



John O'Malley: An ACH Case Study

Part A

This case study was revised by Pherson Associates, LLC in February 2008 to illustrate the Analysis of Competing Hypotheses (ACH) methodology. It is a slightly fictionalized version of a true case study prepared by Thomas W. Shreeve & Associates for the Intelligence Community Case Method Program. It is based on interviews with officers directly involved. All of the names are pseudonyms; the geographic names as well as the agency component "SR Division" are fictitious. Thomas W. Shreeve wrote the original in August 1988 and revised it in June 2007. The study is copyrighted and cannot be reprinted without permission from Pherson Associates, LLC (library@pherson.org).

John O'Malley (A)

As you read this case study:

- *Try to develop a list of hypotheses that would help explain the behavior of John O'Malley.*
- *Highlight or underscore what you think might turn out to be discriminating information that would help you decide which hypothesis is the most credible.*

Tom Wheeler had just started to move into his new job as a branch chief in the Directorate of Operations (DO) of the Central Intelligence Agency. He was trying to straighten out the mess in the cramped Headquarters office that he would occupy for the next couple of years, and had finished unpacking his books. Tom was busy arranging some photographs of his children when his afternoon appointment showed up promptly at 1330.

"Hello, I'm Hank Gooding." said the short, dark-haired man at the door.

"I'm Tom Wheeler," Tom replied, as they shook hands. "Please come in and sit down. Sorry about the mess."

Tom had heard rumors of trouble some said Gooding was having at his post in Rio Norte, the capital of a large and important nation in Latin America. Gooding was due to return to the United States in about six months, and was at Headquarters now on a temporary visit. Tom had never met Hank before, and knew almost nothing about him. As he sat back to listen to his visitor, Tom resolved to keep an open mind.

Gooding began:

"I had been a case officer for 14 years when I got orders to go out to Rio Norte as Deputy Chief of Station (DCOS), my first managerial assignment in an overseas post," Gooding began. "I was pleased with that assignment, although I believed it should have come sooner. I'm an experienced case officer with six overseas tours. I am 41 years old.

"Unlike a lot of other people around here these days, I came up the hard way. I grew up in a poor neighborhood in Boston, and I joined the Marines right out of high school. I was in the Marine Corps for ten years, served in Vietnam in the infantry, and came out a sergeant. I earned a Bachelor's degree while I was on active duty. After my initial training at the Farm, I was assigned to a series of positions at Headquarters, followed by a tour in Dos Lagos, my first post abroad. From there I went to language school to study Spanish, but I never really got

comfortable with it. After that I was assigned to a series of posts in Central America and the Caribbean. Some of these places were real rat-holes, believe me.

"It really bothered me to be out of the mainstream for all those years. That's why I was so happy to get orders for Rio Norte. I was confident of my ability to do the job, and I was eager to bring my many years of experience to bear on the problems there. Experience is far under-rated in this organization these days, in my opinion.

"Like other case officers headed out for a new post overseas, I had to study a great deal of material in the Headquarters files before leaving the United States. I worked very hard at this, and I put in a lot of evenings and weekends trying to become as familiar as I could with my new assignment. I am not a fast reader. I already knew the Chief of Station (COS) personally, and a lot of the other guys by reputation. I was looking forward to working with the team.

"After I started reading in on Rio Norte, I learned that John O'Malley from SR Division was going out there about the same time as me. I wasn't real pleased with this news. I knew O'Malley from Headquarters, and I didn't like him very much, even then. He was a young case officer, only 34 years old and had moved up through the ranks very quickly. It had taken me six years to move from GS-11 to GS-12, and it took O'Malley less than three. Here at Headquarters, people were always referring to O'Malley as a 'fast-tracker.' The division chief told me that O'Malley would probably be covering the Soviets."

Tom Wheeler knew that John O'Malley had been hired out of the Navy, where he had served as a cryptologic officer for several years after graduation from Princeton University. Tom vaguely recalled O'Malley as a blond, athletic-looking guy who always wore a smile. He seemed popular with nearly everyone. He had a reputation as a sharp young officer with a bright future, a good talker and a good writer.

Tom remembered, too, that O'Malley was known as a talented linguist. O'Malley had mastered Russian while in the Navy, and he also spoke German and a little Swedish, Tom thought. Partly because of his skill in Russian, O'Malley had been assigned to the Base in Volgalinsk for his second tour. The job in Rio Norte was his third overseas post.

Gooding went on with his explanation:

"John O'Malley arrived in Rio Norte a few weeks before I did, and we lived in the same neighborhood. His wife Susan came over from the States a few weeks after O'Malley got to Rio Norte. I had heard from other people that Susan came from a wealthy New York family, but she seemed very naive to me. She told me one time that because she had no head for figures, John handled all of the finances in their household. I think maybe her father was sending them money from Miami, but I don't know that for sure.

"Over the first three or four months following her arrival in Rio Norte, Susan O'Malley became very close to my wife Kate. Susan often looked to my wife for advice and companionship, as it was a small community. They would shop together or plan meetings involving other Embassy wives. Susan loved to spend money on clothes and would often pick something up on a whim. She always said 'Don't tell John!'"

During these same months, John was becoming very active at work. John was assigned to recruit Soviet and other Communist Bloc targets. Because of the longstanding economic and political relations between the host nation and the USSR, there was a fairly large Soviet mission in Rio Norte, along with representatives of several Soviet and Eastern European manufacturing firms. The COS had assigned John to these targets because of John's excellent record and his fluency in the appropriate languages. John was very pleased with this assignment, and naturally he let everyone know it.

Within six months of his arrival in Rio Norte, John was able to provide his supervisors with an impressive list of contacts among the local Soviet population. He was generating reports from a commercial officer in the Soviet mission in Rio Norte, a Czech expert on steel production, and a senior marketing representative for a defense-related manufacturing plant that the Soviets had built. I had never seen someone so successful so quickly against a hard target like the Soviets.

Although the reporting that John produced from these sources tended to be somewhat general in nature, his overall performance was widely regarded as outstanding. John also tended to have problems coming up with specific addresses and phone numbers his contacts. His explanation was that they often were hard to find and the telephone system was not that reliable. The COS was confident that John would be able to obtain more specific intelligence after he became more familiar with his sources, and they with him. Comments on John's reporting from Headquarters were highly favorable, particularly as no one at the Rio Norte station had been able to recruit sources with this kind of access for a considerable period. Still, something about this whole thing bothered Gooding; he just couldn't believe that anybody would be so lucky.

Soon after John began reporting from these sources, Tom learned, analysts and others at Headquarters generated lists of "field requirements," which were specific questions or areas of inquiry that other Agency officers wished John to pursue with the contacts he had made. "I met with John several times to encourage him to respond to the Headquarters requests," Hank Gooding continued, "but he seemed slow to do so." Headquarters personnel continued to comment favorably on John's reporting, but some noted that many of his answers to specific questions seemed dated. In some cases, his reports seemed only minor variations on material already available in the files.

Gooding continued:

"In the process of working on his recruitments, John traveled several times to the United States. When he returned, he often brought expensive items with him, which he explained were personal gifts he bought as "thank you's" for his sources. This included well-tailored clothing, electronic equipment, and other things you could never obtain locally. After he returned from one trip to Washington wearing a Rolex watch that he proudly showed off around the office, I began to become concerned about his apparent rate of personal spending. Despite my uneasiness, I didn't do anything except mention casually to the COS that John seemed to be living a little beyond his means. 'The guy's getting the job done,' the COS replied. 'So what if he wants to show off a little? It's none of our business as long as it doesn't interfere with his work -- and it hasn't.'

"A couple weeks later, Kate and I went to one of the regular parties Marine Guards throw on Friday nights. Susan O'Malley was there too. Maybe with too much to drink, she began complaining bitterly and loudly that John was having affairs with a number of other women, some of whom were present at the party. I knew the long hours that John was working, and I doubted that he could have found the time for a series of romantic affairs. Also, the US community in Rio Norte was not that large, and I was sure that something like that would have gotten out.

"In spite of long hours at the station, John did seem to be having trouble getting his contact reports and other reporting done promptly. He was taking several days to complete his paperwork, and both Headquarters, and I found that excessive. One April evening, working very late at night, I met John in the Embassy library surrounded by magazines and some books. I told him that he was taking far too long to complete his reports. He was not at all happy to hear this, and he stormed out of the room angrily. After he left, I happened to glance at one of the journals I thought he had been reading. The journal fell open to an article about a joint venture between the host government and the Polish Government to develop a new process for producing a certain kind of chemical fertilizer.

"The next day, I learned later, John met privately with the COS and told him that from then on he wanted to report directly to the Chief, by-passing me. I told the COS that I didn't like this arrangement and felt insulted by it. Either I'm in the chain of command or I'm not, right? In spite of my objections, the COS agreed with John's request, although he did show me John's reports after they had been completed.

"A week later, I suggested that we send someone along to assist in debriefing one of John's Soviet contacts. I was concerned that John might be traveling and unable to meet his contact if some important tasking were received from Headquarters. John protested, saying that bringing a stranger along might not be viewed favorably by the source. But, he said, he would think about it. When I broached the idea one week later, John resisted even more strongly, saying it could jeopardize his relationship with the contact.

"In May, the COS departed and a new COS arrived. He, too, was deeply impressed with John's contacts and the number of reports he was producing. We were getting a lot of 'dissems' out of it. The new COS told me that managers at Headquarters had heard that I was 'harassing' John, and they weren't pleased about it one bit. One senior manager grabbed the new COS, and said: "That boy John is producing more useful reporting than the rest of your damn Station put together! When you get back to Rio Norte, you'd damn well better leave him alone! Your deputy must have a personality clash with John, and as the senior officer it's your job to get a handle on it!"

"Since I've been back here at Headquarters on this TDY, I've gotten pretty tired of hearing what a terrific job John has been doing. It seems that no one shares my feeling that there is less there than meets the eye. I've told this to both the first COS and the second, but I can't get anyone to listen. OK, it's no secret that I don't like the guy, and I've begun to wonder if maybe I'm letting my personal feelings cloud my judgment. Now I've heard that John has been selected for promotion to GS-13. I'm concerned that pushing this matter any further might damage my own career. I've been thinking about this a lot, and I wonder if you have any advice."

John O'Malley: An ACH Case Study

Part B

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John O'Malley (B)

Hank Gooding flew back to Rio Norte and served out the rest of his tour. After he returned to the United States, he found that his career and his reputation as a manager had indeed been damaged by his treatment of John O'Malley. Hank was not promoted when he expected to be, and when he sought a new position he found that attractive posts were closed to him. Upset by what had happened in Rio Norte and its effects on his career, Hank described the entire sequence of events to the Chief of SR Division, John's parent organization.

John stayed on for some time in Rio Norte, and continued to report in much the same way he had earlier. Increasingly, however, analysts and other observers began to share Hank's opinion of John's reporting as general and vague. John went on to a new post, and a similar pattern of behavior soon emerged. John appeared to be developing extraordinarily good sources, and he also seemed to be spending money at a rate that was difficult to explain. Eventually an investigation was opened. John was polygraphed, and his responses showed an effort to deceive. A psychiatric examination followed, and it appeared that John had some fairly serious emotional problems.

After the investigation was completed, John was found to have been at first embellishing and later fabricating much of his reporting, starting soon after he arrived in Rio Norte. After this activity appeared to provoke no reaction from his managers, John began using operational funds for personal expenses. John really was an excellent writer, and he was able to use material from the Station files and the Embassy library to give his reporting an air of authenticity that was unusually persuasive.

Hank Gooding was exonerated by the investigation, and a letter was placed in his file at Headquarters explaining that he had been right to be suspicious of John O'Malley. No action was taken against either of the Chiefs of Station who had supervised both officers. It took several years for Hank's career to recover fully from the effects of these events. At the time the case was written, Hank believed he would take the same action he did then, but that he would be more careful to document the reasons for his suspicions. "Everyone was so hungry for success that they overlooked some obvious clues," he said.