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DAILY ENTERPRISE



(U) HISTORY TODAY - 5 November 2014

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(U) In October, *History Today* talked about the use of coverwords by the KGB in the messages we know as VENONA, and about NSA policy when the messages were declassified and released in 1995.

(U) In the 1940s and 1950s, under the name Project VENONA, NSA (and its predecessor organizations) exploited a Soviet encryption error and solved approximately 3,000 messages sent between KGB stations in the United States and Moscow. These messages gave direct insight into KGB espionage activities in the U.S., and helped identify Americans who were passing classified information to the Soviet Union.

(U) Within these messages, the KGB used coverwords for every person, location, or organization that they referenced regularly. The covernames protected the identities of Americans spying for the Soviets, but there were covernames also for people who clearly were not engaged in espionage.

(U) For example, President Franklin Roosevelt had a cover designation, KAPITAN, though he was not involved in espionage. Since KGB officers posed as diplomats assigned to the Soviet embassy or consulates, and picked up information from regular diplomatic contact or informal discussions on the "cocktail circuit," KGB reports had covernames for many U.S. government officials and social contacts -- and their own personnel -- as well.

(U) Many of the covernames hid the true names of many Americans who were passing government or industrial secrets to the KGB.

(U) The true names behind the covernames sometimes were obvious to the cryptanalysts and linguists who exploited the messages, based on context in the text. Sometimes the true name was uncovered by FBI investigation of references in the text. In either case, if a correlation was made at the time a decrypt was originally released, the correct name was put in a footnote in the product sent to intelligence community consumers.

(U) Over the total VENONA output of nearly 3,000 messages, there were perhaps one hundred American names that could not be identified.

(U) When NSA released the declassified VENONA messages, the footnotes, for the most part, remained as they had been written in the 1940s and the following decades. As discussed in last month's *History Today on October 9, 2014*, a few were redacted out of privacy concerns.

(U) The NSA declassification and release of the VENONA messages in 1995 were accomplished in several stages, since there were a large number of messages to be processed for release and limited staff time available. The first packet, which was judged of primary interest to historians of the Cold War, made public the decrypts concerning those who betrayed U.S. atomic secrets to the USSR.

(U) Most of the covernames in this first packet had been identified long before. There was one, though, that the FBI had not been able to equate -- "PERS," the Russian word for "Persian." PERS was as unknown in 1995 as he had been when the decrypts were first distributed.

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(U) PERS (and a previous covername for him, FOGEL) had been mentioned several times in 1944 as passing atomic secrets to a KGB contact. Lacking enough clues for positive identification, many historians -- and conspiracy theorists -- made a lot of guesses, all of them incorrect, as it turned out.

 HISTORY TODAY - 5 Nov. 2014 (Book jacket cover of

(U) The identity of PERS came out in 2009. American authors John Haynes and Harvey Klehr had authored several books on American communism and espionage, some of them based on limited access to former Soviet archives. Early in the 2000s, they connected with a former KGB officer named Alexander Vassiliev.

(U) After the fall of the Soviet Union, the KGB, short of cash and needing to pay pensions, sought foreign exchange by signing contracts with foreign writers for books about Soviet espionage. The writers worked with Russian researchers (former KGB), who alone would be permitted access to the KGB archives. Before long, however, the KGB, perhaps fearful the project might reveal too much about its foreign agents, cancelled the contracts. Somehow, Vassiliev, who had participated in the failed project, had been allowed to leave Russia with an extensive set of notes from old KGB documents.

(U) Those notes included the true names behind KGB covernames, including many from the VENONA messages that had never been identified by the FBI (and many that never appeared at all in VENONA). "PERS" was one of the unknowns from VENONA identified through Vassiliev's research.

(U) Haynes, Klehr, and Vassiliev wrote in their 2009 book *Spies*, that the truth about PERS "is less sensational but more fascinating" than the conspiracy theorists suggested.

(U) PERS turned out to be Russell McNutt, an electrical engineer at the New York City office of a company involved in constructing equipment for a uranium gaseous diffusion plant at Oak Ridge, Tennessee. His father had been publicly identified as a member of communist organizations, and his brother had been mentioned as a possible secret member of the American Communist Party, but there had been no direct allegations against Russell McNutt, either as a party member or a participant in espionage.

(U) Thanks to the revelations in *Spies*, we now know that McNutt was the first insider from the U.S. atomic bomb project recruited as a KGB contact.

(U) After the war, McNutt was investigated by the FBI, but the G-Men could collect only enough evidence to conclude that he had been a communist sympathizer. McNutt lived overseas for a while, then worked for Gulf Oil, where he became chief engineer. He retired to a golf resort in the Blue Ridge Mountains in North Carolina, where he died in 2008.

(U) For general information about the VENONA project, read the [History Today of January 7, 2013](#).

(U) The book *Spies* is available in noncirculating copies from the Center for Cryptologic History and the library at the National Cryptologic Museum.

(U) Share historical topics with interesting folks. Visit the Center for Cryptologic History's blog, [History Rocks](#) ("go history rocks").

(U) [Larger view of photo](#).

(U) Have a question or comment on "History Today"? Contact us at DL cch or .

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