

# THE MERLIN OPERATION: BOB S' 70% THINKING

When he cross-examined the Merlin Operation manager Bob S at Jeffrey Sterling's trial, defense attorney Barry Pollock asked whether Bob S thought he was doing 70% of the thinking on the operation. When Bob S denied that, Pollock reminded Bob S of his February 28, 2006 FBI testimony, where he had said he was doing 70% of the thinking to Sterling's 30%. "This was shortly after publication of book that revealed the whole operation," Bob S explained his earlier comment. "I was being ungenerous."

Similarly, when he cross-examined Merlin himself, defense attorney Edward MacMahon asked whether he had told the FBI in March 2006 that Sterling (whom elsewhere Merlin called "lazy" and "irresponsible" while denying earlier statements he had made about Sterling's race) was just a middleman between Merlin and Bob S who helped prepare the letters Merlin would send out to Iran.

MacMahon: You, you told the FBI that Sterling merely acted as a middleman – and this is in 2006 – as a middleman between you and Bob to prepare letters to be included in the package of technical documents, right?

Merlin: Some kind of, yes?

MacMahon: So the person that was making the final say as to what went in any letter you sent as far as you knew was Bob, right?

Merlin: I, I don't know what is hierarchical.

I raise these comments – both apparently made only *after* the publication of Risen's book – because of some oddities in the CIA cables

documenting the operation.

## **Bob S' 70%**

To some degree, the cables that cover the period when Sterling handled Merlin do make it clear the degree to which Bob S was running this operation, and Sterling was just holding Merlin's hand as he tried to reach out to Iranians.

Over the period in question (the first meeting when Sterling met alone with Merlin was January 12, 1999; he handed over Merlin to Stephen Y on May 24, 2000 (though it appears Bob S had already excluded Sterling from at least one meeting, as noted below), most of the cables written by Sterling deal with the tedium of Merlin's pay and include – always verbatim – Merlin's correspondence with the Iranians. Sterling's cables often ask for input from Langley on Merlin's drafts; he expresses some concern about the lag during spring 1999 when CIA was getting export control approval for the program.

Then, in the May 13, 1999 cable (Exhibit 24), as Merlin seems to be getting more interest from Iranian Institution 4 (in spite of his having sent his resume and business proposition letter separately), Sterling notes that Bob S will need to inform Merlin where the program heads from here. "[M] should expect a visit from Mr. S who will provide an update on the definite direction of the project. [M] understands that there are aspects of the project that require certain approvals beyond the purview of C/O."

The next cable (Exhibit 25) describes the May 25, 1999 meeting at which Bob S, with Sterling in attendance, told Merlin that the target of this operation would be Iranian Subject 1. This plan actually dated back to December 18, 1998 (Exhibit 16). In that cable, Bob S referenced a November 20, 1998 cable (not included as an exhibit nor apparently turned over to FBI as evidence) that apparently described ISI's "new public position" for which he would be "arriving

in Vienna in Mid-December to assume his new duties" (one of Bob S' later cables would identify IS1 as the Mission Manager in Vienna). But it wasn't until May of the following year when Bob S (and not Sterling) instructed Merlin that he should start finding ways to reach out to IS1. Note, one paragraph of that cable – following on a discussion of IS1 – is redacted.

At the next meeting – on June 17, 1999 (Exhibit 27) – Merlin told Sterling that he was having problems locating IS1, though some of this discussion is redacted.

Then, in spite of the indication that Sterling had tentatively scheduled a meeting for July 5, 1999, we see no further meeting reports until November 5, 1999. (Though on July 23, 1999, someone applied for reauthorization to use Merlin as an asset; Exhibit 29.) It appears that only one cable from this period, which would have been numbered C2975-2976, was turned over during the investigation but not entered into evidence, if the Bates numbers on the cables are any indication. Given the report in the 11/5/1999 cable that Merlin had gone AWOL, it's likely things were already going south between him and Sterling. From that period forward, Bob S either soloed or attended most meetings with Sterling and Merlin, with one very notable exception.

The exception was the January 10, 2000 meeting (Exhibit 35) at which Sterling informed Merlin CIA would withhold money Merlin believed – rightly, it appears – he was owed. Given that Sterling had already (on November 18, 1999) unsuccessfully requested a transfer out of NY, where he believed he was being harassed for his race, it's hard not to wonder whether they deliberately sent Sterling out to deliver the bad news, anticipating they'd soon be giving Merlin a new case officer within short order anyway.

All of that is to say that, in spite of the several ways that Sterling appears to have managed Merlin with more professionalism than

his prior case officer and arguably even than Bob S, Bob S was running the show, which includes making key decisions and at key moments, dictating how the reporting on the operation appeared.

## Two versions of November 18, 1999

To see how this manifested, it's worth comparing the two cables recording (in part or in whole) the November 18, 1999 meeting between Bob S, Sterling, and Merlin.

The first version (Exhibit 31), written on November 24 by Bob S from Langley and addressed to NY and Vienna – Office #5 – for information, appears under the heading “Iranian Subject 1 is in Vienna” and references a cable from Vienna (this cable, too, appears not to have been turned over as evidence). As such, the cable describes the results of the meeting with Merlin in context of the arrival of IS1 in Vienna, using the “good news” offered by Merlin as an opportunity to flesh out the plan for the blueprint hand off in Vienna. Presumably, paragraph 2 of the cable (which is redacted) lays out the news on IS1's presence in Vienna. Bob S then presents all the good news involving Merlin in that context with a flourish.

During an 18 November Meeting with [M] Officer [Jeffrey Sterling] and HQS CPD Officer [Mr. S.], [M] provided two pieces of good news. The first was that he has obtained a new [Country A] passport (which he showed C/O's) and will soon apply for an Austrian visa. His possession of a Green Card should facilitate the issuance of the latter. The second and more significant development was an e-mail dated 7 November which [M] had received from [Iranian Institution 1] Professor [Iranian Subject 2 IS2). [IS2] said he had been going through old e-mails and found a 1998 message from [M]. He asked

[M] to respond and provide more information about himself. [M] did so in a generic fashion. This contact from [IS2] provides an excellent opportunity to ease [M]'s (and his disinformation packet's) way in to [Iranian Subject 1 (IS1)] who until recently was also [at Iranian Institution 1] and is still featured on its website.

He then goes on to lay out what he presents as a plan crafted with the help of folks at HQ and Sterling (remember, this was written from Langley, not NY). That plan includes recognition that Merlin is "no one's idea of a clandestine operative;" to compensate for that, Bob S envisions (resources willing) a Sterling trip to Vienna so he can help provide clear instructions to Merlin as well as Mrs. Merlin traveling to Vienna with the scientist because she was instrumental in his cooperation with the CIA in the first place and is a calming influence.

4) Shortly before he prepares to launch in Vienna (see below RE timing and mechanics) we will have [M] advise [IS2] via e-mail that he is going on vacation in Vienna with his wife and will stop by the Iranian IAEA Mission there with a packet of interesting information for [IS2], asking IS2 to alert the mission to expect [M]. When he shows up at the mission, [M] will have the packet containing the [CP1] disinformation in an envelope addressed to [IS2] and will ask to see [IS1] to make sure the package gets delivered to the right man. [IS1] is likely to acknowledge that he too is from [Iranian Institution 1] and that he knows [IS2]. This will let [M] plant his story (of repeated efforts to find a receptive audience in Iran) more firmly and give the Iranians a chance to see that [M] is indeed a Russian and a nuclear weapons veteran. Even if [IS1] does not see [M] presenting a package

with a known addressee at a prestigious Iranian [redacted] institution can only help advance our plan to have the information taken seriously.

5) Per discussion at HQS and with [Sterling], we believe it best to send [M] to Vienna with his wife in early January (after the Austrian Christmas pause and the Islamic holiday of Ramadan, which begins on 9 December and ends on 8 January) to make the approach to [IS1]. *His wife, [Mrs M], was instrumental in getting him to cooperate with [CIA] in the first place and is a definite calming influence on him.* [M] is no one's idea of a clandestine operative and we believe it wiser to refrain from meeting him while he is in Vienna. That said, he needs to be thoroughly prepared. One option – contingent on available resources – *would be for [Mr S] and [Sterling] to visit Vienna during the first week of the New Year [redacted] so he can given the rather differently-oriented [M] as much concrete detail about where he has to go and what he has to do as possible.* [1 line redacted]

Spoiler alert: while Mrs. Merlin did travel to Vienna with her husband (and probably had a big role in even getting him to go and – my suspicion is – had a role in the operational security measures Merlin took which helped doom the operation, though neither she nor the CIA would ever admit that), Sterling never did make the trip, and Bob S' instructions – which Bob S' habit of flourish aside were probably also deficient because he was too familiar with the city – ended up being one of the problems with the trip. It's worth mentioning, too, that according to Bob S' testimony, he made several trips to case out Iran's IAEA mission in the months leading up to the operation and one of his cables describes having done so too.

Now compare Bob S' cable with Sterling's (Exhibit 31), written on December 1, 1999, a week after Bob S' cable and 12 days after the actual meeting (it's probably worth noting that on the very same day this meeting took place, Sterling asked for a transfer out of CIA's New York office, and within 5 days his boss was scolding him for having done so), and addressed to Langley and – like Bob S' cable – Vienna, for information.

Sterling saves his enthusiasm over the outreach to Merlin from IS2 for his last paragraph.

Feel this is a fortuitous turn of events for the operation, as a preliminary thought, the contact from [IS2] can be exploited to either provide another person to present the material to, or somehow utilize this contact to provide a more definite entree to [IS1] for [M].

Curiously, that paragraph seemed to show little awareness of Bob S' extensive plans for how to exploit the IS2 contact to provide "a more definite entree to IS1," even though Sterling references the cable Bob S wrote.

Aside from the first, action, paragraph in Sterling's cable (which is redacted), the sole apparent explanation for why he wrote a cable after Bob S had already written one reporting all the same news from the meeting as Sterling would seems to be the inclusion of the verbatim content of the outreach from IS2.

During the meeting, [M] mentioned that he had received the following email from [Iranian Subject 2 (IS2)] from [Iranian Institution 1] dated 7 Nov:

Dear [M]

I was reviewing my old mails. I found you last year email. I want to know more about you. Could you let me have more information regarding your work, your hobby, your interest, etc?

Regards,

[Iranian Subject 2]

[IS2]'s email address is [redacted]

It's not surprising Sterling included the verbatim email – he always did that in cables he wrote solo. It's just rather curious that Sterling submitted his "preliminary thoughts" – along with the verbatim language – so long after Bob S had rolled out his plan.

## Prelude to a clusterfuck

The next cable (Exhibit 33), dated December 16, 1999 and describing the December 14 meeting between Sterling, Merlin, and Bob S, reflects continued uncertainty about how to get Merlin to Vienna in such a way that he didn't screw up the operation. "[M] has and will be provided with enough information so that any concerns he will have about finding the building should be alleviated," the cable optimistically predicted. At that point, however, it wasn't getting lost that had Merlin worried. It was that his wife would find out what he had been up to (though she almost certainly already knew).

When asked, [M] expressed as his main concern actually carrying the documents on his person when he travels to Vienna. [M]'s preference is that his wife ([Mrs. M]) not know any specifics about his work for the CIA. He feels certain that she will discover the package and have many questions that he would prefer not to have to answer.

Note that the action paragraph of this cable is redacted.

By the following meeting, the ill-fated January 10, 2000 meeting documented in a January 12 cable (Exhibit 35), however, Merlin had resolved these concerns. When Sterling said that CIA would arrange to have someone meet him with the



blueprints, Merlin explained that was no longer necessary.

[M] said that the situation has changed and that he can now take the package. [M] explained to his wife that he has to deliver some materials while they are in Vienna. He did not give her any further explanation. [M] said the reason he decided to tell his wife was that he thought it might be too risky to have someone meet him in Vienna, so he felt it more secure to handle the package himself. [M] said the he has not apprehensions about being in Vienna alone, but that he would like to have an emergency contact number just in case.

At the same meeting, Merlin and Sterling discussed two other aspects of the drop-off that would be significant. First, that "the best way will be for [M] to simply drop the package off and then depart the mission without any lengthy discussion with Iranian officials." And also, "the possibility of two letters being included with the package," the second of which would be a hand-written note to IS1 telling him how important the materials in the main package, addressed to IS2, were.

So after having talked to his wife about delivering sensitive materials in Vienna – but he didn't provide any more details, promise! – the following discussions, which would each contribute to the Vienna clusterfuck, began:

- Merlin would carry the packet; in the process, he would take out (and, according to one of his stories, never put back in) the names of certain nuclear devices
- Because he carried the packet, he was able to bring

the letter on disk (hidden among 19 other disks), meaning he could destroy the disk without ever giving CIA a final version of what he included

- Merlin would bring Bob S' cell phone number as an emergency backup, which he would use to place a call from his hotel phone, only to be instructed to follow the directions he already had
- Merlin may have taken the permission to simply drop off the package without lengthy discussion and turned it into dropping off the package with no discussion
- Merlin combined that permission to just drop the document with the discussion of a second, hand-written note to justify leaving a significantly different hand-written note, the content of which the CIA *also* cannot be sure of

The only other step Merlin is known to have taken that screwed up this operation – refusing to leave his PO Box for follow-up content – had been in the works since the previous summer, when he had started to do the same with those letters.

In other words, Merlin talked to his wife – but

he didn't provide any details! – and then proceeded to implement the steps that in his mind he needed to do to protect himself and his family even while potentially implicating the CIA directly in the drop-off, while ruining several of the operational goals for this operation.

And he proceeded from adopting those steps to launching the first of two refusals to do the operation without getting paid more (in each instance, Merlin would apologize via phone the following day and say he would do the operation, a capitulation Bob S attributed to Merlin's wife in his testimony).

Also in this meeting – which took place 7 weeks before Merlin left for Vienna – Sterling and Merlin worked on the fifth iteration of the letter, which Sterling included verbatim in this cable. I'll return to that in a follow-up post.

Because Merlin launched his payment strike (for which Bob S apologized to Sterling in a January 14, 2000 cable), Bob S was forced to come to NY to try to appease Merlin. He did so for a February 17, 2000 meeting, detailed in a February 17, 2000 cable (Exhibit 37) written from Langley and addressed to NY, Vienna for Info, and CIA offices 7 and 8 (the liaison services of which CIA would later ask to track any signs of response from Iran; because of that one is likely to be Tel Aviv). In that meeting, too, Merlin walked out because of his payment dispute. In that cable, Bob S described what would happen if, on a follow-up visit, he deemed Merlin prepared for the operation. It includes the instruction that "we will need a full and detailed report of his visit and reception." Bob S' cable documenting that February 21 follow-up meeting – a February 22, 2000 cable (Exhibit 38) – described his judgment (Sterling did not attend this last meeting) that Merlin was prepared. "[Merlin] and the information he is carrying have been exhaustively prepared," Bob S alone judged, "and now it is up to luck and the Iranian reaction."

## Bob S' two version of Mission Accomplished

I've already written about the two different versions of Mission Accomplished cables that Bob sent and will write at more length in a follow-up post. For the purposes of this post, however, it's important that Sterling wrote neither of them even though he attended the March 9, 2000 meeting at which Merlin described his trip, though Bob S claimed in his testimony that Sterling "may have been sitting at the next terminal" when he wrote the first of them. For the purposes of this post, however, it's worth noting what Bob S did and did not include.

Bob S' March 10, 2000 cable addressed internally (Exhibit 44) did admit:

- Merlin called Bob S' cell phone from his hotel room phone
- Bob S' details included some errors (here described as mis-counting the number of steps leading into the Iranian mission building)
- Merlin showed up one day while people were in the mission without going inside (purportedly because he didn't have the packet)
- Merlin left the packet without speaking to anyone
- Merlin took photographs of the mission

But the unredacted parts of that cable (the action paragraph and one more are redacted) did not admit details that are now part of CIA's operative story (though may not all be true):

- CIA reportedly has no record

of what Merlin left, neither in the computer printed nor the hand-written note, in part because he destroyed the disk on which he had written the former

- Merlin did not include his PO Box, as instructed, for further contact
- Merlin may have substituted "Device 1" for the actual names for key devices in the schemes
- Merlin did not write a report, as instructed

Bob S' March 13, 200 cable (Exhibit 3) included a tearline intended for "local intelligence services" in 3 overseas locations (which I take to mean Israel's and two other countries' intelligence services were the target audience). In addition to the other things Bob S suppressed in his March 10 cable, he:

- Falsely implied Merlin had included his PO Box for further contact
- Hid that Merlin had been at the Iranian mission on one day when people were present
- Made no mention Merlin had called Bob S from his hotel room
- Made no mention of Merlin's claimed difficulties finding the mission
- Hid that there were two separate letters – the handwritten one and the

## computer print out one

The point, of course, is that in cables Bob S wrote immediately after debriefing Merlin after the operation, he was being less than fully truthful, both to liaison partners, but even for internal reporting, about a number of the ways that Merlin had blown off his instructions.

## Bypassing Sterling

Then there's the most curious cable from the consideration of Bob S running an operation on which Sterling was just a (per Merlin) "middleman." On May 24, 2000, Sterling handed over managing Merlin to Stephen Y (Exhibit 47). Before then, on April 5, 2000 (Exhibit 45), Merlin "was met" (note the passive voice, which seems to violate CIA's protocol for cable writing, which puts the details about meeting attendees in the second paragraph) to see if he was interested in participating in a similar operation, only targeting a different country which was almost certainly Iraq. The cable – written in NY, addressed to Langley (for information) as well as Vienna and the same three CIA offices where the CIA was seeking liaison help tracking the Iranian op, and apparently written in Bob S' fluffy style – describes Bob S making the ask. But then it describes case officers, plural, being "glad that [Merlin] posed no objection to a rather more adventurous extension of the current operation."

By all appearances, even before Sterling handed over Merlin to his successor, Bob S was holding meetings with Merlin without Sterling's involvement (and this is consistent with trial testimony that seemed to suggest that Sterling would suspect but not know of the other countries involved, as indicated by Risen's book).

Bob S got Sterling to hold Merlin's hand through a disastrous delivery of one set of nuclear blueprints, and even though Bob S admitted – in

a highly self-serving cable – Merlin’s “inability to follow even the simplest and most explicit direction,” Bob S was asking Merlin, outside Sterling’s presence, to approach (probably) Iraq a month later.

## **The late admission of Bob S’ 70% thinking**

After Merlin’s 2003 interview with the FBI, he told them he would tell Bob S if he remembered any other details about Sterling. Bob S was still managing the Merlins in 2006 when he met with them twice about Merlin’s book. And in 2006 – but not, apparently, in 2003 or 2010, when both had at least one other interview with the FBI – Bob S and Merlin were both telling a story about how minor Sterling’s role in the operation was.

Both denied having done so in their sworn trial testimony.

Perhaps they did so – Bob S did so – because of his fairly transparent efforts to include others in any blame for this clusterfuck, implicating both Sterling and the “Generals” he said who had approved every step of the operation, in his extended effort to use the trial to prove this wasn’t a clusterfuck.

But the claims, in 2006, that Sterling wasn’t all that involved make me wonder whether Bob S was prepping a claim that Sterling wouldn’t know precisely what the operation was about given that he was doing just 30% of the thinking on the operation.

## **Update**

First, here’s the working document I used for this post. It includes three things: A side-by-side comparison of the two cables describing the November 18, 1999 meeting, a side-by-side comparison of Bob S’ two Mission Accomplished cables, and a list of all the cables from when Sterling managed Merlin. As part of the latter,

I tracked the Bates numbering of cables. Each cable should have a Secret cover-sheet not included. Thus, I surmise that any 4-Bates number gap includes a 3-page cable (cover sheet plus two pages of content) plus the cover sheet for the next cable. The most significant detail from the Bates numbering is that the second Mission Accomplished cable comes from a different part of what appears to be CIA production (C115-116 as opposed to C2991-2992). That may mean it was found in someone else's hard copy collection; the rest likely come from Bob S or CPD, though the cable gap in the series may reflect that same cable. There's likely nothing interesting in the missing cables; after all, if there were something interesting, the defense could have submitted it, as they did the second Mission Accomplished cable.

Second, there's a line that has stuck in my mind since writing this post. In Bob S' cable describing the last meeting with Merlin before the Vienna trip (Exhibit 38), he writes, "Perhaps characteristically, [M] had misplaced the e-mail address of [Iranian Subject 2] and [Bob S] provided it again along with instructions to send off a brief notice telling [IS2] of his plans to deliver an important packet to the mission in Vienna." First, while Merlin was flaky about a lot of things, there's no evidence he was flaky about losing emails (though this may have reflected Merlin's efforts to avoid more personalized contact). Also note Bob S says he "provided" the email "again." I can't think of when he would have provided it before (unless it was back in 1998), at least per the operative story.

Then, in his first Mission Accomplished email (Exhibit 44), Bob S says he and Sterling "directed him to send a follow-up e-mail to [IS2 at Iranian Institution 1] informing him that he had dropped off an important packet of information in Vienna and asking [IS2] to confirm its receipt." In his second Mission Accomplished email (Exhibit 3), Bob S claims "the asset e-mailed the professor before and



after the Vienna trip to alert him to expect a packet of valuable information." The thing is, because Sterling (who was very good about recording such things) stopped writing the cables, we have no way of knowing whether Merlin ever got a response from IS2 after his "generic" response to IS2's initial November 7 email before the November 18 meeting. A January 14 Bob S cable (Exhibit 36) reflects the instructions that Merlin should send both an email and a letter, but there's no record they reminded Merlin of that at the February 14 meeting and Bob S had to reiterate the instruction to send an email at his February 21 meeting. And there's no indication that Merlin had sent one between the March 10 and March 13 cables. In other words, we have no cable record of Merlin having emailed before and after, as Bob S claims in his cable. Thus, it's possible the tie with IS2 was even sketchier than it seems (and certainly, Merlin never got any confirmation from IS2, which suggests he never heard back from him).

Finally, particularly given his varying claims about Sterling's actions, it's worth noting two aspects of Bob S' relationship with Sterling. First, there's a dispute about what Bob S said when he took Sterling aside to deal with the concerns Sterling raised about Merlin's initial reaction to the nuclear blueprint. In his testimony, Bob S said Sterling was "taken aback" by Merlin's response. But after much effort to deny it, Merlin testified that Bob S "did tell Jeff to shut up in this discussion." Nevertheless, when asked this on cross, Bob S specifically denied "telling him to shut up."

Then, during cross-examination but in response to questions from Judge Brinkema, Bob S admitted that Sterling had told him "a handful" of times in 1999 that he had been treated unfairly because of his race. In response to Sterling telling him of this, Bob S told Sterling "he needed to do his job and not worry about it." This almost certainly would have been around the time of the November 18, 1999 meeting. None of

that means Bob S had it in for Sterling. But it does suggest he was entirely unsympathetic to both his operational and professional concerns.

## **Update**

On review I realize Merlin told the FBI in 2006 – the same year both he and Bob S said Sterling was more tangential to this operation – that “the details of this operation were a wild forest to Sterling.”