING YOU OUT OF YOUR SET MODES OF DOING BUSINESS, BUT MY EXPERIENCE TELLS ME THE [sic] WE CAN BE ACTUALLY MORE SECURE IN EASIER MODES.

I SUGGEST THE FOLLOWING TYPE OF EXCHANGE. A CAR WILL BE PARKED ON WYOMING NEAR 24th IN D.C. NW (NEAR MIL. OFC.) ITS [sic] RIGHT F. DOOR WILL BE UNLOCKED. MY PACKAGE WILL BE UNDER THE SEAT. LICENSE OF CAR WILL BE U.S. STATE DEPT. DIPLOMATIC PLATE CEM 015. TIMING MONDAY 4/18 1AM-3AM. YOU SWITCH YOUR PACKAGE FOR MINE. FURNISH ME TWO (MAIN & RESERVE) ADDRESSES. I WILL MAIL YOU A NOTE AT THE ADDRESS INDICATING A SIMILAR EXCHANGE ANY FOLLOWING MONDAY. IT WILL SAY NOTHING BUT BE SIGNED RAMON. FIND A COMFORTABLE VIENNA VA. SIGNAL SITE TO CALL ME TO AN EXCHANGE ANY FOLLOWING MONDAY.

GOOD LUCK IN YOUR WORK.

[IF YOU CANNOT DO THIS I WILL CLEAR THIS ONCE AN ON YOUR SCHEDULED DATE (RATHER THAN THE OTHER)]

RAMON

26. Defendant HANSSEN possessed a prototype United States Department of State diplomatic license plate bearing the number CEM 015, which the FBI later recovered from his residence.

The November 1987 Operations

27. On or about Saturday, November 7, 1987, defendant HANSSEN mailed a letter to the KGB addressed to the "NANCY" accommodation address, which was the residence of the Soviet Embassy official Malakhov in the Eastern District of Virginia. The envelope bore a return address of "J. Baker" in "Chicago". In the letter, defendant HANSSEN advised the KGB that Saturday for "AN" was not suitable, and he postponed the operation for two days, until Monday, November 16, 1987. He also advised that he

had an urgent package for the KGB, and he asked the KGB to place a signal about receiving the letter.

28. On or about Tuesday, November 17, 1987, defendant HANSSEN mailed a letter to the KGB. The envelope bore a return address of "G. Robertson" in "Houston". The letter, which was handwritten, read as follows:

Unable to locate AN based on your description at night. Recognize that I am dressed in business suit and can not slog around in inch deep mud. I suggest we use once again original site. I will place my urgent material there at next AN times. Replace it with your package. I will select some few sites good for me and pass them to you. Please give new constant conditions of recontact as address to write. Will not put substantive material through it. Only instructions as usual format.

Ramon

29. On or about the following Monday, November 23, 1987, defendant HANSSEN and the KGB carried out an exchange operation at the "PARK" (Nottoway Park) dead drop site in the Eastern District of Virginia. Defendant HANSSEN placed at the dead drop site a package for the KGB containing a number of classified documents, including a report about a recent FBI/CIA meeting with a Soviet intelligence officer who was an FBI/CIA recruitment target, which report related to the national defense and was classified SECRET. Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$20,000 cash and a letter. In the letter, the KGB conveyed "regards" from the KGB Director and advised that \$100,000 had been deposited in a bank

at 6-7% interest. The letter also asked for a variety of specific classified information, proposed two new accommodation addresses and a new signal site, and asked defendant HANSSEN to propose new dead drop sites.

The February 1988 Dead Drop Exchange

30. On or about Wednesday, February 3, 1988, defendant HANSSEN mailed an envelope to the KGB addressed to one of the new Soviet accommodation addresses, designated "A", in the Eastern District of Virginia. The envelope bore the return address of "Jim Baker" in "Langley", and was postmarked in Washington, D.C. The envelope contained a note which read simply:--"OK".

31. On or about the following Monday, February 8, 1988, defendant HANSSEN and the KGB carried out an exchange operation at the "PARK/PRIME" (Nottoway Park) dead drop site in the Eastern District of Virginia, which they thereafter also referred to as "PRIME".

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a letter, a computer diskette, and classified documents. The letter read, in part, as follows:

To my friends:

Acknowledging \$20,000 and deposit.

Enclosed are two additional sites designated secondary and tertiary. . . .

As an alternate to drop activity for messages such as the above, I suggest that I mail you the message encrypted on a computer diskette. I will provide you

with the cipher system and key. The disks and system will function on an IBM or IBM compatible system such as the IBM or Toshiba laptop. (3 ½ inch format) These are available locally very cheaply and have adequate radiation characteristics. This would be a faster and more secure channel.

In the letter, defendant HANSSEN reported that, "[c]oncerning your request for information about Victor Ivanovich Sheymov," defendant HANSSEN had "arranged time to review his file for a project in the future" and "a full report will follow as soon as possible." Meanwhile, defendant HANSSEN provided details of Sheymov's defection and present whereabouts. The information about Sheymov related to the national defense and was classified SECRET. He also disclosed the identity by KGB codename and recent specific assignment of a KGB agent who was currently operating as an illegal in a particular United States city and who had been recruited by the FBI to serve as a double agent, which information related to the national defense and was classified SECRET. He also disclosed a particular limitation on the National Security Agency's ability to read certain Soviet communications, which information related to the national defense, was classified TOP SECRET/SCI, and directly concerned communications intelligence.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$25,000 cash and a letter. The letter conveyed the thanks of the KGB Chairman, Vladimir

Kryuchkov, for the information regarding the valuable source about whom defendant HANSSEN had reported on November 23, 1987, and for more information about the source. The KGB also asked for additional information on other subjects.

32. In or about February 1988, defendant HANSSEN reviewed the FBI's file on Viktor Sheymov.

The March 1988 Operations

33. On or about Tuesday, March 15, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a computer diskette. The envelope bore a return address of "Jim Baker" in "Chicago" and was postmarked in Washington, D.C.

34. On or about Wednesday, March 16, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a note instructing the KGB to: "Use 'P' until you approve the others." 'P' referred to the "PARK/PRIME" dead drop site. The envelope bore a return address of "Jim Baker" in "Chicago" and was postmarked in Northern Virginia.

35. On or about Thursday, March 24, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a computer diskette. The envelope bore a return address of "Jim Baker" in "Chicago" and was postmarked in Washington, D.C. The KGB was

unable to find text on the diskette.

36. On or about the following Monday, March 28, 1988, defendant HANSSEN and the KGB carried out an exchange operation at the "PARK/PRIME" (Nottoway Park) dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette (which the KGB referred to as "D-4") and classified documents, including a version of a TOP SECRET document entitled "The FBI's Double Agent Program" which contained a detailed evaluation of FBI double agent operations, including joint operations with other United States intelligence agencies, conducted worldwide over a ten-year period, and which related to the national defense.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$25,000 cash and a letter. In the letter, the KGB explained why the KGB had not been able to check the "PARK/PRIME" (Nottoway Park) dead drop site on March 21. In the letter, the KGB advised it was unable to read the diskettes defendant HANSSEN had sent. The KGB also asked for information about codes and cryptograms, intelligence support for the Strategic Defense Initiative, submarines, and other classified matters.

37. On or about Thursday, March 31, 1988, defendant HANSSEN mailed an envelope to the KGB addressed to accommodation address

"A" in the Eastern District of Virginia, bearing a return address of "Jim Baker" in "Alexandria" and postmarked in Northern Virginia. The envelope contained a note reading: "use 40-TRACK MODE, this letter is not a signal" -- referring to a technical process for re-formatting a computer diskette in order to conceal data by putting the data onto specific tracks on the diskette, and the need to use the correct codes to decrypt such a diskette else it appear to be blank.

The April 1988 Mailing; HANSSEN Asks For Diamonds

38. On or about Tuesday, April 5, 1988, defendant HANSSEN mailed a package to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a diskette ("D-5"). The package bore a return address of "Jim Baker" in "Fairfax" and was postmarked in Northern Virginia. The diskette contained classified information, including what the KGB characterized as "everything" about a particular KGB officer, additional information about the KGB defector Victor Sheymov, and information about two specific FBI Soviet recruitments. The diskette also contained an explanation about why the KGB had been unable to read previous diskettes, and proposed two new operational sites. In this letter, defendant HANSSEN advised that he would use the word "Chicago" in the return address on envelopes he mailed to the KGB to signal that a dead drop operation should occur on the following Monday. Defendant

HANSSEN also asked for diamonds.

The May 1988 Operation

39. On or about May 17, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to an accommodation address and containing a computer diskette ("D-6"). The envelope bore a return address of "Jim Baker" in "Chicago" and was postmarked in Northern Virginia. The diskette contained classified information about a number of matters including a specific recent FBI Soviet recruitment operation. A note indicated: "PRIME".

The July 1988 Operations

40. On or about Wednesday, July 13, 1988, defendant HANSSEN mailed a letter to the KGB addressed to accommodation address "A" in the Eastern District of Virginia. The envelope bore a return address "Chicago" and was postmarked in Washington, D.C.

41. On or about the following Monday, July 18, 1988, defendant HANSSEN and the KGB carried out an exchange operation at the "PARK/PRIME" (Nottoway Park) dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing over 530 pages of material, including the following classified documents which related to the national defense:

- (a) A TOP SECRET United States intelligence analysis of the effectiveness of Soviet intelligence collection

efforts against certain United States nuclear weapons capabilities, bearing the caveats NOFORN NOCONTRACT ORCON, which analysis directly concerned early warning systems and other means of defense or retaliation against large scale attack.

(b) A TOP SECRET/SCI/NOFORN document entitled "Compendium of Future Intelligence Requirements: Volume II", dated September 1987, prepared for the Director of Central Intelligence by the Staff of the Intelligence Producers Council, containing a comprehensive listing of specific current intelligence information, including information about military capabilities and preparedness, sought by the United States regarding the Soviet Union and other nations.

(c) A TOP SECRET comprehensive historical FBI review of allegations from recruitments and defectors over a period of years that the Soviet intelligence services had penetrated the FBI, which identified Soviet recruitments and defectors with specificity, and described particular information they provided. It contained the following warning:

IN VIEW OF THE EXTREME SENSITIVITY OF THIS DOCUMENT, THE UTMOST CAUTION MUST BE EXERCISED IN ITS HANDLING. THE CONTENTS INCLUDE A COMPREHENSIVE REVIEW OF SENSITIVE SOURCE ALLEGATIONS AND INVESTIGATIONS OF PENETRATION OF THE FBI BY THE SOVIET INTELLIGENCE SERVICES, THE DISCLOSURE OF WHICH WOULD COMPROMISE HIGHLY SENSITIVE COUNTERINTELLIGENCE OPERATIONS AND METHODS. ACCESS SHOULD BE LIMITED TO A STRICT NEED-TO-KNOW BASIS.

(d) A SECRET CIA Counterintelligence Staff Study entitled "The Soviet Counterintelligence Offensive: KGB Recruitment Operations Against CIA," dated March 1988 and bearing the caveats NOFORN NOCONTRACT ORCON. This document contained the following preface:

Warning Notice	Intelligence Sources or Methods Involved (WNINTEL)
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National Security Information	Unauthorized Disclosure Subject to Criminal Sanctions
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and also expressly defined "NOFORN" as "Not Releasable to Foreign Nationals."

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$25,000 cash and a letter. In the letter, the KGB asked for information about surveillance systems, the agent network in New York City, illegal intelligence, and several specific FBI recruitment operations. The KGB also proposed two new dead drop and related signal sites. One, named "BOB", was under a footbridge in Idylwood Park, between Vienna and Falls Church, in the Eastern District of Virginia. The other, named "CHARLIE", was under a footbridge in Eakin Community Park, south of Vienna, in the Eastern District of Virginia. For these dead drop sites, the KGB instructed defendant HANSSEN to load the dead drops by 9:00 pm on the designated day; the KGB would clear it by 10:00 pm and load it with a package which defendant Hanssen was to clear after 10:00 pm.

42. On or about Friday, July 29, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a diskette ("D-7"). The envelope bore a return address of "Alexandria". The diskette contained classified information on technical surveillance systems, a new recruitment in New York City, illegal intelligence, and several other specific FBI Soviet recruitment targets. A message on the diskette also accepted the KGB's proposed operational sites "BOB" and "CHARLIE".

The September 1988 Mailing and Dead Drop Exchange

43. On or about Tuesday, September 20, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a note and a computer diskette ("D-8"). The envelope bore a return address of "Chicago" and was postmarked in Washington, D.C. The diskette contained classified information about particular Soviet recruitment targets of the FBI. The note read: "At BOB".

44. On or about the following Monday, September 26, 1988, defendant HANSSEN and the KGB carried out an exchange operation at the "BOB" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the "BOB" dead drop site in the Eastern District of Virginia a package for the KGB containing approximately 300 pages of material containing classified information, including an FBI memo about a particular individual

believed at the time to be a KGB Line KR officer in New York City, information on technical means of Soviet intelligence, a transcript of a Counterintelligence Group meeting, and information on several other classified matters.

Defendant HANSSEN retrieved from a dead drop site in the Eastern District of Virginia a package from the KGB containing a diamond valued at \$24,720 and a letter. In the letter, the KGB advised that \$50,000 had been deposited in defendant HANSSEN's escrow account. The letter also expressed gratitude to him from the KGB Chairman (Vladimir A. Kryuchkov). The letter also discussed communications procedures, security measures, a personal meeting, and passports. It also asked him to provide information about classified technical operations in the Soviet Union, agent network details, allies' sources, FBI programs, past cases, and a certain missile technology.

The November 1988 Mailing

45. On or about November 30, 1988, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and containing a computer diskette ("D-9"). The envelope bore a return address of "G. Robertson, Baker's Photo" and was postmarked in Washington, D.C. The diskette contained information about a number of classified matters.

The December 1988 Dead Drop Exchange

46. On or about Monday, December 26, 1988, defendant HANSSEN and the KGB carried out an exchange operation at the "CHARLIE" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-10") and approximately 356 pages of material containing classified information. The diskette contained additional classified information, including the fact that the United States was targeting a particular category of Soviet communications, which information was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$10,000 cash, a diamond valued at \$17,748, and a message in which the KGB asked for additional specific information about a wide variety of classified technical and recruitment matters.

The January 1989 Emergency Dead Drop Operation

47. On or about Tuesday, January 31, 1989, defendant HANSSEN placed at the "BOB" dead drop site in the Eastern District of Virginia a package for the KGB containing a classified cable, a computer diskette ("D-11") containing comments on the cable and information on other classified matters

about which the KGB had previously asked, and a note reading:
"Send to the Center right away. This might be useful."

48. On or about Tuesday, January 31, 1989, defendant HANSSEN placed an emergency call-out signal at a pre-designated signal site, to alert the KGB that he had placed a package at a pre-arranged dead drop site.

49. After observing the emergency call-out signal on or about January 31, 1989, the KGB retrieved the package defendant HANSSEN had placed at the "BOB" dead drop site.

The March 1989 Dead Drop Exchange

50. On or about Thursday, March 16, 1989, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site, to schedule a dead drop exchange at a pre-arranged time and location.

51. On or about Monday, March 20, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "CHARLIE" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed two packages for the KGB at the dead drop site. One package contained a TOP SECRET/SCI document entitled "DCI Guidance for the National MASINT Intelligence Program (FY 1991-FY 2000)," which was prepared by the Measurement and Signature Intelligence (MASINT) Committee, dated November 1988, and related to the national defense. The MASINT document represented the United States Intelligence

Community's consensus as to specific MASINT objectives and studies leading to needed capabilities, and its contents were highly specific and technical. It bore the caveats NOFORN and NOCONTRACT, and contained the following preface:

Warning Notice
Intelligence Sources or Methods Involved
(WNINTEL)
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

In passing this document to the KGB, defendant HANSSEN requested that it be returned. The second package contained a computer diskette ("D-12") and approximately 539 pages of materials including classified information on a variety of matters.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$18,000 cash, a diamond valued at \$11,700, and a letter. In the letter, the KGB confirmed receiving defendant HANSSEN's December 26 and January 31 packages, discussed a personal meeting, requested new dead drop sites, and asked how to increase operational security. The KGB also asked defendant HANSSEN about his security precautions for the diamonds. The KGB also asked for information about a wide variety of technical and operational subjects. The KGB thanked "B" for the information he provided on January 31, and asked him "for everything else that's possible."

52. Defendant HANSSEN assured the KGB that he would say the diamonds came from his grandmother.

The May 1989 Dead Drop Exchange

53. On or about Wednesday, May 17, 1989, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

54. On or about the following Monday, May 22, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "BOB" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing approximately 80 pages of material including classified documents, a computer diskette ("D-13"), and two of the three diamonds that he had previously received from the KGB and that he was returning for cash. In a message on the diskette, defendant HANSSEN suggested that an account in Switzerland be used for the receipt of payments from the KGB. The diskette contained classified information about a variety of technical and operational matters. On the diskette, defendant HANSSEN reported the existence, and details of, an ongoing FBI espionage investigation of United States Department of State officer Felix Bloch, which information was classified SECRET and related to the national defense; this disclosure by defendant HANSSEN led the Soviet Union to warn Bloch of the investigation and thereby prevented the FBI from concluding its investigation. The diskette also disclosed the fact that the United States was

targeting a particular category of Soviet communications, which information was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing a letter and the "MASINT" document that defendant HANSSEN had previously provided to the KGB and had asked the KGB to return to him. In the letter, the KGB described its two prior failed efforts to return the "MASINT" document to defendant HANSSEN, and promised to pass money to him the next time.

The August 1989 Dead Drop Operation

55. On or about Tuesday, August 1, 1989, defendant HANSSEN placed two simultaneous call-out signals for the KGB at pre-designated signal sites to schedule a dead drop operation at a pre-arranged time and location.

56. On or about Monday, August 7, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "CHARLIE" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-14") and five rolls of undeveloped film. The film depicted the contents of a highly-restricted TOP SECRET/SCI analysis, dated May 1987, of the Soviet intelligence threat to a specific and named highly-

compartmented United States Government program to ensure the continuity of government in the event of a Soviet nuclear attack, which related to the national defense and directly concerned means of defense or retaliation against large scale nuclear attack and other elements of defense strategy. The diskette contained classified information from the Bloch-Gikman file and about several FBI recruitment attempts, and approval of a new dead drop site the KGB had proposed, codenamed "DORIS", located under a footbridge in Canterbury Park in Springfield, Virginia, in the Eastern District of Virginia.

Defendant HANSEN retrieved from the "CHARLIE" dead drop site in the Eastern District of Virginia a package from the KGB containing \$30,000 cash and a letter promising to compensate him for the returned diamonds and rejecting his suggestions for an account in Switzerland. In the letter, the KGB also discussed communications plans and proposed a new dead drop site, codenamed "ELLIS", under a footbridge over Wolftrap Creek near Creek Crossing Road at Foxstone Park, near Vienna, Virginia, in the Eastern District of Virginia, with a signal site on the "Foxstone Park" sign.

The September 1989 Dead Drop Operation; The KGB's First Diskette

57. On or about Friday, September 22, 1989, defendant HANSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged

time and location.

58. On or about the following Monday, September 25, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "DORIS" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-15") which contained classified information. The package also contained approximately 80 pages of material, including part of a document concerning a United States technical operation against a specific foreign target, which information was classified TOP SECRET, related to the national defense, and directly concerned communications intelligence. The materials also included details of a United States program of technical penetration of a particular Soviet establishment, which information was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$30,000 cash, a letter, and, for the first time from the KGB, a computer diskette.

59. On or about Thursday, September 28, 1989, defendant HANSSEN mailed an envelope to the KGB addressed to accommodation address "A" in the Eastern District of Virginia. The envelope bore a return address of "G. Robertson, 1408 Ingeborg Ct., McLean

VA" and was postmarked in Northern Virginia. A letter in the envelope reported that: "The disk is clean. I tried all methods - completely demagnetized."

The October 1989 Mailing and Dead Drop Exchange

60. On or about Monday, October 16, 1989, defendant HANSSEN mailed an envelope to the KGB, addressed to an accommodation address in the Eastern District of Virginia, and containing a computer diskette ("D-16"). The envelope bore a return address of "G. Robertson, 1101 Kingston Ct., Houston, TX" and was postmarked in Northern Virginia.

61. On or about Monday, October 23, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "ELLIS" (Foxstone Park) dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette (a duplicate of "D-16"). The diskette contained classified information about technical and recruitment matters, and particularly disclosed the fact that the United States had the capability to read certain Soviet communications, which fact was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence. Defendant HANSSEN also requested the KGB to load the "ELLIS" dead drop site at any time, and advised that he would check the signal site periodically about

the loading.

62. Between on or about Tuesday, October 31, 1989, and on or about Friday, November 3, 1989, defendant HANSSEN retrieved from the "ELLIS" dead drop site in the Eastern District of Virginia a package from the KGB containing \$55,000 cash and a computer diskette. The diskette contained a letter conveying regards from the KGB Chairman and notifying defendant HANSSEN that \$50,000 had been deposited into his escrow account in Moscow. The diskette also provided a new accommodation address, and instructions on how to inform the KGB which materials should be opened by the KGB in Washington, D.C., and which should go to the Center. It also made extensive requests for additional information concerning particular United States intelligence activities targeting the Soviet Union.

The December 1989 Dead Drop Exchange

63. On or about Wednesday, December 20, 1989, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

64. On or about the following Monday, December 25, 1989, defendant HANSSEN and the KGB carried out an exchange operation at the "BOB" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-17") and

several documents. One of the documents was a Director of Central Intelligence National Intelligence Estimate (NIE) entitled "The Soviet System in Crisis: Prospects for the Next Two Years", dated November 1989, which was classified SECRET, related to the national defense, and bore the caveats NOFORN NOCONTRACT WNINTEL and the notice: "Unauthorized Disclosure Subject to Criminal Sanctions." The documents also included printed materials containing details of the TOP SECRET/SCI United States program of technical penetration of a particular Soviet establishment, about which defendant HANSEN had reported to the KGB in the package he had placed at the "DORIS" dead drop site on or about September 25, 1989, and which information related to the national defense and directly concerned communications intelligence. The diskette also contained a message in which defendant HANSEN complimented the KGB's efficient actions, and provided current information about: several ongoing FBI recruitment operations against Soviet intelligence officers; three new tightly-protected FBI sources within the KGB and other Soviet entities; and four defectors. He also provided updated information on the Bloch-Gikman matter.

Defendant HANSEN retrieved from the dead drop site a package from the KGB containing \$38,000 cash as payment for the October 16-23 period plus compensation for the two returned diamonds, and two KGB diskettes. The diskettes contained

Christmas greetings from the KGB, discussed communications plans, and asked for specific information about a variety of classified technical operations.

The March 1990 Dead Drop Exchange

65. On or about Thursday, March 1, 1990, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

66. On or about the following Monday, March 5, 1990, defendant HANSSEN and the KGB carried out an exchange operation at the "CHARLIE" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing classified materials and a computer diskette ("D-18") on which he reported classified information on a wide variety of topics. In particular, defendant HANSSEN confirmed that a particular Soviet Embassy employee in the United States, and a second particular Soviet person, were recruited intelligence assets of the FBI, which information was classified SECRET and related to the national defense.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$40,000 cash and a computer diskette on which the KGB discussed communications plans and

asked for information on a wide variety of classified technical, operational, and recruitment matters. The KGB also asked what the Soviets could use of the certain highly classified and sensitive program information he had previously disclosed.

The May 1990 Dead Drop Exchanges and Mailing

67. On or about Thursday, May 3, 1990, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

68. On or about the following Monday, May 7, 1990, defendant HANSSEN and the KGB carried out an exchange operation at the "DORIS" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-19") which contained classified information, and approximately 232 pages of material which included classified documents. Defendant HANSSEN gave the KGB permission to use certain highly classified and sensitive program information he had previously disclosed. Defendant HANSSEN also advised the KGB that because of a promotion he would be traveling for one year, and he discussed communications plans and a method of renewing contact.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$35,000 cash and a KGB computer

diskette. The diskette contained a letter reading, in part, as follows:

Dear Friend:

. . . . We attach some information requests which we ask Your kind assistance for. We are very cautious about using Your info and materials so that none of our actions in no way causes [sic] no harm to Your security. With this on our mind we are asking that sensitive materials and information (especially hot and demanding some actions) be accompanied by some sort of Your comments or some guidance on how we may or may not use it with regard to Your security.

We wish You good luck and enclose \$35,000.

Thank you.

Sincerely,

Your friends.

The KGB diskette also contained communications plans, and identified a new dead drop site, codenamed "FLO", located under a footbridge in Lewinsville Park near the intersection of Warner Avenue and Westbury Road in McLean, Virginia, in the Eastern District of Virginia, and a nearby signal site. The diskette also contained specific requests for information, including operational leads and materials on recruitments of Soviets.

69. On or about Thursday, May 17, 1990, defendant HANSSEN mailed a letter and a computer diskette to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia.

70. On or about the following Monday, May 21, 1990, defendant HANSSEN retrieved from the "ELLIS" dead drop site in the Eastern District of Virginia a package from the KGB containing two KGB diskettes. One contained a letter that

discussed in detail communications plans and recontact procedures. It read, in part:

Dear Friend:

Congratulations on Your promotion. We wish You all the very best in Your life and career.

We appreciate Your sympathy for some difficulties our people face - Your friendship and understanding are very important to us. Of course You are right, no system is perfect and we do understand this.

Speaking about the systems. We don't see any problem for the system of our future communications in regard to this new circumstances of Yours. Though we can't but regret that our contacts may be not so regular as before, like You said.

We believe our current commo plan - though neither perfect - covers rather [sic] flexibly Your needs: You may have a contact with us anytime You want after staying away as long as You have to. So, do Your new job, make Your trips, take Your time. The commo plan we have will still be working. We'll keep covering the active call out signal site no matter how long it's needed. And we'll be in a ready-to-go mode to come over to the drop next in turn whenever You are ready: that is when You are back home and decide to communicate. All You'll have to do is to put Your call out signal, just as now. And You have two addresses to use to recontact us only if the signal sites for some reason don't work or can't be used. . . . But in any case be sure: You may have a contact anytime because the active call out site is always covered according to the schedule no matter how long you've been away. . . .

Thank You and good luck.

Sincerely,

Your friends.

The KGB particularly asked defendant HANSSSEN to "give us some good leads to possible recruitments" among "interesting people in the right places." The KGB also asked for information about a

Soviet Embassy employee who defendant HANSSEN had previously identified as an FBI recruitment-in-place, and who the KGB believed was about to defect.

The August-September 1990 Mailing and Dead Drop Exchange

71. On or about Monday, August 20, 1990, defendant HANSSEN mailed an envelope to the KGB, addressed to accommodation address "A" in the Eastern District of Virginia and bearing the return address "J. Baker, Box 1101, Alexandria VA". In the envelope was a computer diskette ("D-20") containing classified information and a message instructing the KGB to load the "FLO" dead drop site on September 3, 1990.

72. On or about Monday, September 3, 1990, defendant HANSSEN retrieved from a dead drop site in the Eastern District of Virginia a package from the KGB containing \$40,000 cash and a KGB computer diskette. The diskette contained a letter which identified more call-out signal sites, made numerous specific requests for classified information, and noted that some of the materials defendant HANSSEN had provided about "political issues of interest . . . were reported to the very top."

The February 1991 Dead Drop Exchanges

73. On or about Saturday, February 2, 1991, defendant HANSSEN placed an emergency call-out signal for the KGB.

74. On or about Saturday, February 2, 1991, defendant HANSSEN placed at the "CHARLIE" dead drop site in the Eastern

District of Virginia a package for the KGB containing a computer diskette ("D-21"). The diskette contained a letter in which defendant HANSEN acknowledged receipt of the \$40,000, calling it "too generous". He also disclosed to the KGB that the FBI's chief of counterintelligence in the New York Field Office had told him that the FBI had recruited a specific number of sources at a particular Soviet establishment. In particular, defendant HANSEN confirmed that a particular Soviet person in the United States was a recruited reporting asset of the FBI, and he confirmed the true identity of a Soviet person in the United States who was operating as an FBI recruitment-in-place, all of which information was classified SECRET and related to the national defense. Defendant Hansen also advised that he would be ready for an operation on February 18, 1991.

75. On or about Monday, February 18, 1991, the KGB placed at the "CHARLIE" dead drop site in the Eastern District of Virginia a package containing \$10,000 cash and a KGB computer diskette. On the diskette, the KGB established two new dead drop sites, one of which was codenamed "GRACE" and located under a footbridge in Rock Creek Park in Washington, D.C. The KGB also asked for specific classified technical and operational information, and instructed that the next contact would be at the "DORIS" dead drop site.

The April 1991 Dead Drop Exchange

76. On or about Wednesday, April 10, 1991, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

77. On or about the following Monday, April 15, 1991, defendant HANSSEN and the KGB carried out an exchange operation at the "DORIS" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-22") in which he confirmed receipt of cash and provided classified FBI information about a specific recruitment operation about which the KGB had previously asked.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$10,000 cash and a KGB computer diskette. A letter on the diskette read as follows:

Dear Friend:

Time is flying. As a poet said: "What's our life,
If full of care
You have no time
To stop and stare?"
You've managed to slow down the speed of Your running
life to send us a message. And we appreciate it.

We hope You're O'K and Your family is fine too. We are sure You're doing great at Your job. As before, we'll keep staying alert to respond to any call from You whenever You need it.

We acknowledge receiving one disk through CHARLIE. One disk of mystery and intrigue. Thank you.

Not much a business letter this time. Just formalities. We consider Site-9 cancelled. And we are sure You remember: our next contact is due at ELLIS.

Frankly, we are looking forward to JUNE. Every new season brings new expectations.

Enclosed in our today's package please find \$10,000. Thank You for Your friendship and help.

We attach some information requests. We hope You'll be able to assist us on them.

Take care and good luck.
Sincerely,

Your friends.

The KGB also asked for information about several specific classified matters, including United States Intelligence Community plans to respond to domestic turmoil in the Soviet Union and new United States communications intelligence efforts.

The July 1991 Dead Drop Exchange

78. On or about Tuesday, July 9, 1991, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

79. On or about the following Monday, July 15, 1991, defendant HANSSEN and the KGB carried out an exchange operation at the "ELLIS" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-23") and approximately 284 pages of material. The diskette read, in part: "I returned, grabbed the first thing I could lay my hands on" and "I was in a hurry so that you would not worry, because June has passed, they held me there longer." He also noted that he had at least five years until retirement, and remarked: "Maybe I will hang in there for that long." Defendant HANSSEN also reported on a particular FBI-CIA operation. The classified documents he provided included FBI documents, human intelligence plans, and documents concerning nuclear and missile weapons proliferation.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$12,000 cash and a KGB computer diskette reading, in part, as follows:

Dear friend:

Acknowledging the disk and materials . . . received through "DORIS" we also acknowledge again Your superb sense of humor and Your sharp-as-a-razor mind. We highly appreciate both.

Don't worry. We will not steam out incorrect conclusions from Your materials. Actually, Your information gratefully [sic] assisted us in seeing more clearly many issues and we are not ashamed to correct our notions if we have some. So, thank You for Your help. But if some of our requests seem a bit strange to You, please try to believe us there were sufficient reasons to put them and that what we wanted was to sort them out with Your help.

In regard to our "memo" on Your security. Just one more remark. If our natural wish to capitalize on Your information confronts in any way Your security

interests we definitely cut down our thirst for profit and choose Your security. The same goes with any other aspect of Your case. That's why we say Your security goes first. . . .

We are sure You remember our next contact is due at "FLO".

As always we attach some information requests, which are of current interest to us.

We thank You and wish You the very best.

Sincerely,
Your friends.

Enclosed in the package please find \$12,000.

The KGB also provided new communications plans, and numerous specific requests for classified technical, operational, and recruitment matters. The KGB also asked follow-up questions about information defendant HANSSEN had previously provided, and requested information about specific United States Intelligence Community activity towards the Soviet Union.

The August 1991 Dead Drop Exchange

80. On or about Monday, August 19, 1991, defendant HANSSEN and the KGB carried out an exchange operation at the "FLO" dead drop site in the Eastern District of Virginia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-24") and a SECRET document disclosing details of a proposed FBI technical surveillance operation against a Soviet person in the United States, which information related to the national defense. On

the diskette, defendant HANSSEN provided information about classified technical and operational matters, including: the fact that the National Security Agency was reading the communications of a specific foreign country, and the specific methods used to do so, which information was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence; and the fact that the FBI was initiating a "dangle" operation against the Soviets at a particular named United States military facility, which information was classified SECRET and related to the national defense. On this diskette, defendant HANSSEN also discussed communications plans, and suggested how the Soviet Union could benefit from a thorough study of the period of Chicago's history when the city was governed by Mayor Richard J. Daley.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$20,000 cash and a message welcoming him back and advising that the next exchange would be at the "GRACE" dead drop site.

The October 1991 Dead Drop Exchange

81. On or about Tuesday, October 1, 1991, defendant HANSSEN placed a call-out signal for the KGB at a pre-designated signal site to schedule a dead drop operation at a pre-arranged time and location.

82. On or about the following Monday, October 7, 1991,

defendant HANSSEN and the KGB carried out an exchange operation at the "GRACE" dead drop site in the District of Columbia.

Defendant HANSSEN placed at the dead drop site a package for the KGB containing a computer diskette ("D-25") and a document entitled "The US Double-Agent Program: Management Review and Policy Recommendations", dated September 10, 1991, and classified SECRET. The diskette contained information about various classified recruitment operations. Defendant Hanssen also identified by name a particular "old friend" whom he suggested the KGB try to recruit; he explained that the man was a military officer who had recently been told he would not be promoted.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB containing \$12,000 cash and a KGB computer diskette reading, in part, as follows:

Dear friend:

Thanks for the package of 02.13. [The] materials are very promising, we intend to work on the scenario so wisely suggested by You. And the magical history tour to Chicago was mysteriously well timed. Have You ever thought of foretelling the things? After Your retirement for instance in some sort of Your own "Cristall [sic] Ball and Intelligence Agency" (CBIA)? There are always so many people in this world eager to get a glimpse of the future.

But now back to where we belong. There have been many important developments in our country lately. So many that we'd like to reassure You once again. Like we said: we've done all in order that none of those events ever affects Your security and our ability to maintain the operation with You. And of course there can be no

doubt of our commitment to Your friendship and cooperation which are too important to us to loose [sic]. . . .

Please note: our next contact is due at HELEN.

Enclosed in the package please find \$12,000 and attached as always are some information requests which we'd ask Your kind attention to.

Thank You and good luck..

Sincerely,
Your friends.

Using the established "6" coefficient, the reference to "2.13" actually refers to August 19. In the diskette, the KGB provided new communications plans and asked for specific information about a variety of classified technical, operational, and analytical matters. The KGB also asked for the current 1991 issue of a particular document reporting on Soviet knowledge of United States satellite reconnaissance systems, commenting that: "It's fun to read about the life in the Universe to understand better what's going on on our own planet." Asking about some pages that appeared to be missing from defendant HANSSSEN's July package, the KGB noted: "Sometimes it happens, we understand. Life is becoming too fast."

The December 1991 Mailing and Dead Drop Exchange

83. On or about Thursday, December 12, 1991, defendant HANSSSEN mailed an envelope to the KGB/SVR at accommodation address "A" in Alexandria, Virginia, in the Eastern District of

Virginia. The envelope, which was addressed by hand, bore a handwritten return address of "J. Baker, Box 1101, Houston, TX" and was postmarked Washington, D.C. The envelope contained a handwritten note reading: "-- @ BOB on 6/22; T. DEVICE APPROVED 6/16, COMING SOON". Using the established "6" coefficient, the reference to "6/22" actually refers to December 16. In stating "T. DEVICE APPROVED", defendant HANSSSEN was reporting that approval had been given for a device the FBI was to implant in the technical surveillance operation against a Soviet person in the United States about which defendant HANSSSEN had first reported to the KGB on August 19, 1991, which information was classified SECRET and related to the national defense.

84. On or about Monday, December 16, 1991, defendant HANSSSEN and the KGB/SVR carried out an exchange operation at the "BOB" dead drop site in the Eastern District of Virginia.

Defendant HANSSSEN placed at the dead drop site a package for the KGB/SVR containing a computer diskette ("D-26") and several documents relating to the national defense, including:

(a) A SECRET document, entitled "The KGB's First Chief Directorate: Structure, Functions, and Methods", produced by the Director of Central Intelligence Counterintelligence Center and dated November 1990, bearing the caveats NOFORN NOCONTRACT ORCON. It also bore the following notices:

WARNING NOTICE

This document should be disseminated only to persons having both the requisite clearances and a need to have access to its contents for performance of their duties. No further distribution or reproduction is authorized without the approval of the Associate Deputy Director for Operations for Counterintelligence, CIA.

and

National Security
Information

Unauthorized Disclosure
Subject to Criminal Sanctions

(b) A current volume of the DCI Congressional Budget Justification that detailed the programs and resource needs of the FBI's Foreign Counterintelligence Program. The document was classified SECRET with the caveats NOFORN NOCONTRACT ORCON, and the warning: "Unauthorized Disclosure Subject to Criminal Sanctions."

On the diskette, defendant HANSSEN expressed embarrassment over the pages missing from his earlier package, and advised that he had been promoted to a position of increased salary and authority that had moved him temporarily out of direct responsibility for Soviet matters. He noted that a new mission for his new group had not yet been defined, and he quoted a particular remark by General Patton about the Japanese. Defendant Hanssen also provided information about various classified technical and operational matters, and in particular reported the fact that the United States Intelligence Community was obtaining especially sensitive material derived from the communications of a specific

foreign country, which fact was classified TOP SECRET/SCI, related to the national defense, and directly concerned communications intelligence. He also discussed communications plans, and in particular proposed a new communications system in which he would set up an office at a location in town not subject to electronic surveillance, where he and the KGB/SVR could communicate directly using a computer that would be specially-equipped with certain advanced technology.

Defendant HANSSEN retrieved from the dead drop site a package from the KGB/SVR containing \$12,000 cash and a KGB computer diskette discussing communications plans and asking for specific information about various classified matters.

Operational Activity in 1999

85. On or about August 11, 1999, defendant HANSSEN conducted searches of the FBI's collected computerized databases of classified and unclassified investigative files and indices, called the Automated Case Support (ACS) System, for the purpose of determining whether the FBI was aware of operational activity at Foxstone Park.

86. On or about October 6, 1999, defendant HANSSEN maintained, on a computer memory storage device known as a Versa Card, the following letter from the KGB/SVR:

Dear friend: welcome!

It's good to know you are here. Acknowledging your letter to V.K. we express our sincere joy on the

occasion of resumption of contact with you. We firmly guarantee you for a necessary financial help. Note, please, that since our last contact a sum set aside for you has risen and presents now about 800.000 dollars. This time you will find in a package 50.000 dollars. Now it is up to you to give a secure explanation of it.

As to communication plan, we may have need of some time to work out a secure and reliable one. This why we suggest to carry on the 13th of November at the same drop which you have proposed in your letter to V.K. We shall be ready to retrieve your package from DD since 20:00 to 21:00 hours on the 12th of November after we would read you [sic] signal (a vertical mark of white adhesive tape of 6 - 8 cm length) on the post closest to Wolftrap Creek of the "Foxstone Park" sign. We shall fill our package in and make up our signal (a horizontal mark of white adhesive tape).

After you will clear the drop don't forget to remove our tape that will mean for us - exchange is over.

We propose a new place where you can put a signal for us when in need of an urgent DD operation. LOCATION: the closest to Whithaven [sic] Parkway wooden electricity utility pole at the south-west corner of T-shaped intersection of Foxhall Road and Whitehaven Parkway (map of Washington, DC, page 9, grid B11). At any working day put a white thumb tack (1 cm in diameter, colored sets are sold at CVS) into the Northern side of the pole at the height of about 1.2 yards. The tack must be seen from a car going down Foxhall Road. This will mean for us that we shall retrieve your package from the DD Foxstone Park at the evening of the nex [sic] week's Tuesday (when it's getting dark).

In case of a threatening situation of any kind put a yellow tack at the same place. This will mean that we shall refrain from any communication with you until further notice from your side (the white tack).

We also propose for your consideration a new DD site "Lewis". DD LOCATION: Wooden podium in the amphitheatre of Long-branch Nature Center (map of N.Virginia, page 16, grid G8). The package should be put under the FAR-LEFT corner of the podium (when

facing the podium). Entter [sic] Longbranch Nature Center at the sign from Carlin Springs Road (near 6th Road south) and after parking your car in the lot follow the sign "To Amphitheatre." LOCATION OF THE DD SIGNAL: a wooden electricity utility pole at the northwest corner of the intersection of 3d Street and Carlin Springs Road neagr [sic] the Metrobus stop (the same map, grid F7). The signals are the same as in the "Foxstone Park" DD. The white adhesive tape should be placed on the NORTHERN side of the pole, so that it could be noticed fro [sic] a car moving along Carling Springs Road in the southern direction from Route 50.

Please, let us know during the November operation of your opinion on the proposed places (the new signal and DD "Lewis").

We are intending to pass you a permanent communications plan using drop you know as well a new portion of money. For our part we are very interested to get from you any information about possible actions which may threaten us.

Thank you. Good luck to you. Sincerely,

Your friends.

The initials "V.K." are those of a known SVR Line KR senior officer in Washington, D.C.

87. On or about November 3, 1999, defendant HANSSSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops in Virginia or of operational activity at Foxstone Park.

88. On or about November 15, 1999, defendant HANSSSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops in Virginia or of operational activity at Foxstone Park.

Operational Activity in 2000

89. On or about March 14, 2000, defendant HANSEN conducted searches of the FBI's ACS System, and retrieved documents containing detailed information about a classified foreign counterintelligence operation that the FBI had conducted in 1999 against a suspected Soviet penetration of the United States Intelligence Community.

90. On or about March 14, 2000, defendant HANSEN created or last modified a letter to the KGB/SVR, which he maintained on the above-described Versa Card, and which began as follows:

I have come about as close as I ever want to come to sacrificing myself to help you, and I get silence. I hate silence.

Defendant Hansen then provided detailed information regarding the classified FBI foreign counterintelligence operation that was the subject of documents he retrieved from the ACS system on or about March 14, 2000. The letter continued as follows:

Conclusion: One might propose that I am either insanely brave or quite insane. I'd answer neither. I'd say, insanely loyal. Take your pick. There is insanity in all the answers.

I have, however, come as close to the edge as I can without being truly insane. My security concerns have proven reality-based. I'd say, pin your hopes on 'insanely loyal' and go for it. Only I can lose.

I decided on this course when I was 14 years old. I'd read Philby's book. Now that is insane, eh! My only hesitations were my security concerns under uncertainty. I hate uncertainty. So far I have judged the edge correctly. Give me credit for that.

Set the signal at my site any Tuesday evening. I will read your answer. Please, at least say goodbye. It's been a long time my dear friends, a long and lonely time.

Ramon Garcia

91. On or about March 31, 2000, defendant HANSSEN conducted searches of the FBI's ACS System, for the purpose of determining whether the FBI was aware of recent dead drops involving Russia.

92. On or about June 8, 2000, defendant HANSSEN created or last modified the following letter to the KGB/SVR, which he stored on the above-described Versa Card:

Dear Friends:

Administrative Issues:

Enclosed, once again, is my rudimentary cipher. Obviously it is weak in the manner I used it last -- reusing key on multiple messages, but I wanted to give you a chance if you had lost the algorithm [sic].

Thank you for the note. It brought me great joy to see the signal at last. As you implied and I have said, we do need a better form of secure communication -- faster. In this vein, I propose (without being attached to it) the following:

One of the commercial products currently available is the Palm VII organizer. I have a Palm III, which is actually a fairly capable computer. The VII version comes with wireless internet capability built in. It can allow the rapid transmission of encrypted messages which if used on an infrequent basis, could be quite effective in preventing confusions if the existence [sic] of the accounts could be appropriately hidden as well as the existence [sic] of the devices themselves. Such a device might even serve for rapid transmittal of substantial material in digital form. Your FAPSI could review what would be needed, its advisability, etc., obviously - - particularly safe rules of use. While

FAPSI may move with the rapidity of the Chinese army, they can be quite effective, in juggernaut fashion, that is to say thorough

New topics:

If you are wise, you will reign [sic] in the GRU. They are causing no end of grief. But for the large number of double-agents they run, there would be almost no ability to cite activity warranting current foreign counterintelligence outlays. Of course the Gusev affair didn't help you any. If I'd had better communications I could have prevented that. I was aware of the fact that microphones had been detected at the State Department. (Such matters are why I need rapid communications. It can save you much grief.) Many things are closely held, but that closeness fails when the need for action comes. Then the compartments grow of necessity. I had knowledge weeks before of the existence of devices, but not the country placing them. . . . I only found out the gruesome details too late to warn you through available means including the colored stick-pin call. (Which by the way I doubted would work because of your ominous silence.) Very frustrating. This is one reason I say 'you waste me' in the note. .

The U.S. can be errantly likened to a powerfully built but retarded child, potentially dangerous, but young, immature and easily manipulated. But don't be fooled by that appearance. It is also one which can turn ingenious [sic] very quickly, like an idiot savant, once convinced of a goal. The [] Japanese (to quote General Patten [sic] once again) learned this to their dismay. . . .

I will not be able to clear TOM on the first back-up date so don't be surprised if we default to that and you find this then. Just place yours again the following week, same protocol.

I greatly appreciate the highly professional inclusion of old references to things known to you in messages resulting from the mail interaction to assure me that the channel remains unpirated. This is not lost on me.

On Swiss money laundering [sic], you and I both know it is possible but not simple. And we do both know that

money is not really 'put away for you' except in some vague accounting sense. Never patronize me at this level. It offends me, but then you are easily forgiven. But perhaps I shouldn't tease you. It just bets me in trouble.

thank you again,

Ramon

93. On or about July 31, 2000, defendant HANSSEN maintained on the above-described Versa Card the following letter from the KGB/SVR:

Dear Ramon:

We are glad to use this possibility to thank You for Your striving for going on contact with us.

We received Your message. The truth is that we expended a lot of efforts to decipher it.

First of all we would like to emphasize that all well known events wich [sic] had taken place in this country and in our homeland had not affected our resources and we reaffirm our strong intentions to maintain and ensure safely our long-term cooperation with You.

We perceive Your actions as a manifestation of Your confidence in our service and from our part we assure You that we shall take all necessary measures to ensure Your personal security as much as possible.

Just because proceeding from our golden rule - to ensure Your personal security in the first place - we have proposed to carry out our next exchange operation at the place which had been used in last august [sic]. We did not like to give You any occasion to charge us with an inadequate attention to problems of Your security. We are happy that, according to the version You have proposed in Your last letter, our suggestions about DD, known as "Ellis", coincided completely. However a situation around our colleagues [sic] at the end of passed [sic] year made us to refuse this

operation at set day.

1. We thank You for information, which [sic] is of a great interest for us and highly evaluated in our service.

We hope that during future exchanges we shall receive Your materials, which will deal with a [sic] work of IC, the FBI and CIA in the first place, against our representatives and officers. We do mean its human, electronic and technical penetrations in our residencies here and in other countries. We are very interested in getting of the objective information on the work of a special group which serches [sic] "mole" in CIA and FBI. We need this information especially to take necessary additional steps to ensure Your personal security....

2. Before stating a communication plan that we propose for a next future, we would like to precise [sic] a following problem. Do You have any possibility to meet our colleagues [sic] or to undertake the exchange ops in other countries? If yes, what are these countries? Until we receive Your answer at this [sic] questions and set up a new communication plan, we propose to use for the exchange ops DD according to the following schedule:

= DD "LEWIS" on 27 of may 2001 (with a coefficient it will mean on 21 of november 2000). We draw Your attention on the fact that we used a former coefficient - 6 (sender adds, addressee subtracts). A time will be shown at real sense. We will be ready to withdraw Your package beginning by 8 PM on 27 may 2001 after we shall read Your signal. After that we put DD our package for You. Remove Your signal and place our signal by 9 PM of the same day. After that You will withdraw our package and remove our signal. That will mean an exchange operation is over. We shall check signal site (i.e., its absence) the next day (28 of May) till 9 PM. If by this time a signal had not been removed we shall withdraw our package and shall put it in for You repeatedly dates with DD "ELLIS" -- in each seven days after 28 May till 19 of June 2001 (i.e., 13 of December 2000).

= We propose to carry out our next operation on 16 of october 2001 (i.e., 10 of April) at the DD "LINDA"

in "Round Tree park" (if this place suits for Your [sic] we would like to receive Your oppinion [sic] about that during exchange in may). A time of operation from 8 pm to 9 pm, signals and schedule of alternate dates are the same. In the course of exchange ops we shall pass to You descriptions of new DD and SS that You can check them before. You will find with this letter descriptions of two new DD "LINDA" and "TOM". Hope to have Your opinion about them.

In case of break off in our contacts we propose to use DD "ELLIS", that you indicated in your first message. Your note about a second bridge across the street from the 'F' sign, as back up, is approved. We propose to use "ELLIS" once a year on 12 August (i.e., with coeff. it will be 18 February) at the same time as it was in August 1999. On that day we can carry out a full exchange operation -- You will enload your package and put a signal, we shall withdraw it, load our package and put our signal. You will remove our package and put your signal. Alternate dates - in seven days 'til next month.

= As it appears from your message, you continue to use post channel as a means of communication with us. You know very well our negative attitude toward this method. However if you send by post a short note where date (i.e., with coefficient), time and name of DD for urgent exchange are mentioned, you could do it by using address you had used in September (i.e., with coeff.) putting in a sealed envelope for V.K.

In future it is inexpedient to use a V.K. name as a sender. It will be better to choose any well known name in this country as you did it before.

3. We shall continue work up [sic] new variants of exchanging messages including PC disks. Of course we shall submit them to your approval in advance. If you use a PC disk for next time, please give us key numbers and program you have used.

4. We would like to tell you that an insignificant number of persons know about you, your information and our relationship.

5. We assess as very risky to transfer money in.

Zurich because now it is impossible to hide its origin...

94. On or about October 4, 2000, defendant HANSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops.

95. On or about November 13, 2000, defendant HANSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops.

96. On or about November 17, 2000, defendant HANSEN created or last modified the following letter to the KGB/SVR, which he stored on the above-described Versa Card:

Dear Friends:

Bear with me. It was I who sent the message trying to use TOM to communicate material to you. On reflection, I can understand why you did not respond. I see that I failed to furnish you sufficient information for you to recognize that the message you left for me in ELLIS did not go astray. You do this often (communicate such assurances through the mention of items like the old date offset we used), and believe me, it is not lost on me as a sign of professionalism. I say bear with me on this because you must realize I do not have a staff with whom to knock around all the potential difficulties. (For me breaks in communications are most difficult and stressful.) Recent changes in U.S. law now attach the death penalty to my help to you as you know, so I do take some risk. On the other hand, I know far better than most what minefields are laid and the risks. Generally speaking you overestimate the FBI's capacity to interdict you, but on the other hand, cocksure officers, (those with real guts and not as much knowledge as they think) can, as we say, step in an occasional cowpie. (Message to the translator: Got a good word for cowpie in Russian?? Clue, don't blindly walk behind cows.)

I have drawn together material for you now over a lengthy period. It is somewhat variable in import. Some were selected as being merely instructive rather than urgently important. I think such instructive insights often can be quite as valuable or even more valuable long-term because they are widely applicable rather than narrow. Others are of definite value immediately.

My position has been most frustrating. I knew Mr. Gusev was in eminent [sic] danger and had no effective way of communicating in time. I knew microphones of an unknown origin were detected even earlier and had no regular way of communicating even that. This needs to be rectified if I am to be as effective as I can be. No one answered my signal at Foxhall. Perhaps you occasionally give up on me. Giving up on me is a mistake. I have proven inveterately loyal and willing to take grave risks which even could cause my death, only remaining quiet in times of extreme uncertainty. So far my ship has successfully navigated the slings and arrows of outrageous fortune.

I ask you to help me survive. . . .

On meeting out of the country, it simply is not practical for me. I must answer too many questions from family, friends, and government plus it is a cardinal sign of a spy. You have made it that way because of your policy. Policies are constraints, constraints breed patterns. Patterns are noticed. Meeting in this country is not really that hard to manage, but I am loath to do so not because it is risky but because it involves revealing my identity. That insulation has been my best protection against betrayal by someone like me working from whatever motivation, a Bloch or a Philby. (Bloch was such a shnook. . . . I almost hated protecting him, but then he was your friend, and there was your illegal I wanted to protect. If our guy sent to Paris had balls or brains both would have been dead meat. Fortunately for you he had neither. He was your good luck of the draw. He was the kind who progressed by always checking with those above and tying them to his mistakes. The French said, "Should we take them down?" He went all wet. He'd never made a decision before, why start then. It was that close. His kindred spirits promoted him. Things are the same the world over, eh?)

On funds transfers through Switzerland, I agree that Switzerland itself has no real security, but insulated by laundering on both the in and out sides, mine ultimately through say a corporation I control loaning mortgage money to me for which (re)payments are made.... It certainly could be done. Cash is hard to handle here because little business is ever really done in cash and repeated cash transactions into the banking system are more dangerous because of the difficulty in explaining them. That doesn't mean it isn't welcome enough to let that problem devolve on me. (We should all have such problems, eh?) How do you propose I get this money put away for me when I retire? (Come on; I can joke with you about it. I know money is not really put into an account at MOST Bank, and that you are speaking figuratively of an accounting notation at best to be made real at some uncertain future. We do the same. Want me to lecture in your 101 course in my old age? My college level Russian has sunk low through inattention all these years; I would be a novelty attraction, but I don't think a practical one except in extremis.)

So good luck. Wish me luck. OK, on all sites detailed to date, but TOM's signal is unstable. See you in 'July' as you say constant conditions.

yours truly,

Ramon

97. On or about December 21, 2000, defendant HANSSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops.

Operational Activity in January 2001

98. In or about January 2001, defendant HANSSEN possessed a personal PALM III device which contained on it a record referring to "ELLIS" and the date February 18 and the time 8:00.

99. On or about January 16, 2001, defendant HANSSEN

conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops.

100. On or about January 19, 2001, defendant HANSSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops.

101. On or about January 22, 2001, defendant HANSSEN conducted searches of the FBI's ACS System for the purpose of determining whether the FBI was aware of recent dead drops or of operational activity at Foxstone Park.

102. On or about January 30, 2001, defendant HANSSEN maintained in the glove compartment of his personal automobile a roll of white Johnson & Johnson medical adhesive tape and a box of Crayola colored chalk.

103. On or about January 30, 2001, defendant HANSSEN maintained in the trunk of his personal automobile a roll of Superior Performance Scotch clear mailing tape and a number of dark colored Hefty garbage bags.

Operational Activity in February 2001

104. On February 12, 2001, defendant HANSSEN maintained in the glove compartment of his personal automobile a box containing thumbtacks of various colors, including yellow and white.

105. On February 18, 2001, defendant HANSSEN possessed, in the trunk of his personal automobile, seven internal FBI documents, dated from October through December 2000, classified

SECRET and relating to the national defense, which contained details of ongoing and proposed FBI counterintelligence operations against Russian persons in the United States.

106. On February 18, 2001, defendant HANSSEN wrapped the seven classified internal FBI documents, and a computer diskette, in a plastic garbage bag secured with clear tape. The computer diskette contained an encrypted letter which, when decrypted, read as follows:

Dear Friends:

I thank you for your assistance these many years. It seems, however, that my greatest utility to you has come to an end, and it is time to seclude myself from active service.

Since communicating last, and one wonders if because of it, I have been promoted to a higher do-nothing Senior Executive job outside of regular access to information within the counterintelligence program. It is as if I am being isolate. Furthermore, I believe I have detected repeated bursting radio signal emanations from my vehicle. I have not found their source, but as you wisely do, I will leave this alone, for knowledge of their existence is sufficient. Amusing the games children play. In this, however, I strongly suspect you should have concerns for the integrity of your compartment concerning knowledge of my efforts on your behalf. Something has aroused the sleeping tiger. Perhaps you know better than I.

Life is full of its ups and downs.

My hope is that, if you respond to this constant-conditions-of-connection message, you will have provided some sufficient means of re-contact besides it. If not, I will be in contact next year, same time

same place. Perhaps the correlation of forces and circumstances then will have improved.

your friend,

Ramon Garcia

107. On February 18, 2001, defendant HANSSEN went to Foxstone Park in the Eastern District of Virginia, where he placed a piece of white adhesive tape on a pole, and then placed the plastic-wrapped package containing the computer diskette and the seven classified internal FBI documents under a footbridge in a manner which concealed the package from view.

108. The package which defendant HANSSEN placed in the Foxstone Park dead drop site on February 18, 2001, he intended to transmit to the KGB/SVR.

HANSSEN'S INTENT

109. In passing classified documents and information relating to the national defense to the KGB/SVR, defendant HANSSEN acted with the intent and reason to believe that they were to be used to the injury of the United States and to the advantage of a foreign government, specifically the Union of

Soviet Socialist Republics (USSR) and its successor state, the Russian Federation.

Respectfully submitted,

KENNETH E. MELSON
UNITED STATES ATTORNEY

By: Randy I. Bellows 7/3/01

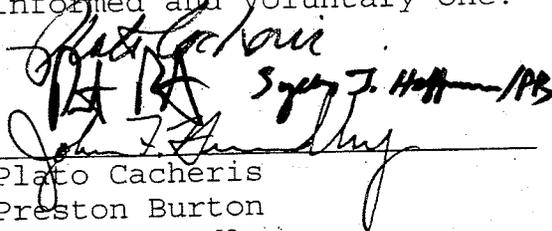
Randy I. Bellows
Justin W. Williams
Gordon D. Kromberg
Assistant United States Attorneys

Laura A. Ingelsoll
Laura A. Ingelsoll
Senior Trial Attorney
Criminal Division
United States Department of Justice

After consulting with my attorneys and pursuant to the plea agreement entered into this day between me, Robert Philip Hanssen, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt; however, as to certain matters described in these Statement of Facts which do not constitute the proof in support of elements of the offenses to which I am pleading guilty, I do not have personal knowledge and, therefore, cannot attest to their truthfulness or accuracy. As to such matters, I do stipulate that had the matter proceeded to trial, the United States would have proved such matters beyond a reasonable doubt.


Robert Philip Hanssen
Defendant

We are ROBERT PHILIP HANSSSEN's attorneys. We have carefully reviewed the above Statement of Facts with him. To our knowledge, his decision to stipulate to these facts is an informed and voluntary one.


Plato Cacharis
Preston Burton
John F. Hundley
Sydney J. Hoffmann
Counsel for the Defendant