In 1940, Roosevelt sent Donovan to Europe to scope out what was happening in Germany and elsewhere. When Donovan returned, he recommended the creation of the Office of Strategic Services, the OSS, predecessor to today's Central Intelligence Agency. In his "Memorandum of Establishment of Service of Strategic Information," (dated June 10, 1941) Donovan outlined to Roosevelt that, in addition to setting up a formal intelligence service to gather and process information regarding the Nazis in Germany, "there is another element in modern warfare" that the Germans were mastering that posed a far more insidious, serious threat, "and that is the psychological attack against the moral and spiritual defenses of a nation." Donovan urged the President to create and fund an organization to actively engage in propaganda and other actions that could be used to demoralize the enemy. To Donovan, propaganda was just one item in the psychological warfare toolbox, which to him consisted of anything, physical or intellectual, that could be used to break the will of the enemy. As the OSS War Report states, "On the one hand, [Donovan] saw it as conditioning the minds of the people as a whole; on the other, he conceived of it as a strategic weapon for the exploitation of particular objectives, whether political or military." Some activities were downright sinister. The definition of psychological warfare included "propaganda, sabotage, guerrilla activities, bribery, blackmail, assassination..." Note that a great majority of Donovan's assets were journalists. While Americans don't typically associate journalists with assassinations, we should understand why journalists in foreign countries are often assumed to be spies, and are sometimes abducted and even killed, thanks to this precedent set during WWII.

During WWII, the OSS had several separate offices responsible for various activities relating to propaganda, covert action and psychological warfare. When WWII came to a close, several of these groups were combined into the Office of Policy Coordination (OPC), an innocuous-sounding organization set up under the auspices of the State Department and led by Frank Wisner that sought to continue the covert action that Donovan had envisioned as necessary to successful psychological warfare operations. Under Wisner, the OPC became the fastest growing unit within the nascent CIA, rising in personnel from 302 in 1949 to 2,812 in 1952, along with 3,142 overseas contract personnel. In the same period, the budget rose from $4.7 million to $82 million.

From his seat at the head of OPC, Wisner kept the highly secret and valuable "Propaganda Assets Inventory," more commonly known as "Wisner's Wurlitzer." The inventory represented a network of more than 800 news and public information organizations and individuals—opinion makers that could be called upon at any time to play the tune of Wisner's making. The network included journalists, columnists, book publishers, editors, entire organizations such as Radio Free Europe, and stringers across multiple news organizations. When the OPC was combined with the Office of Special Operations (OSO) to form what we now call the CIA, the media assets came with it.