

Page Denied

Next 2 Page(s) In Document Denied

THE LOS ANGELES TIMES
11 September 1978

ARTICLE APPEARED
ON PAGE 7 Pt. II

Freedom Depends on Snoops

U.S. Intelligence Community Must Keep Us Aware of the Dangers Around Us

BY STANSFIELD TURNER

A terrorist organization plans to kidnap an American businessman; a Soviet delegation changes its negotiating goals; a ship carrying illegal narcotics enters U.S. coastal waters. Elements of a LeCarre novel? No. Real life? Yes. Worth knowing? That's up to you.

The American intelligence community has been the eyes and ears of the United States overseas for over 30 years. Simple rationale: It is better to know what is happening around us than to be surprised. While originally a reaction to Pearl Harbor, that rationale is even more relevant today. Military parity, economic interdependence and political activism are today's realities. Freedom, sometimes survival, depends on awareness. Governments, no less than individuals, can do a better job if they can anticipate problems and are able to plan ahead. This is neither illegal nor sinister. All nations work hard at being better informed. Unfortunately, in recent years this has become harder for us and easier for our competitors.

The United States is an open society. Foreigners can move freely and unnoticed in our midst. The quantities of published information about everything that we do exceeds any individual's capacity to absorb it. The KGB's job is easy.

The CIA's job—collecting information about other countries as well as international activities—is a little more difficult. Terrorists and drug traffickers do not advertise. Many countries whose actions affect us directly are closed. There is no opportunity to learn about them openly. Travel is prohibited, their press is controlled, their governments function in secret, and foreign initiatives are often taken without explanation. Surprise is a routine strategy.

Although we are at a disadvantage in this quest for information, none of us would trade this openness for the short-term advantages of unnecessary secrecy. Nonetheless, if we are to function successfully in a world where closed societies compete with us economically, politically and militarily, where our well-being is in some measure dependent on their actions and our ability to anticipate them, we too must preserve some secrets lest we lose all leverage.

The intelligence community in particular is out of business unless it can ensure a large degree of confidentiality in what it does. The Russian who passes his delegation's change in negotiating strategy to us, the agent who can become a member of a terrorist organization and thereafter keep us informed of its plans, the allied intelligence agencies that work with us to watch and thwart international drug trafficking—none will take the obvious risks if

we cannot guarantee their anonymity. With the organized effort under way today to uncover American intelligence officers and activities—in the real or feigned belief that this will benefit the United States—the ability to protect these intelligence sources and methods is in danger.

Is the threat to America of terrorism and lawlessness real? Is there a danger that the United States could in time lose its position of leadership in the world, and maybe some

Adm. Stansfield Turner is the director of the Central Intelligence Agency.

degree of its free choice? Is it worthwhile to pursue hard-to-get information so that decision-makers can know what other countries actually plan rather than guessing what they might be planning? The decision is really up to the American citizen. But, if your answer to any of those questions is yes, then some individual or group, call it the CIA or call it whatever you will, must go dig out the information.

Anti-intelligence protagonists will claim *ipse dixit*—that, while these examples may seem reasonable, the intelligence community, and the CIA in particular, is involved also in skulduggery of a less savory nature. As proof, a litany of past abuses—some actual, many imagined—is recited.

There is no question that intelligence capabilities were misused in the past, albeit very infrequently. There is also no question that the abuses that did occur were thoroughly investigated by the Church committee, the Rockefeller commission and others, and do not continue to exist. Anyone who is more than superficially informed on intelligence matters, and who is willing to be honest, knows that the CIA is operating more openly and is under tighter controls today than at any time in its history.

And, while secrecy remains indispensable to serious intelligence work, the several new oversight bodies, acting as surrogates for the general public, are not denied any information that they need to ensure that what the CIA does is both legal and proper. The executive and legislative branches share this responsibility through the personal involvement of the President and the Vice President, the National Security Council, the new Intelligence Oversight Board and the two new, in the past two years, Select Committees on Intelligence in the House and Senate.

Secrecy, while it can be used to hide misdeeds and mistakes, can also enable us to learn more about those who could harm us, deny them the advantage of surprise, and ensure that our decisions are based on fact rather than surmise. In itself, secrecy is neither good nor bad, moral nor immoral. In the new oversight bodies we have a responsive, well-conceived mechanism capable for perhaps the first time of controlling government secret and secret activities adequately. I suggest that we give it a chance.

TACOMA NEWS TRIBUNE
29 August 1978

More openness for CIA

There is a new and welcome sense of openness being displayed by the Central Intelligence Agency. An example was the recent appearance in San Diego, Calif., of CIA Director Stansfield Turner in which he discussed CIA operations candidly before a public audience.

Turner's appearance is part of a frank bid for public support to counter negative criticism that has plagued the nation's intelligence-gathering community for the past several years.

Part of Turner's public-relations campaign involves outlining the system of checks and balances that have been established to monitor CIA activities. The system includes two congressional oversight committees and a special three-man Intelligence Oversight Board. They are there to guard against the sort of abuses that were revealed during the Watergate investigations.

Still, even in this new era of

openness, spies are necessary and a degree of secrecy must be exercised if the nation is to protect itself from foreign enemies. It is unrealistic to believe that America would not be harmed if an unfriendly nation could easily learn our secrets.

It is this message—that intelligence activity is essential for the wellbeing of the nation—that Turner is trying to get across to the American people.

There is the danger, of course, that more candor and openness by the intelligence community will increase the potential for leaks, thereby perhaps jeopardizing some espionage efforts. It is a risk that will have to be taken.

By allowing more light to shine on CIA activities, Director Turner is taking the necessary step toward gaining a renewal of the public support that is needed if our intelligence apparatus is to be effective.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE 10 Pt. 1

LOS ANGELES TIMES
11 September 1978

Romanian Intelligence Man's Defection Stirs Storm

BY HARRY TRIMBORN
Times Staff Writer

BONN—Ion Pacepa was a lieutenant general in the Romanian secret service. He held a key post in a state that like other Communist nations maintains a massive security force ready to crack down on any sign of subversion or internal dissent. He was also a close associate of the Romanian president, Nicolae Ceausescu.

Pacepa had access to far more than Romania's secrets. For despite Romania's independent ventures in foreign affairs, the country's intelligence services maintain close ties with their counterparts in the Soviet Union and other East bloc states.

So Pacepa's defection to the West last July 28, while he was on a trade mission to Cologne, represents a major coup in the silent East-West war of espionage. Just how important can be seen in the reverberations that have shaken the Romanian Communist Party and government since the 50-year-old general slipped away.

Western diplomats in Bucharest report that at least a dozen top officials have been arrested and demoted since the Pacepa defection. A significant change occurred Wednesday when Interior Minister Teodor Coman, the official responsible for state security, was suddenly replaced by George Homostean. Although said to have little or no security experience, Homostean is a trusted party functionary.

The defection has also shaken the West German government. Pacepa, believed to be in a safe place near CIA headquarters in Langley, Va., reportedly has told his CIA interrogators that there are Communist spies in high places in the Bonn government. This is hardly a novel disclosure inasmuch as West Germany, because of its location and recent history, is particularly vulnerable to espionage.

According to various sources and reports published here, Pacepa has named at least six West German politicians as East bloc spies. Thus far the names of only two have surfaced—Uwe Holtz, a member of Parliament and Joachim Broudre-Groeger, an aide to Egon Bahr, an architect of West Germany's controversial Ostpolitik, which seeks closer ties with the East. Both Holtz and Broudre-Groeger have denied any wrongdoing.

Pacepa's alleged charges have triggered a major controversy here, and aroused widespread suspicion that there may be less espionage and far more partisan politics involved.

Critics note that all the alleged spies are members of Chancellor Helmut Schmidt's Social Democratic Party, the senior partners in the ruling coalition with the small Free Democratic Party. The accusations, they note, come just a few weeks before important regional elections

are held Oct. 8 in Hesse and Bavaria. The election is viewed as an important test of Schmidt's popularity. Unless an early election is called, he will remain in office until 1980.

The election will also be a test of the coalition's ability to remain in power. The Free Democratic Party was defeated in regional elections in Hamburg and Lower Saxony last June at the hands of the so-called green parties—environmental and antiestablishment groups.

Holtz, considered one of the Social Democratic Party's rising young stars, and Broudre-Groeger are both members of the party's left wing—a favorite target of the conservative opposition Christian Democratic Union, and its Bavarian partner, the Christian Socialist Union.

Broudre-Groeger was a key aide to Bahr in formulating the Ostpolitik, a major program of former Chancellor Willy Brandt, who resigned from office in 1974 following revelations that one of his key aides was a Communist spy.

Neither Pacepa nor anyone else has accused Bahr of being a spy. The agents supposedly identified by Pacepa are said to be, like Broudre-Groeger, individuals close to him.

Bahr and his associates, according to reports in conservative newspapers opposed to Social Democratic policies, formulated a plan under which West Germany would eventually withdraw from the North Atlantic Treaty Organization and set itself on a nonaligned course. In return, the Russians reportedly would give the West Germans a nonaggression pledge and open the way for a reunited, neutral East and West Germany. The U.S. government has said it has seen no evidence of such a plan.

This concept surfaced in a remark by President Carter's national security adviser, Zbigniew Brzezinski, that the Schmidt government was set on a course of "self-Finlandization," a reference to the precarious neutrality Finland maintains alongside its powerful neighbor, the Soviet Union.

Pacepa's alleged statements prompted an emergency session last week of the Bundestag, the lower house of West Germany's parliament, which stripped Holtz of his parliamentary immunity.

The vote was unanimous, Holtz being among those voting to deny him protection against a police search, which as far as is known has uncovered no evidence to support the charges.

ARTICLE APPEARED
ON PAGE 7THE CHRISTIAN SCIENCE MONITOR
12 September 1978

Security defection jars U.S.-Romania ties

By Eric Bourne

Special correspondent of The Christian Science Monitor

Vienna

The recent defection of a high-level Romanian security officer to the United States has imposed a sudden strain on U.S.-Romanian relations.

U.S. State Department Counsellor Matthew Nimitz, who is described as a general trouble shooter, has paid a flying visit to Bucharest to try to ease an acutely embarrassing turn in Romania's relations with Washington.

As a "soothing" mission, as it was unofficially termed, it does not seem to have been particularly successful. Significantly, Mr. Nimitz's visit was not noted by the Romanian media which normally are meticulous in such instances.

While American sources say "it is business as usual in our relations," other observers say the visit has done little to remove President Nicolae Ceausescu's displeasure and the strain imposed on relations by the defection.

As a result, the Soviet Union will be watching the case very closely. The Kremlin already was angered by the spectacle of

Romania's playing host last month to their ideological enemy from Peking.

Inevitably, it is pointed out, the Romanian defector, Lt. Gen. Ion Pacepa, would have had some access to material highly sensitive to the Kremlin.

And it is this fear that an opening may have been created for new Soviet pressures that is causing misgivings in Bucharest at a time when clouds hang over the most important of Romania's wider Western relationships.

Trade irritation

These days Romanian officials are unable to evince any special enthusiasm about the American connection.

Romania, for instance, has already been irked by its failure to persuade Washington to place its trade agreement on a long-term basis in place of the present annual review in order to facilitate planning for the 1980s.

The latest chill in the relationship between the two countries was tied to the disappearance in West Germany about six weeks ago of General Pacepa, a state secretary in the Min-

istry of the Interior which controls Romania's secret police and security services.

The general belonged also to a carefully chosen group of special counselors close to President Ceausescu and had accompanied him on many of his overseas visits, including the recent one to the U.S.

General Pacepa "disappeared" in West Germany in late July. At the time he was with a mission discussing a partnership between Romania's aviation enterprise and a German-Dutch company for the building of a short-range passenger airliner.

Shortly afterward, it became known that he had been flown by the CIA to the U.S.

The subsequent investigation which swept through the security services has already involved the removal of two government ministers and reportedly also the detention of at least a dozen senior Army and security officers.

Dismissals not explained

One of the dismissed government members is Interior Minister Teodor Coman, a member also of the party's political executive. The other is Nicolae Doicaru, another presidential counselor and one-time first deputy interior minister.

No explanation for dismissal was given in either case. A link with the Pacepa case would seem evident.

In a long talk with this reporter, during the mid-August visit of Chinese Chairman Hua Kuo-feng, a very senior official in the Romanian Foreign Ministry curtly declined to discuss the general's defection to the U.S. or the possibility of its adversely affecting the "special" relationship Romania has established with Washington despite its commitments within the Soviet bloc.

But from informal talks with other semiofficial contacts it is clear that the Pacepa case is causing considerable apprehension that a defection from a group so close to the President could cloud not only relations with the U.S. but prove also an acute embarrassment in Romania's ever sensitive ties with the U.S.S.R.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

BENTON HARBOR HERALD-PALLADIUM (MI.)

1 September 1978

CIA Should Tighten Its Own Security

Officials of the Central Intelligence Agency probably would be among the first to admit agency security is something less than it ought to be. First there were the ex-agents who wrote books exposing other agents and no doubt causing serious disruptions in the intelligence linkage.

Now it is alleged a former employee of the agency, a low-level employee at that, not only had access to secret documents concerning the "big bird" reconnaissance satellites, but sold a technical manual of the project to the Russians.

As if that weren't enough, the stolen document apparently has been missing a year without CIA

knowledge. The agency still might be in the dark if the FBI has not come around asking if such a document was missing.

When the former employee, William P. Kampiles, was arrested, it was said his alleged crime had done "irreparable harm" to the United States. Later, an unnamed official was quoted as saying the harm done wasn't all that bad because "the Russians know this satellite has been in orbit taking picture of their country for some time."

It is a safe bet any material the Russians were willing to pay an ex-CIA agent for is something not helpful to the United States to be revealed. When the Senate Intelligence Committee has finished investigating this latest security blunder, it should have some interesting suggestions on how the CIA once again can become a useful intelligence agency.

CHICAGO SUN-TIMES
3 September 1978

Kampiles: Traitor or living a nightmare?

Many loose ends in case of former CIA employe charged with selling ultra-sensitive defense secrets to Soviet Union for \$3,000.

By Brian J. Kelly

William Peter Kampiles, accused of selling a Soviet agent the most sensitive defense secrets this country has lost in decades, is either one of the more damaging traitors in the history of U.S. intelligence or a man living a nightmare that would seem more plausible as the plot of a clever spy thriller.

His case is full of many unexplained details. For instance, it was Kampiles who volunteered to the FBI the information that led to his arrest, according to sources familiar with the case.

After returning from a trip to Greece, Kampiles is said by the sources to have told former CIA colleagues that he had been contacted by Russian agents seeking intelligence information. Kampiles is said by the sources to have offered to act as a double agent, passing false information to the Soviets. It was after the FBI questioned him about this that they decided to charge him with espionage.

IT WAS ALSO Kampiles who told the FBI about the missing document he was later charged with stealing. It was the first indication the government had that the document was gone.

The 23-year-old Chicago area man is described by friends as attractive, likeable—even patriotic. He's had several high-paying, interesting jobs and his background is anything but suspicious.

But Kampiles, sitting in a federal prison cell here, is the main character in a curious and perplexing espionage case that has caused concern at the highest levels of government.

A federal indictment filed last week charges that in late winter of this year, the former CIA employe traveled to Athens. While there, the indictment says, he sold a technical manual to a Russian agent called "Michael," for \$3,000. The indictment charges him with six counts of espionage and theft of government secrets, charges that could result in several terms of life imprisonment if he is convicted. He is being held in lieu of \$1 million cash bond.

BUT BEYOND THE sparse indictment, the government is saying nothing. All the supporting documents that are supposed to detail the crime have been sealed and every federal agency involved—from the CIA and FBI to the Senate Intelligence Committee—will offer only a curt "no comment."

The government's contention is that if the documents Kampiles is accused of stealing and the circumstances surrounding their loss become public, it could "irreparably damage national security." The stolen document is widely believed to be an 85-page manual describing a top-secret photographic surveillance satellite.

The satellite, nicknamed "Big Bird," is used to monitor Soviet military activity and takes pictures with remarkable clarity. It is considered a central element of the U.S. intelligence-gathering operation and the most crucial part of the strategic arms limitation verification system.

The case has already raised some serious questions for the intelligence community—most prominently how a low-level officer could have access to such a document and how it could be missing for almost a year before anyone found out.

But there are also questions about Kampiles' alleged involvement. His background gives no indication of any motivation for selling the document, his position with the agency makes it unlikely that he could have accomplished such a sale.

SEVERAL FRIENDS noted that \$3,000 is a small sum for such a significant document and besides, Kampiles had just taken a job that paid considerably more than his CIA salary. There's also a report that he signed a receipt for the cash—a move that friends say seems too naive for Kampiles.

"I can't stop thinking he was set up by someone," said a friend who admits, "But then I'd rather believe he's innocent."

Significantly, his attorney, former Assistant U.S. Attorney Michael D. Monico, said he intends to plead Kampiles innocent at his Tuesday arraignment in U.S. District Court in Hammond, Ind. Monico contends that he has a strong case and that there is more involved than the charges made public, although he won't elaborate.

But if the circumstances of the case are odd, there is certainly nothing odd about the background of William Peter Kampiles.

Interviews with a number of friends and former employers give a picture of a bright, personable young man who had many friends and a promising future. "If I had to pick one of my friends who I thought was going to be a success, it would have been Billy," said a childhood friend.

AMONG THE TRAITS friends remember is compassion—"He'd always have a quarter for a bum," said one—and patriotism. "I know it sounds crazy, but I thought of Bill as a patriot," said a high school friend. "When we'd argue about the war in Vietnam, he always took the 'my country, right or wrong' attitude. Politics didn't come up a lot, but you'd have to say he was pretty conservative."

Born in St. Margaret's Hospital in Hammond on Dec. 21, 1954, he was the second son of Peter and Nicoleta Kampiles. Both parents were Greek immigrants; his father coming to this country in the 1920s, his mother in 1952 after her marriage.

The family lived in Hegewisch, the large Polish and Greek neighborhood in the far southeast corner of Chicago. Peter Kampiles was a steelworker at the Republic Steel Co. plant a few blocks north. He died of cancer in 1964.

To support her two sons, Mrs. Kampiles worked at the giant Ford Motor Co. assembly plant on Torrence Av. The family lived in a small rented apartment on the 13500 block of Burley, a quiet street of mostly single-family homes.

But Bill Kampiles didn't grow up poor. Friends said he always had spending money, constantly working odd jobs. He had a paper route for a while and delivered fruit for a Greek grocer.

"BILLY WAS A HUSTLER. As long as I've known him, he always made sure he had a way to earn a few bucks," said one friend. Even when he entered college, Kampiles used to work during holidays and long weekends.

In 1968 he entered Washington High School on the Far South Side. Those who knew him there remember him as above average in intelligence but not particularly distinguished. "He was just one of the guys," said Athen (Tom) Bovis. "There were about six of us who hung around together. We had a good time but we were never in trouble or anything. We never had any run-ins with the police."

During high school, Kampiles was also active in the Sons of Pericles, a Greek youth organization that sponsored dances and social events for Greeks in South Chicago and the surrounding south suburbs.

It was in high school that he made the first of several trips to Greece—apparently a common vacation among many of his friends. "It sounds so suspicious to read that Billy made a trip to Greece," said a friend referring to the federal indictment. "But we all go all the time. Everyone's got relatives over there."

Kampiles, who speaks Greek well, usually stayed with relatives in Athens. A friend who made the trip with him once recalled staying with Bill's uncle who was then "a high-ranking Greek police official."

HE GRADUATED FROM Washington in 1972 and that fall entered the University of Illinois at Chicago Circle. He pursued his joint interests of political science and business.

"Bill had this long-time interest in government, mostly international relations. He said he'd like to work for the State Department or an embassy some day," said a friend who knew him in college. The same friend added, though, that Kampiles took business courses to improve his chances in the job market.

Halfway through his sophomore year at Circle campus, Kampiles decided he was tired of commuting to school. He transferred to Indiana University in Bloomington where he graduated a semester early—in January, 1976—with a degree in political science.

He worked hard at IU, living alone and not partying to any great extent. Says a college friend: "Bill was definitely there to do well. When he went out, he'd have a good time, but it was hard to drag him away from the books."

It was while he was at IU that he made his first contact with the CIA. IU is considered a particularly fertile recruiting ground for the agency, with a strong graduate program and, like many large Midwestern universities, a large number of conservative students.

HE WAS INTERVIEWED by agents from Chicago who told him that there was not an immediate opening, but that they were interested.

Right after graduation, Kampiles told friends, he took a sales job with a hospital supply company in St. Louis. He had worked there a year—earning, according to one friend, "a huge salary"—when the CIA called. They had a job.

Telling friends he had gotten a position with the "State Department," Kampiles left for Washington in March, 1977. He started at the CIA's Langley (Va.) headquarters as a "watch officer," an entry level position that had him monitoring and filling the non-stop cable traffic to and from CIA outposts around the world.

The Civil Service classifies the position a GS-7, paying slightly more than \$14,000 a year. To save money, Kampiles lived in a big house in Vienna, Va., with several co-workers.

He apparently was not pleased with the job, which he considered tedious. He told one friend that "the chances for advancement

aren't very good, unless you know someone." He resigned from the agency in November, 1977.

The FBI claims that at some point during his employment with the agency, he slipped a copy of the satellite manual from a storage drawer and brought it home.

AFTER HE LEFT the agency, Kampiles returned to Chicago, living with his mother and looking for a job. He made arrangements to work as a salesman for Bristol Laboratories, a pharmaceutical subsidiary of Bristol-Meyers Co., in the Oak Brook regional sales office. He was to be paid "\$22,000 or \$23,000 a year," he told a friend, and his sales territory was to be around Joliet.

But before he started with Bristol on March 6, sources said, he made another trip to Greece. On Feb. 23 and again on March 2, the government charges, he sold portions of the satellite manual to a Russian operative. The Washington Post, in an Aug. 23 article that quotes intelligence sources, claims Kampiles signed a receipt for the \$3,000 Russian payment.

In July he moved into a Munster (Ind.) apartment that he shared with a lifelong friend, Perry Felecoc. Felecoc, who is not implicated in the case, said he had no indication that Kampiles was involved with the CIA and was shocked when FBI agents arrested Kampiles on Aug. 17.

"The day before, Bill and four men he introduced as FBI agents came into the apartment. We gave them permission to search it—I had nothing to hide and Bill didn't seem very worried," said Felecoc.

FELOCOS SAID KAMPILES did not seem nervous or worried and said he wasn't in any trouble. "He told me, 'Some documents were lost when I worked in Washington and they're checking on it. It's not a problem.'"

Apparently Kampiles didn't think there was a problem when he went to Washington the week before his arrest and met with FBI agents. It was during this trip that he told them about his contact with the Russians and about the missing document.

A few days later Kampiles was in jail under a very unusual set of circumstances.

There are a great many questions that may never be answered in a trial if the government decides to pull the cloak of "national security." It is unclear just how far the Justice Department will take its prosecution and how much information it will ever make public.

Of his client, who sits in the federal lock-up here, attorney Monico says, "Bill has done nothing to embarrass his family or his country. This prosecution is the biggest nightmare you could imagine."

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

WORCESTER TELEGRAM (MASS.)

25 August 1978

Dirty Tricks Against the CIA

One of the more revolting displays at the recent World Youth Festival held in Havana was the spectacle of Philip Agee plotting to blow the cover of all CIA agents in the world.

Agee, who defected from the CIA in 1969, has gone over to the enemy. He is playing the pro-Communist, anti-United States game to the hilt. Just what causes his hatred is not clear, but he has dedicated his life to bringing down U.S. intelligence and, presumably, the United States itself.

In Havana, Agee and his colleagues announced the formation of a new group called Counter-Watch, which will publish a bimonthly journal called CovertAction Information Bulletin. In the first issue, Agee states that there is "an important and vital role to be played by the sort of exposes for which CounterSpy had become world famous."

Very interesting. CounterSpy was the journal that sealed the death of Richard Welch, CIA chief of station in Athens, Greece in 1975. Welch was gunned down by terrorists outside his own home there shortly after CounterSpy fingered him.

Apparently it is the aim of Agee and his friends to promote such mur-

ders in order to cripple U.S. intelligence. They don't seem to want to cripple the KBGB, the Soviet intelligence agency. Presumably it is no threat to humanity, peace or freedom.

Agee not only condones violence, he promotes it. After urging people in foreign lands to demonstrate and protest against U.S. intelligence agents, he says that, if peaceful protest doesn't do the job, "those whom the CIA has most oppressed will find other ways of fighting back."

He goes on to say that "people of many nationalities and varying political beliefs can cooperate to weaken the CIA and its surrogate intelligence services, striking a blow at political repression and economic injustice. The CIA can be defeated. The proof can be seen from Vietnam to Angola, and in all the other countries where liberation movements are rapidly gaining strength. We can aid this struggle, together with the struggle for socialism in the United States itself."

Yes, indeed. The question in our mind is: Just how did Philip Agee ever get into the CIA in the first place? That's something we really worry about.

LONDON DAILY TELEGRAPH
11 September 1978

THE INTELLIGENCE WAR AGEE'S VENDETTA AGAINST THE CIA

By ROBERT MOSS

MR PHILIP AGEE, the Central Intelligence Agency (CIA) defector who was deported from Britain in June last year, is at the centre of a campaign to name anyone and everyone allegedly connected with the CIA and other Western intelligence services.

For this he is using as a vehicle a new bulletin launched in Washington as a successor to *Counterspy*. The source of finance for the new publication has not been disclosed.

He was one of the star turns at the "tribunal" on the CIA that was organised during the recent World Youth Festival in Havana, where he appeared together with officials of the Cuban Ministry of Interior and the General Directorate of Intelligence (DGI).

He has also announced the imminent publication of a new book on the CIA in Western Europe entitled "Dirty Work" in which he has promised to name "hundreds" of alleged CIA agents — although there is talk of legal action to prevent publication in the United States under the espionage laws.

Indeed, it is now almost certain that if Mr Agee returns to America (he has been deported as a security risk from Britain, France and Holland, and denied entry to West Germany) the Justice Department will bring charges of espionage against him.

Despite the controversy over his deportation, surprisingly little has appeared in the British press about the background to Mr Agee's continued campaign against his former employers. There is still widespread confusion about his motives, and in particular about his involvement with the Cubans and the Russians.

He has visited Cuba at least six times since he left the CIA, and, when questioned about his contacts with Cuban Embassy staff in London and Paris, said in a published interview that "whether they were Cuban intelligence officers or not, I don't really care".

His first significant KGB contact was made as long ago as October, 1964, when he was a junior case officer at the CIA station in Montevideo. He then met Vitaliy Semenov, who later became the KGB "liaison officer" with the DGI in Havana — in effect its controller.

Mr Agee is not the only former employee of an American intelligence agency who has decided to "blow the whistle" on his ex-colleagues. Since the post-Watergate witch-hunt against the CIA began, this has become quite a fashionable occupation.

What is distinctive about Mr Agee is his method. His speciality is naming names. Since publishing a list of supposed CIA agents — ranging from Mr George Meany, the indestructible chief of the American trade union federation, the AFL-CIO, to a couple of Mexican Presidents — he has gone on producing lists that jumble together intelligence officers, agents and simple bystanders.

As it happens, Mr Agee was not the first to adopt this approach. The model was set in 1968, when the East German intelligence service produced a volume entitled "Who's Who in the CIA," which accused most prominent Americans to the Right of Alger Hiss of working with the CIA.

Disinformation exercise

That, of course, was a straightforward (if that is the right word) Soviet bloc disinformation exercise. It is revealing to examine Mr Agee's view of it. It was suggested to him, in the course of a televised interview that he gave on a Canadian programme called "Luncheon Date" on Jan. 29, 1975, that his own efforts bore some resemblance to the East German book.

What was his opinion of the East German product? Did the fact that it was produced in East Germany mean that it was not credible? "No, it doesn't at all," Mr Agee insisted. "That is a good book in fact."

He conceded that "it has to be used with caution" because

there are quite a few names in there of people who are not CIA." But he and his friends were "working on a better system."

The fact that Mr Agee was ready to give praise to an East German black propaganda operation was no more startling than his comment, in another interview later that day, that the reason he attacked the CIA, and not the KGB was that the Soviet intelligence service mainly exists "to combat counter-revolution," while the CIA

existed to "promote fascism." Just in case that leaves anyone in doubt about Mr Agee's ideological position can be compared with his public admission, one year earlier, that he would like to see the whole world "opt for revolutionary socialism."

Not alone

Mr Agee, alas, is not alone in subscribing to this view. But he is also a former CIA officer now helping to mastermind an international campaign against Western intelligence in which he has the enthusiastic support of a large number of Left-wing groups, including several in Britain.

However, disaffected from "the system" that may be, it must surely concern them that this campaign can only benefit the enemies of the West, and first among them the world's largest and most brutal secret service, the KGB. Whatever Mr Agee's personal motives, there can be no doubt about the beneficiaries of his efforts.

So the question inevitably arises: is he in any sense subject to the control of the Russians and the Cubans, or dependent on Soviet bloc intelligence services for the material that he makes public? One little-known episode in 1974 may help to explain his relationship with the Cubans.

Mr Agee named President Luis Echeverria of Mexico as an alleged CIA agent in his first book "Inside the Company." At a Press conference in London in October, 1974, he accused the Mexican Government of "censorship" on

the grounds that his earlier accusation had not been played up by the local Press. This inspired headlines about the President and the CIA in the Mexican papers, and a subsequent article by the well-known Communist novelist, Gabriel Garcia Marquez (following a talk with Mr Agee), that again attracted national attention in December.

President Echeverria was furious. He consulted his security chiefs on Mr Agee's motives, and it was pointed out to him that the Agee book contained an acknowledgement to "representatives of the Communist Party of Cuba." Señor Echeverria promptly threatened to cancel the trip to Havana that he was scheduled to make in the spring of 1975 — and which Castro was counting on to bestow a measure of international approval on his régime.

Paraphrasing Castro, sent Carlos Rafael Rodriguez, the Secretary-General of the Cuban Communist party, and Luis Fernando Oña, the Number Two in the DGI, to Mexico City. They met Señor Echeverria and (according to well-placed sources in Mexico) promised to straighten things out.

Subsequently, Mr Agee is known to have met Cuban diplomats in London. Soon after, he flew to Spain to see Gabriel Garcia Marquez, who was staying there. Then, on Jan. 4, 1975, Mr Agee and Sr Garcia Marquez had separate letters published simultaneously in the leading Mexican daily, *Excelsior*.

Mr Agee withdrew the earlier charge that Sr Echeverria was a CIA agent, suggesting that his contacts had been no more than routine liaison, and that there was a break between the CIA and the President in 1970, when the station chief left Mexico City.

As a result, Sr Echeverria signalled that he was ready to go to Cuba, and went there in August.

(AS RECEIVED)

CONTINUED

This episode suggests, to put it mildly, that Mr Agee respects the interests of his Cuban friends. Another thing that the American Justice Department, and some leading Senators, would like to ask Mr Agee about if he returns to the United States is the way that classified material on the CIA recruitment of Arab agents cropped up in the Beirut Press a few years ago. It was identical with some of the material used when Mr Agee took a refresher course before leaving the CIA. But Mr. Agee, back in Rome after the Havana junket, is unlikely to risk possible embarrassments in his own country. Remarried to an American citizen called Gysele Ingoel, it is now possible that he will try to re-enter West Germany. She has established right of residence there, after living for a time near Frankfurt, and it appears that, under West German law, the right may apply to her husband too.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE A-3

THE WASHINGTON STAR (GREEN LINE)
13 September 1978

Data Reported Found in Car

Last U.S. Envoy in Saigon Investigated on Secret Files

By Bernard Gwertzman
and Anthony Marro
Special to The Washington Star

Graham A. Martin, the last U.S. ambassador to South Vietnam, is under Justice Department investigation for allegedly having taken top-secret government documents with him after his retirement.

The Justice Department would not comment officially on the investigation, and it was not certain whether criminal charges would be brought against Martin.

Martin was one of the most controversial envoys in the Foreign Service, and his role in the downfall of Saigon and the evacuation of Americans and Vietnamese is still a matter of contention.

But it was learned from well-placed sources that the investigation has been going on for several months. High-ranking State Department officials have been informed of the case, but officially the department has no comment on it.

The alleged secret documents were discovered after a car belonging to a member of the Martin family was stolen at the start of the year in North Carolina, where Martin has been in retirement since March 1977.

ACCORDING TO government officials, when local police recovered the car they found the trunk lock forced open and the trunk stuffed with classified documents.

The FBI reportedly took possession of the documents, many of them said to be highly sensitive cable traffic between Washington and Saigon, and asked the State Department to verify and analyze the material. Several officials said there were at least two large cartons of documents involved.

One State Department official said, "I was amazed at some of the stuff which I did not even know existed."

Actually, Frank Snepp, a former CIA analyst whose recent book on the fall of Saigon was critical of Martin, had reported that Martin was "squirreling away" secret documents before he retired in 1977.

When The Washington Star tried to contact Martin at his home in Winston-Salem, Martin's wife said he had just had a serious lung operation and was in the intensive care section of a local hospital. Mrs. Martin said she knew nothing of the alleged case when it was described to her.

WHEN ASKED about a stolen car, she said her daughter's car had been stolen. The Martins have two married daughters. One of them said her car was never stolen. The other daughter was said by Mrs. Martin to be en route to Bangkok.

Sources in the Justice Department said Martin was being investigated by the internal security section of the Criminal Division. One official said the statute in question was Section 793 (f) of the U.S. Criminal Code which makes it a crime to permit through "gross negligence" classified information relating to the national defense to be removed from its proper place.

This carries with it a maximum penalty of up to \$10,000 in fines and 10 years in prison.

A lawyer familiar with such national security cases yesterday he doubted that much of a case could be made against Martin and that was why, he reasoned, so many months have gone by since the discovery of the documents at the start of the year.

STATE DEPARTMENT officials were interested in why Martin might have wanted the documents. Several officials said that Martin was greatly concerned about the historical record of the fall of Vietnam and wanted to protect his reputation against what others, such as former Secretary of State Henry A. Kissinger, might publish. Kissinger's memoirs are to be published next year.

Harry Middleton, the director of the Lyndon B. Johnson Library in Austin, Texas, said in a telephone interview last night that Martin had made contact with him in mid-February and said he had decided to give the documents to the library. He said Martin told him of the car theft and that the FBI had some the documents.

Middleton said he knew of no criminal investigation involving Martin's possession of the documents and he assumed that the State Department had decided what documents the LBJ library would receive.

Martin, who will be 66 on Sept. 22, served as ambassador to Saigon from the summer of 1973 until its capture by North Vietnamese troops on April 30, 1975. He finally left the embassy on one of the last American helicopters that got out before the city's collapse.

HE HAD BEEN ambassador to Thailand from 1963 to 1967 and ambassador to Italy from 1969 to 1973.

He has always been controversial even though his graceful, Southern manner often belies his inner toughness. His first major dispute, largely unknown to the public at the time, was when as envoy to Thailand he resisted efforts by the American military to involve themselves more deeply in Thai affairs as the military had done in Vietnam.

Because of this, Martin was relieved of his post and returned to Washington as a special assistant in refugee affairs. The Nixon administration appointed him to Rome, where he riled some officials by seeking to use CIA funds to help the Christian Democrats, even though that practice was supposed to have been stopped.

In Saigon, he saw his job as trying to rally American public opinion behind the anti-Communist government of President Nguyen Van Thieu and he was a familiar figure on Capitol Hill testifying in support of ever-dwindling aid funds.

SNEPP'S BOOK, "Decent Interval," was critical of Martin's administration of the embassy and in particular his reluctance to take the necessary steps to ensure an orderly evacuation of Americans and Vietnamese.

In the book, Snepp said that Martin was anxious to protect his own reputation. He said that Martin was angry that Kissinger "had spread rumors around Washington that Martin was a little 'insane.'"

Snepp said Martin began talking to him and to some journalists to justify his actions in Saigon.

"He also quietly squirreled away secret papers to buttress his case," Snepp wrote.

One former member of the Saigon embassy said yesterday that Martin was believed to have shipped from Saigon in the last days a file of the most sensitive cables, including so-called "back-channel" messages from Kissinger dealing with a variety of matters.

THE WASHINGTON POST
13 September 1978

ARTICLE APPEARED
ON PAGE A-1, 9

Documents Found in Martin's Home, Car

Ex-Envoy's Possession of Secret Data Probed

By Laurence Stern
and John M. Goshko
Washington Post Staff Writers

The Justice Department is investigating the possession by former U.S. ambassador to South Vietnam Graham Martin of voluminous files of top-secret intelligence documents the FBI recovered last January from his home and automobile.

The documents, according to one knowledgeable official, include highly classified CIA communications between the former U.S. embassy in Saigon and Washington.

They cover the entire span of major U.S. involvement in the Vietnam con-

flikt from 1963 to 1975. As one official put it, "hardly anyone who played an important role in the Vietnam drama" was omitted from the classified reports in Martin's possession. "It includes the entire time of our viceroyship in Vietnam," he said.

The Justice Department has been considering whether to prosecute Martin under a seldom-used statute dealing with the "misuse" of classified documents. Officials at the State Department could cite no evidence that Martin had permission to keep the documents, which are presumed to have been taken from the files of the Saigon embassy where he served from July 1973 until the American evacuation April 30, 1975.

Former CIA officer Frank Snepp, who wrote a highly critical book about his service in Vietnam, said in a phone interview last night that he had told the CIA and the Senate Intelligence Committee in 1977 that Martin took secret documents with him in the evacuation from Saigon.

"He told me he kept them so he could have the last word on [former secretary of state Henry A.] Kissinger," Snepp said.

None of the authorities he informed of Martin's actions expressed concern or interest in doing anything about the matter, Snepp added.

Martin, interviewed by telephone at a Winston-Salem, N.C., hospital where he is recovering from lung surgery, said he had intended to turn over the papers to the Lyndon B. Johnson Library in Austin, Tex.

"I thought the historians might be able to do a better job at telling the story than has been done so far. They should have a shot at it," said the former ambassador.

But Martin did not call the LBJ Library to volunteer his papers until several weeks after North Carolina State Police found a batch of documents stamped "top secret" in the trunk of his car and called the FBI in on the case. The accidental discovery was made by police in the course of recovering Martin's car after he reported it stolen.

The discovery of the large cache of highly secret documents was made by the state police last January when they found several cartons of papers both inside the car and scattered around it.

North Carolina law enforcement sources said several of the papers were scattered in the nearby woods, and some had been found by schoolchildren and used by them as scratch paper. In fact, the sources added, the police apparently were led to the stolen car by a tip from a teacher who found one of the documents in the hands of a pupil.

State and Justice Department officials familiar with the case said they had no knowledge of Martin's motives in keeping the documents, which are assumed to have been in his possession since the evacuation of the American embassy nearly 3½ years ago.

After the discovery, the documents were transferred to the Greensboro, N.C., office of the FBI. Martin says he also has retained some documents in his home which he intends to annotate and deliver to the LBJ Library. The former ambassador said he regards all the papers as his personal possessions.

In addition, Martin has told officials of the LBJ Library that his proposed gift includes a third category of documents that currently are being held in two security vaults at the State Department in Washington and that, according to Martin, are to be turned over to the library after joint screening by him and department officials.

Harry Middleton, director of the LBJ Library, said Martin contacted him last Feb. 13 and notified him of his decision to deposit papers in the archive. He said Martin told him of the circumstances of the car theft the preceding month and that the FBI had taken custody of portions of his proposed bequest.

Middleton said he was not aware that a criminal investigation was being conducted into Martin's possession of the documents. "We had been going on the assumption that the library would get the documents after the FBI, and I presumed the State Department, made the necessary determinations about what we were entitled to receive."

State Department officials involved in the case said yesterday they had never heard in its eight-month history that Martin intended to bequeath the impounded documents to the LBJ Library.

Middleton said he prepared a deed of gift which Martin signed on Feb.

22. The LBJ Library director then forwarded it to James B. Rhoads, archivist of the United States in Washington. Rhoads, in turn, said he routinely accepted the transfer to the library—a procedure required in all such transfers to presidential libraries.

"Normally we leave it up to the directors of the presidential library involved to satisfy themselves that the gift is in order," Rhoads told The Washington Post last night. He added that he was unaware of any criminal investigation into the circumstances of the classified material. "Normally I don't get into that sort of thing unless there is some problem that is called to my attention and that requires checking," he said.

Justice, State and FBI spokesmen all declined to comment on the Martin affair.

It was learned, however, that the content of the find included some of the most sensitive documents that can pass through any embassy-back-channel CIA cables which bypass the State Department's traffic network and personnel, sometimes including the ambassador.

Unlike the cases of Frank Snepp and Daniel Ellsberg, central figure in the Pentagon Papers case, as well as other dissident former officials, there is no evidence that Martin intended to publish the classified material.

In the telephone interview yester-

CONTINUED

2.

day, Martin said, "I have written nothing about Vietnam. I have said nothing about Vietnam . . ."

In a March 1977 interview with Martin, the Chicago Daily News quoted him as saying he "might" write a book about his Vietnam experience. The Daily News said Martin spoke of having brought out of Saigon copies of exchanges of messages with Kissinger and adding: "I was looking at them the other day. They make mighty interesting reading."

The episode of the documents was the latest in a series of unhappy developments which have afflicted Martin since his photograph was flashed around the world during the final collapse of American involvement in Vietnam. He was unable to get reassignment within the State Department and later retired. His management of the final weeks of the evacuation has been criticized within the government as well as by such outside critics as former CIA intelligence officer Snapp.

From all the evidence yesterday it appeared that the Martin case was being handled at low level within the Justice Department's criminal division. Deputy Attorney General Benjamin R. Civiletti, who oversees criminal investigations and prosecutions, said yesterday in Salt Lake City, Utah, that he was unaware of the matter.

Martin began his State Department career in 1947. He held several major assignments, including the ambassadorships to Thailand and Italy, before going to Vietnam.

Washington Post staff writer Charles R. Babcock contributed to this article.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ENERGY-USER NEWS WEEKLY
28 August 1978

CIA: Gas Won't Solve Soviet Oil Pinch

By STEVE LONG

WASHINGTON (FNS) — A new CIA report says a bright natural gas future for the Soviet Union will ease, but not solve, projected Soviet energy problems caused by a decline in oil production during the 1980s.

An April 1977 CIA report had predicted the Soviet Union would shift in the 1980s from being an oil exporter to being an oil importer, and might import three to four million barrels of oil a day by the 1980s.

That increased competition for oil, the CIA said, would contribute to a projected worldwide oil shortage in 1985 of 2.6 million barrels a day (see May 2, 1977, EUN, page 5). President Carter cited the CIA report in support of his National Energy Plan when it was unveiled in April of 1977.

The new CIA report on gas does not provide any explicit projections of Soviet oil exports, stating only that Soviet oil production "is expected to peak in the early 1980s."

Although the new CIA report does not explicitly analyze the effect of projected increased in Soviet gas production upon Soviet

oil consumption and oil imports, it does conclude that "natural gas will not prove a panacea for Soviet energy problems caused by a future decline in oil production."

The report says gas "will provide the Soviet energy balance with a relatively fast-growing source of fuel and raw materials, in fact approaching or exceeding crude oil production in caloric terms by 1985. Gas will only be able to substitute for oil in some of its uses, however."

This is mainly because most opportunities for easy substitution of gas for oil have already been exploited, and gas will prove difficult to substitute for oil in

several sectors of the Soviet economy, particularly agriculture and transportation.

However, gas substitution will continue to grow in Soviet industry, where its use is already substantial, according to the report.

"Some additional gas production will go for use in industrial boilers and to industrial sectors which are already large gas consumers and in which gas is being substituted for fuels other than oil. Gas consumption will continue to increase substantially in the chemical and metallurgical industries, where it has been replacing coal and coke."

ADRIAN DAILY TELEGRAM (MI.)
19 August 1978

Natural Gas In Soviet

The Soviet Union will surpass the United States in the 1980s as the world's biggest producer of natural gas, according to a study by the CIA. The agency said the Soviet Union has the world's greatest proven reserves of natural gas, and has three times the amount of coal as the U.S.

CIA Economist John Tidd said the natural gas boom in Russia will not be enough to offset the negative effects of declining Soviet petroleum reserves.

Tidd said the new natural gas reserves are all in Western Siberia. The weather there is hard on both workers and equipment, and there are no

highways, railroad lines or airports. In order to transmit the gas, the Soviets will have to build a 3,000-mile pipeline—nearly four times longer than the Alaskan pipeline.

PLATT'S OILGRAM NEWS
30 August 1978

NEW U.S. GOV'T STUDY SEES 1980S DILEMMA
IN GROWTH/PRICE, NOT SUPPLY SHORTAGE

Washington 8/29—Signs that the U.S. Administration is changing its perception of the world energy picture in the 1980s from one of resource scarcity to one of impaired economic growth have surfaced in a new U.S. government working draft, which compares five recent major international studies by the U.S. Energy Dept., International Energy Agency, U.S. Central Intelligence Agency, Petroleum Industry Research Foundation and Exxon Corp.

The draft study claims that the predictions of CIA, DOE and IEA concerning the supply-demand gap in the 1980s have been misinterpreted as meaning a physical shortage of oil. Instead, says the draft, the U.S. government is acknowledging an inevitable rise in oil prices unless the U.S. accepts slower economic growth in the near future.

It pictures the energy optimists as counting on slower economic growth to move industrial countries through a transition period to alternative sources of supply. The pessimists, on the other hand, find the prospect of slow growth brought on by tight supply and higher prices as unacceptable. The real bottom line, says the draft report, is a growth/price dilemma, not a supply shortage.

In its analysis of economic growth rates, the report points out that as little as a 0.5% difference can raise or lower demand for OPEC oil by 6-million b/d or 15%. It places the burden for expansion of additional oil supplies needed to insure acceptable economic growth entirely in the hands of OPEC countries. It holds that high rates of growth (4.5%) will overrun OPEC supply projections and that moderate rates (4%) will be possible if OPEC agrees to expand production capacity. If OPEC fails to boost present capacity, world growth will decline to a low rate of 3.5%.

Since a decision to expand depends entirely on OPEC, the U.S. is seen as helpless in bringing downward pressure on price unless it accepts slower economic growth. The report adds that increasing success with such measures as conservation and development of non-OPEC oil supplies and non-oil resources could alleviate this situation to a small degree.

The report smooths over the differences among the various recent studies by emphasizing the similarity of their forecasts of non-oil energy resources, energy demand growth and non-OPEC oil supply. It attributes the major area of dispute to uncertainty over the oil import needs of the Communist bloc in the 1980s.

New CIA Market Study

The CIA, meanwhile, is expected to stick with its pessimistic view of world energy supply-demand in a soon to be completed study entitled "The Oil Market through 1985." It predicts an "oil problem" as early as 1982, assuming a slower expansion of OPEC supplies than most estimates and acceptable rates of economic growth to meet U.S. employment targets.

Further, the new CIA study sees a soft oil market through at least 1980, with large increases in the real price of oil expected through 1985.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

CHRISTIAN SCIENCE MONITOR

11 September 1978

ARTICLE APPEARED
ON PAGE 1,9

Shah's throne again periled by riots, walkouts

By John K. Cooley
Staff correspondent of
The Christian Science Monitor

Athens

As twice before during his long reign, Shah Muhammad Reza Pahlavi is fighting to hold his throne and his power to develop Iran according to his own ideas of what a modern industrial country should be.

After the Sept. 8 riots, the worst of his 37-year reign, the crucial question now facing the Shah and his main foreign supporter, the United States, is whether Iran's well-paid, pampered, and superbly equipped armed forces will stay loyal to the Shah — or take power into their own hands.

Until recently the Shah cautiously placated both the Muslim conservatives demanding his overthrow in the name of religion, and leftist and liberal opponents who want rapid political change.

By so doing, the Shah sought to avoid a major clash between the Army and enraged and emotional mobs in Tehran and Iran's other main cities. He also postponed a planned trip to Europe.

But on Sept. 8, after nearly a year of sporadic protests, demonstrations, and isolated terrorist attacks, came the dreaded full-scale street battle.

The Tehran crowds Sept. 7 ignored appeals of liberal political leaders to avoid challenging a new government ban on demonstrations. The result was a decision of recently installed Prime Minister Jaafar Sharif-Emami's government to impose martial law in Tehran and 11 other cities.

In new rioting Sept. 8, Army troops poured machine gun and heavy-weapons fire directly into crowds in East Tehran. Disorders continued Sept. 9 and 10, with troops again firing on demonstrators and nine members of Parliament walking out of a speech by Iran's new Prime Minister.

After shooting died down early Sept. 9 and the night curfew was enforced, the government announced 86 killed and about 200 injured. But Tehran's state radio admitted that foreign newsmen at the scene reported "hundreds of dead and wounded" in the capital alone.

Amir Abbas Hoveyda, who until August, 1977, served nearly 13 years as the Shah's prime minister, resigned Sept. 9 as Minister of the Imperial Court. Mr. Hoveyda, powerful and influential, was a main target of the Shah's opponents.

Travelers leaving Iran and newsmen there report arrests of opposition political and religious leaders and of Iranian journalists. Others were reported to have gone underground. Censorship, lifted during past months of cautious liberalization, apparently had returned to thin out Tehran's usually bulging newspapers.

As of Sept. 10, the most powerful man in Iran, next to the Shah, was Gen. Ali Ghdlam al-Hovessi, named military governor under the martial law regulations. Areas under the military law, where tank-backed soldiers enforced night curfews, included the strongholds of the ayatollahs, the clergy of the Shia branch of Islam, who oppose the Shah's rule.

Besides Tehran, these cities are Tabriz, Qom, Isfahan, Mashad, Shiraz, Qazvin, Karaj, Kazerun, Jahrom, and Abadan and Ahvaz (both the latter in Iran's strategic southwestern oil fields).

Some observers believed the Shah soon would replace Prime Minister Sharif, Emami.

His appointment two weeks earlier was an attempt to please domestic Muslim leaders like Ayatollah Shariat Madari, and to neutralize the growing ascendancy of the Iraq-based extremist Ayatollah Komeini, whose picture was brandished by some Tehran rioters demanding the Shah's murder.

The Shah conceivably could opt for all-out force and impose a military government, headed by General Hovessi or another loyalist officer. But in effect this would be admitting failure of the Shah's own self-avowed intention of gradually relaxing authoritarian controls, unless he states it was temporary.

To support its charges of an "international conspiracy" to destroy Iran as a bastion of the West and guardian of its oil supplies, the Shah's government can point to Soviet-based broadcasts by the "National Voice of Iran," controlled by the illegal, Soviet-line Tudeh, the old-style Iranian Communist Party.

"Oppressive measures," "brutal torture," and "criminal and bestial deeds" are some of the phrases it used over the past few weeks to describe actions of the Iranian security forces. Another "Radio of the Patriots," broadcasting from Libya, has been urging an anti-Shah revolution and expulsion of over 25,000 United States military personnel, civilian technicians, and businessmen in Iran.

The Shah also must resist outside pressure exerted on Iran's involved ethnic politics. During World War II, Soviet troops occupied Iran's Kurdish and Azeri (Turkic)-speaking northwestern provinces.

Soviet dictator Joseph Stalin propped up breakaway Kurdish and Azerbaidjani regimes there with the Red Army until President Harry Truman threatened use of U.S. troops to get the Soviets out in 1946.

In 1953, U.S. Central Intelligence Agency (CIA) operatives in Tehran led by Kermit Roosevelt again helped pro-Shah forces stage a comeback. This time, the threat was mainly internal.

Rioting by mobs supporting the popular prime minister Muhammad Mossadeq, who had nationalized Iran's British-operated oil wells, forced the Shah to leave the country. But the U.S.-trained Iranian Army leaders, the CIA, and mob counteraction opened the way for his triumphant return.

Without direct U.S. intervention, the Shah survived another period of rioting in 1963.

ARTICLE APPEARED
ON PAGE 45-51NEW YORK
18 September 1978

The Shah's Secret Police Are Here

By Gregory F. Rose

“... SAVAK agents operate with impunity in America, watching and harassing Iranian dissidents and opponents of the regime ...”

The sidewalk in front of the Iranian Embassy looked like a cops' convention: people from District of Columbia Metropolitan Police, United States Park Police, Federal Protection Service, Secret Service—one moment talking, joking, the next glancing nervously down Massachusetts Avenue to the line of Washington cops, three men deep, between them and the Iranian student demonstrators. A SWAT team, in their blue fatigues, lolled beside their van across from the building that is Brazil's consular annex.

“Shah is a U.S. puppet. Down with the shah,” 60 demonstrators chanted with a rhythmic monotony. Less fierce than weary from their trek from Lafayette Park to the police line 500 feet from the embassy, the only danger afforded the massed officers was, perhaps, sunstroke.

As the demonstration ended, the students rolling up their banners for another time and making their way in

Gregory F. Rose has written for Politics Today and National Review. His novel, Neither Fear Nor Courage, will be published next year.

small clusters for home, the embassy garrison relaxed.

Suddenly a blue, Checker-like sedan—D.C. license DPL 4138—pulled from Massachusetts Avenue into the embassy drive. The doors swung open and four men, one in a white suit, emerged. A bodyguard scanned the street across from the embassy and, seeing a photographer, grabbed the white-suited man, whirling him around, his back to the street. He moved quickly, back still to the camera, from the drive to the ambassador's private entrance at the side of the embassy residence. As he reached the doorway, an Iranian emerged, breathless, from the residence. They conferred, the white-suited man taking a sheaf of papers from his briefcase. A moment later, the second man dashed for a waiting embassy car. With two more steps the white-suited man was in the residence. Moments later the police supervisors arrived. They, too, entered the residence through the ambassador's private door.

The man in the white suit was Mansur Rafizadeh. As chief of station, he heads SAVAK, the shah's secret police,

and its operations in the United States.

SAVAK—the Persian acronym for the National Information and Security Organization—has a sinister reputation. International organizations, including Amnesty International, have repeatedly scored SAVAK for the repression and even torture of dissidents in Iran. Some knowledgeable Western observers have gone so far as to claim that SAVAK maintains greater control over the lives of most Iranians than does the KGB over citizens in the Soviet Union.

A pattern of SAVAK's torture and execution of political prisoners, censorship of the press, denial of due process, and surveillance of suspected opponents has been established by international human-rights monitoring groups. While the Iranian government asserts that there are fewer than 1,000 political prisoners in all Iran, SAVAK's deputy director, Parviz Sabeti, has told Western reporters that 1,000 political prisoners are held in one prison alone, just outside the city of Isfahan, and that SAVAK maintains dozens of prisons around the country. The best estimate

CONTINUED

of the number of officers and informants SAVAK maintains in Iran is 20,000. Sabeti would admit to 3,500 to 4,000; Prime Minister Hoveida claimed 2,500. The shah would admit to 1,500. SAVAK's true strength, like the fate of many of its prisoners, is a mystery.

For a country in which the apparatus of repression is so well developed, Iran has a vigorous if largely clandestine opposition.

The opposition runs the gamut of extreme left to extreme right, with the majority falling in the camp of conservative Moslems disturbed by Shah Mohammed Riza Pahlevi's "White Revolution," a complex of modernization and economic-development measures that has created serious social and economic dislocation in Iran.

State Department experts have maintained in congressional testimony that the Pahlevi dynasty could collapse without the massive infusion of United States military technology which a 25-year relationship between the CIA-Defense Department and the shah has spawned. It is, in part, for this reason that the shah and his secret police have shown considerable interest in the opposition leaders and students in exile in the United States, and that opposition figures have frequently alleged that SAVAK has operated against them within American borders.

Extensive investigation has disclosed that SAVAK and its agents (known in intelligence circles as "SAVAKs") are operating with impunity in the United States. Among the allegations are:

□ The payment of \$1 million from the shah's private Swiss bank account by SAVAK to President Richard Nixon's Committee to Re-elect the President in early 1974.

□ The use of prostitutes and drugs at parties attended by members of Congress.

□ An extensive campaign of surveillance and harassment of Iranian dissidents and American opponents of the shah in this country.

Many of these operations have been undertaken with the tacit approval of the CIA, and, while Attorney General Griffin Bell has since early this year attempted to increase FBI attention to violations of United States law by foreign intelligence services, they continue with little effort by American authorities to put a halt to them.

The Recruiting of Unwilling Agents

Wallace: We turned to the shah's secret police force, his FBI and CIA combined. They are called SAVAK, and they have a reputation for brutality. He acknowledged that he has SAVAK agents on duty in the United States. . . . And they are there for the purpose of checking up on Iranian students?

Shah: Checking up on anybody who becomes affiliated with circles, organizations hostile to my country, which is the role of any intelligence organization.

—"The Shah of Iran," 60 Minutes, October 24, 1976

Ahmed looks older than his nearly 30 years. His forehead is deeply creased and his hair, already thinning, has begun to gray. His eyes, moist with fear, scan the restaurant where we meet. He has good reason to be afraid: He is one of hundreds of Iranians who have spied for SAVAK on Iranians and Americans alike in the United States, and he fears for his life if SAVAK learns that he has talked.

"I was recruited by SAVAK in Tehran," Ahmed begins, lighting another cigarette from the one he just finished. "I was arrested in a mosque for taking a leaflet that criticized the shah. After that, I lost my job. For months I would be fired from a job days after I was hired. No explanation was ever given. I wanted to leave the country, to come to America to find work, but they wouldn't give me a passport. They pointed to my record. I was practically penniless. Finally, SAVAK called me in and one of their officers said, 'You want to go to America? Good. We will see that you get to America. But you

must help us.' He told me that I must spy on Iranian students in America. I didn't have any choice.

"When I got to America, I took a job as a waiter in an expensive restaurant. I reported to Mansur Rafizadeh at the embassy. Officially he works at the United Nations, but he is really a powerful SAVAK. When he wanted to see me, the embassy would call. A man would only say, 'Come to the embassy.' And I would go."

Ahmed can barely control his anger when he speaks of Rafizadeh. "He is an animal, a pig. He cares for nothing. I have heard agents beg him to leave them alone. They begged him and still he made them work for him. Once I knew a man and his wife who went to the embassy to tell Rafizadeh that he wouldn't work for him anymore. Rafizadeh sent the man downstairs and then tried to rape his wife. Rafizadeh is an animal. He cares for nothing."

Ahmed was used primarily to inform on Iranian students' groups opposed to the shah. He reports a well-organized campaign to infiltrate and disrupt these organizations with a chilling sophistication. "It was my duty to report on the student groups. SAVAK sometimes told you what to say. They would give you a line that you were to say only after you heard another line said. It was funny to be in the radical groups' meetings. I remember one time I had my line to say, after I heard someone else say his. Suddenly, the worst anti-regime, radical, hot-tempered Communist student stood up and shouted. And I realized that he had said the line I was waiting for. He was a SAVAK. It took me totally by surprise."

Often, Ahmed relates, these pre-arranged scripts included provocations aimed at inciting violence. SAVAK would use any such violence to persuade local U.S. authorities to take action against the student leaders.

At times, Ahmed was required to travel to New York on SAVAK's orders. "Once I was sent to New York to cover a huge gathering of Iranian students. I went with an Iranian woman from San Francisco. She was a SAVAK too. We flew to New York from Washington and stayed there in a college dormitory. We attended the meetings all day, taking notes on who said what, and reported in the evening to Rafizadeh at a safe-house apartment in the East Eighties. That night, some of the students thought they recognized the woman who had come with me. They

CONTINUED

found notes in her room. The whole place went into a frenzy. 'Search every room,' they shouted. I had to get to my room quickly. My notes were hidden in my suitcase, and I had to get to them before they did. I ran like you couldn't believe and went into my room and shut the door. I didn't know what to do. I tried to sneak out, but I heard them coming down the hall. I finally burned my notes in an ashtray and scattered them on the rug. Suddenly the students burst in. I didn't have any notes, but they smelled the smoke—there was a lot of it—and were suspicious. I tried to explain that I had accidentally set the rug on fire with a

cigarette. Just then some other students caught the woman SAVAK. They ran out of my room to question her. They beat her badly. She was almost killed."

Ahmed's other targets included United States government and business figures who dined at the restaurants where he worked. He reports a network of Iranian waiters and restaurant owners in Washington, D.C., who work as SAVAK informers. "Every week a SAVAK officer comes in and sits at your table. He asks if you need any money or other help. Then he asks if you've overheard anything interesting. Colonel Farivari runs this network. He is a very big SAVAK at the embassy.

He keeps files on Iranians in Washington."

SAVAK's attempts to recruit informants like Ahmed have often been directed at Iranian students already enrolled in American colleges. Between 22,000 and 50,000 Iranians attend U.S. schools, and the shah's policy of heavily endowing many of these institutions has raised questions as to the degree to which American universities have entered into tacit agreements to police Iranian students as a condition of funding. Published reports of the Reza Zanjani case highlight the dangers of collusion that these endowments present.



Security:
Farzaneh sees that SAVAK operations stay undercover.



Politics:
Ghousbeigui keeps tabs on U.S. politicians.



Visas: *Kazemian maintains a list of Iran's friends and enemies.*

SAVAK Agents Operating in the United States

Through various sources an inside view of SAVAK's spy apparatus in the United States has been obtained. This information has been checked with former SAVAKs, well-placed Western journalists, Senate Foreign Relations Committee staffers, and State Department and FBI sources. Nothing has been included for which cross-confirmation was not obtained.

SAVAK in the United States is headed by Mansur Rafizadeh, officially an attaché in the Iranian Mission to the United Nations. Sources describe him as ruthless and calculating, an operator who plays on his subordinates' fears and vices to retain his grasp on SAVAK's network. Wary of public exposure, Rafizadeh has been known to use a double to attend many embassy functions.

Rafizadeh chairs SAVAK's Security Committee in the United States, a body that sets priorities and supervises operations throughout the country. Other members of this Security Committee include Ahmad Moshavegh-Zade, a political counselor of the embassy in D.C.; Mohammad Farzaneh, an embassy attaché; and Farouk Parsi and Bahmen Esfandiri, both of the U.N. Mission.

At the Iranian Embassy in D.C. the SAVAK station is organized into four sections: financial, press liaison and dissident-groups surveillance, political liaison, and visa clearance.

The financial section handles payments to SAVAK agents and, sources allege, U.S. politicians, including some members of Congress. It consists of Youssef Akbar, head of the embassy's economic and petroleum section; Colonel A. A. Farivari, who handles most payments to agents and informants; and Malektaj Javan, an embassy secretary.

The press-liaison and dissident-groups-surveillance section is responsible for monitoring the United States press

for any comment on Iran and keeping tabs on Iranian dissidents, especially students, and American opponents of the shah. This section is headed by Manoutchehr Ardalan, press-and-information-affairs counselor. He is assisted by Nasrollah Soltani and Farhad Vakil.

Congress and the White House are the main targets of the political-liaison section, headed by Nasser Ghousbeigui, a political counselor. Other targets include the Departments of Energy, Commerce, and the Treasury. Ghousbeigui is assisted in these operations by Zahed Dadash-Rashidi and Abdol K. Adibpour.

The visa-clearance section is headed by Dr. Gholam Kazemian, the embassy's minister for cultural affairs. Sources report that he retains a list of United States citizens who are to be refused visas to Iran and Iranian nationals whose passports are not to be renewed. Whenever an American citizen requests a visa at the embassy or one of the Iranian consulates, his or her name must be checked again Kazemian's list. Kazemian is assisted by Anoushirvan Ashraf, cultural-affairs counselor.

Each of the Iranian consulates has a SAVAK base, controlled by the Security Committee.

At the consulate in New York, the SAVAK base is headed by Parsi and Esfandiri. Other SAVAKs stationed here are Zia Niaverani and Mokhtar Saed, both attached to the U.N. Mission, and Mohammad-Reza Modjtahedzadeh, a vice-consul.

In Houston, the Iranian consulate shelters SAVAK officers Hossein Haji-Jafari and Hamid Parviz, both vice-consuls.

The consulate in Chicago is the base of operations for SAVAKs Abbas Sharifi Tehrani and Mohammad Ali Izadi-Seradj.

—GFR

CONTINUED

Zanjanifer, an otherwise apolitical George Washington University student, was photographed by SAVAK at his first and only demonstration in March 1976. In August of that year, his faculty adviser, Professor Philip D. Grub, an American, informed Zanjanifer on behalf of the Iranian Embassy that his scholarship was being canceled. Grub's role as embassy messenger was characterized by university officials as "unheard of." However, as Ayramehr professor of multinational management, Grub owed his chair to the shah's endowment and boasted of his Iranian-cabinet connections.

Anonymous phone calls followed cancellation of Zanjanifer's scholarship. The callers said: "If you want to be 'forgiven,' write in detail the names of your friends, any meetings you may have gone to, the people you saw there." Zanjanifer refused. The calls continued: "If you want your scholarship reinstated, you must work for SAVAK, you must infiltrate student groups at GWU and report on them." Again he refused. SAVAK tried to reach him three more times over the next two months. Zanjanifer refused.

That SAVAK is actively recruiting dissidents to compromise anti-regime dissidents in the United States is a fact. However, certain SAVAK documents obtained by Iranian students occupying the Iranian consulate in Geneva point to break-ins of dissidents' homes: as another universally applied SAVAK technique.

One document, tagged "confidential," is a cable from SAVAK headquarters to Geneva ordering:

Clandestine entries to opposition homes should be preceded by an operations plan (such as complete information on the subject, location of his or her residence, time of his or her leaving home and returning, emergency avenues of exit in case of unpredictable incidents, etc.). Please instruct your officers that in any future case of clandestine entry of an opposition residence, the full plan must be forwarded to headquarters for approval.

It was signed by Parviz Sabeti, SAVAK's deputy director, and was accompanied by two pages of detailed instructions on copying keys using a substance called "Plastilin," molding new keys, and various tools for opening locks. This document concluded, "If you send us pictures of different locks and keys, or sample keys, more guidance will be given."

These documents also corroborate Ahmed's allegations about SAVAK's use of *agents provocateurs* against dis-

sident groups. A cable labeled "Top Secret," signed by Deputy Sabeti, declares: "You must intensify these differences [between dissident student groups] by all possible means with an aim to provoking some severe actions against each other." Another cable instructs all SAVAK bases to acquire information on "demonstrations of dissident Iranians, strikes, students' calls to imperial embassies and consulates, holding of meetings, publishing of publications, conventions and seminars, and activities of pro-government students." Reports were to be transmitted by diplomatic courier to Tehran.

Professor Richard Cottam, an Iranian specialist at the University of Pittsburgh and former foreign-service officer in Tehran, says of these documents, "Although they were gathered in Geneva, they bear markings which indicate their applicability to all SAVAK stations. Their authenticity is unquestionable."

The extent of SAVAK's surveillance and harassment operations in the United States is suggested by a set of events in upstate New York in late 1976. Alerted to the purchase by Iranians of farmland near Boonville, Iranian dissidents went to the farm to find what its owners called "the world's largest dairy barn" under construction. The purchasers of the farm, Mansur's Farms, Inc., included Houshang Namvar Tehrani, identified as a New Jersey pharmacist. Tehrani was also Mansur Rafizadeh's brother-in-law. Reza Baraheni, an Iranian dissident poet and novelist, is said to have told U.S. Senate investigators in April 1977 that he believed Tehrani was one of the SAVAK investigators who tortured him in an Iranian prison. Iranian dissidents asserted that SAVAK had purchased the Boonville farm for a "torture cen-

ter" in the United States. There was no corroboration at the time for these allegations.

Now, however, former SAVAKs and United States government sources have disclosed the story behind the Boonville-farm affair. These sources report that Tehrani bought the farm with SAVAK money provided by Rafizadeh. It was to have served as SAVAK's U.S.-Canadian operations center, housing computerized files on Iranians in America and Iranians and American opponents of the shah, as well as a communications center to connect SAVAK's bases with SAVAK headquarters in Tehran. Preliminary contact was made with Rockwell International to obtain electronic equipment critical to the facility (a Rockwell spokesman refused comment). When the farm's existence was reported in the press, Tehran vetoed the operation.

Entertaining Key Congressmen

"Christ, if you think Koreagate's bad, just hope they never start poking around in Tehran."

—House ethics-committee staffer

For months rumors of sex and opium available to select VIP's at Ambassador Ardeshir Zahedi's Massachusetts Avenue residence have bounced around the Washington cocktail circuit. These stories were attributed by many to Zahedi's reputation as an international swinger.

However, it has been learned that many of these parties were in fact organized by Manoutchehr Ardalan, officially the embassy's press-and-information counselor, who has been identified by numerous sources as a senior officer of SAVAK's Washington

CONTINUED

station. Other senior SAVAKs attended these parties where, witnesses report, members of Congress engaged in activities which could well be characterized as seriously compromising.

"It was like something out of *The Arabian Nights*," recalls a member of the embassy's staff, witness to one such party at the embassy residence in October 1977. "There would be caviar in crystal bowls on the tables around the room and wine and liquor. After an hour or so of socializing, Zahedi would call to his bodyguard, who would bring out an opium pipe and hashish. Everyone would sit on pillows in a circle and pass the pipes around. After a while, Zahedi would tell one of the women there—they were mainly prostitutes; Ardalan procured them but some of them were female embassy employees—to dance. She would strip in the center of the room while the Iranians and their guests watched and shouted obscenities. When she had finished, the men would fall on the women and f--k with them for the rest of the night. Zahedi is a man without culture, without humanity."

Among the SAVAKs who attended these orgies were Mansur Rafizadeh, Manoutchehr Ardalan, Nasser Ghousbeigui, and Gholam Kazemian. A Ghousbeigui places an eastern senator and a midwestern congressman as other participants.

"At one of the parties I attended, I saw Congressman X. He was the guest of honor and sat next to Zahedi," this source reports. "He didn't smoke the opium, but he shared some hashish with Zahedi's bodyguard. Zahedi paraded the women in front of the congressman and gave him the first choice. He chose one of the Iranian woman. I watched them have sex."

"At another party I saw Senator Y smoke opium with Zahedi. Later in the evening I saw him making love with two of the prostitutes." The congressman and the senator, for their part, have both denied the allegations.

Other sources, independently approached, have confirmed this account.

A bizarre set of events occurred while this article was being checked.

Two hours after this reporter spoke to Congressman X, one of the sources—an embassy officer—called the magazine, said that the embassy was aware of the story and that a senior SAVAK officer had called an 8:30 meeting the following morning at the embassy to deal with the situation. The source begged this reporter never to contact him again and hung up. Other sources around SAVAK have independently confirmed that SAVAK informants were being asked if they had been contacted by this reporter. A call to the senior SAVAK at 8:30 the next morning revealed that he was in a meeting and could not be disturbed.

One week later, Manoutchehr Ardalan—the SAVAK who is said to have procured prostitutes for Congressman X and Senator Y—was suddenly appointed consul general in San Francisco after five years at the Washington embassy. A source close to Ardalan's wife reports her saying, "This has happened so fast we've had no time to pack." Ten days later they were gone. It is not possible to determine whether the sudden transfer is directly connected to this magazine's investigation, but such haste is not usual.

The danger posed by alleged participation of members of Congress in these Iranian Embassy sex-and-drug parties is political rather than moral. At the very least their activities open them to compromise by SAVAK. The use of sexual favors, entrapment, and blackmail have been long favored by intelligence services as means of recruiting agents, especially agents of influence.

Both the senator and the congressman have been firm proponents of Iranian-supported legislation, as their voting records on the floor and in committee show. It is reasonable to question whether a relationship can be inferred from their participation in these parties and their voting records on matters dear to SAVAK and the shah.

However, evidence of graver SAVAK tampering with the American political process has been obtained—evidence which points to the buying of the support of a president of the United States by the shah and his secret police.

In early 1974 a SAVAK operation transported \$1 million from the shah's private Swiss bank account to the Committee to Re-elect the President—Nixon—via a Geneva banking source. A telegram from Geneva City sources confirms that this transfer from Geneva to Mexico City occurred.

CONTINUED

A participant described the operation this way:

"In February or March 1974, a million dollars was transferred from the shah's account at the Schweizerische Bankgesellschaft to the Banco de Londres y Mexico in Mexico City. [Iranian] Ambassador Amir-Aslan Afshar, who was then ambassador to Mexico as well as the United States, went down to pick it up. A member of his staff who accompanied him brought the money up to the embassy in Washington in the diplomatic pouch. Afshar counted the money himself in his office and then put it in a suitcase. He and his bodyguard drove to the Committee to Reject the President and gave it to officials. I don't know precisely who."

A witness reports that when Ambassador Afshar recounted this story to a group of Iranians at the embassy, he added, tellingly, "Now we own Nixon."

The CIA's Special Relationship

"We do not make agreements for their [SAVAK's] activities in our country."

—CIA Director Stansfield Turner, March 9, 1977

"There is a tacit agreement between our two governments about our operations here and yours in my country. On the basis of a 1959 bilateral security agreement between Iran and the United States, we are obligated to exchange information regarding the national security interests of both parties. . . . Your CIA has been very helpful in these matters."

—Manoutchehr Ardalan, Iranian Embassy press-and-information counselor, July 26, 1978

The shah's matter-of-fact admission to Mike Wallace in October of 1976 that SAVAK operates in the United States with the knowledge and consent of the United States government touched off a controversy which left a secretary of state, a State Department spokesman, and a director of the CIA looking very much like liars.

At an October 27 press conference, a grave Henry Kissinger, then secretary of state, responded, "It is not correct that the United States is aware of the fact that Iranian intelligence personnel are checking on individuals living in the United States or keeping them under surveillance." He announced that a State Department investigation of Iranian activities would be undertaken.

Twelve days later, Alfred L. Ather-

ton Jr., assistant secretary of state for Near Eastern and South Asian Affairs, paid a visit to Ambassador Zahedi to inform Zahedi that the United States would tolerate no illegal activities by SAVAKs in the United States. A State Department spokesman reported the next day that no evidence had been found to confirm "allegations of any illegal or improper activity and the Iranian embassy has assured us that none of its officials are committing any such activities." Official explanation: The shah had made a mistake. Case closed.

While a request under the Freedom of Information Act for a copy of the Kissinger report was denied by State Department officials, new documentary evidence of State Department and other United States-agency collusion with the Iranian government in an operation against a United States citizen was obtained.

Nasser Afshar, a United States citizen since the early 1950s, is an Iranian dissident, the publisher of the *Iran Free Press*. Documents he has won through a Freedom of Information Act suit establish State Department cooperation with SAVAK at the time Henry Kissinger was secretary of state.

One document labeled "confidential" is a cable from the United States Embassy in Tehran to the secretary of state, dated May 1973, three years prior to Kissinger's denial. It requests further information for transmission to the Iranian government on the issuance of a passport to Afshar. Four paragraphs of the cable were deleted.

The remainder reads:

5. DCM [deputy chief of mission] said that embassy was generally aware of Afshar's activities in U.S., including Iran Free Press, and agreed that Afshar's performance was scandalous and his efforts to mount anti-Iranian campaign in U.S. extremely unfortunate. In fact in last two years embassy had several times raised with Department question whether Iran Free Press could be closed down. Matter had been carefully studied but lawyers had concluded that under U.S. laws there was regrettably no basis for such action. As for U.S. passport, embassy was not informed on this aspect of case and would ask Department for full report.

6. FYI embassy files include message (Tehran 2932, Jan. 19, 1967) indicating Afshar had U.S. passport in 1967. End FYI.

7. Comment: In dredging up this case it occurs to us that GOI [government of Iran] is putting

us on notice and indirectly suggesting that we tidy up as much as possible anti-Shah elements in U.S. to reduce or avoid untoward incidents or anti-Shah demonstrations during his forthcoming visit to U.S.

8. Action requested: All relevant information on circumstances leading to issuance of U.S. passport to Afshar which we can pass to GOI.

The document was sent by Richard Helms, the U.S. ambassador and former CIA director.

The involvement of other agencies is suggested by the routing instructions which appear at the top of the cable. Copies were sent to the CIA, Department of Defense, the United States Information Agency, and the National Security Council.

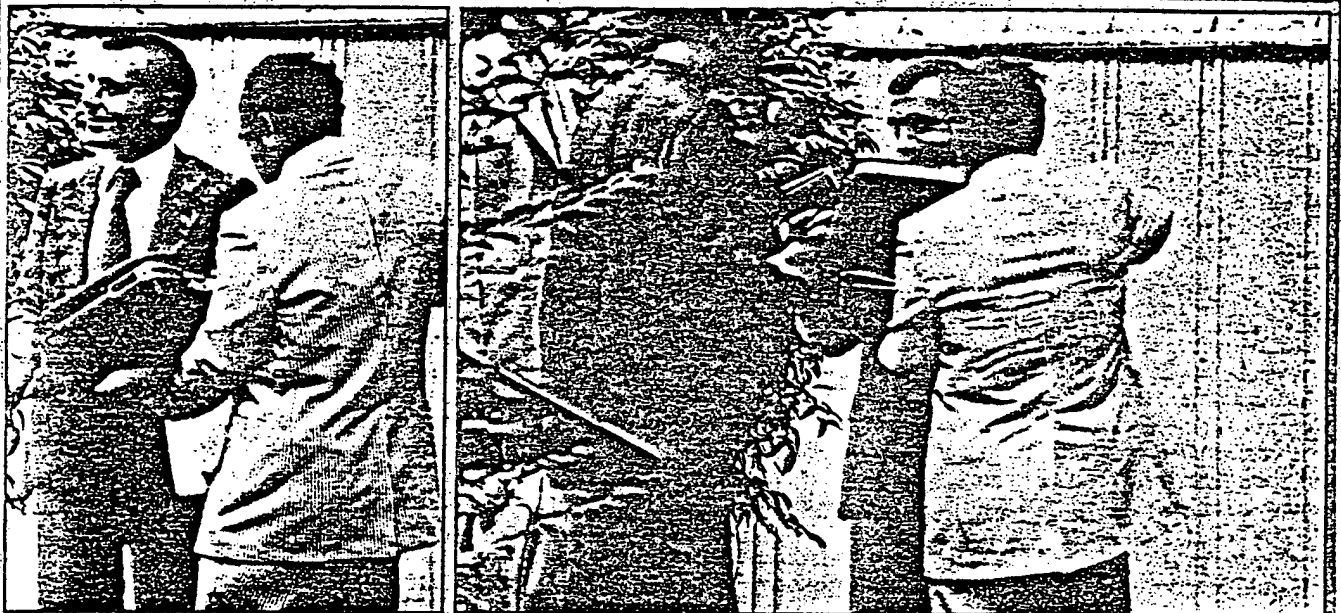
Sources report that this "special relationship" between U.S. government agencies and SAVAK continues to the present. Nowhere is this better illustrated than in the CIA's continuing liaison with the Iranian service.

Since SAVAK's inception in 1956, the CIA has trained, equipped, and advised SAVAK officers.

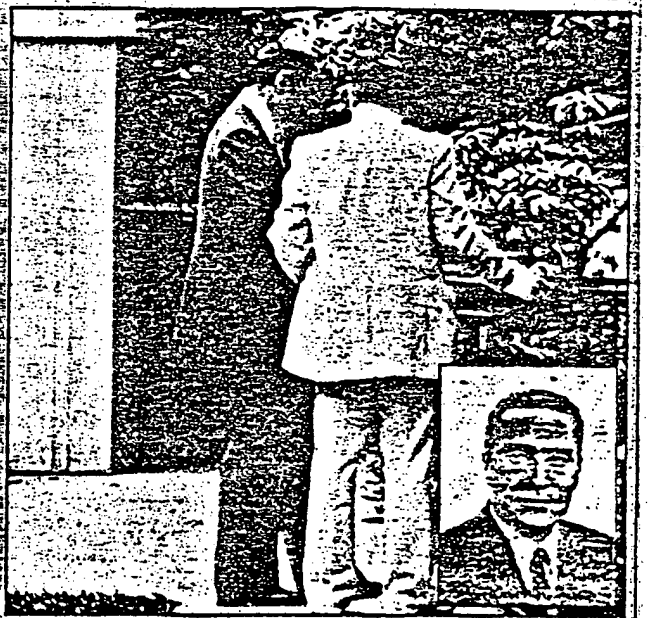
A State Department spokesman confirmed that 175 SAVAKs are currently undergoing training at the CIA's McLean, Virginia, facilities. This is down from the last five years' average of 400 per year. CIA officials refused to comment.

Some sensitivity to the dangers SAVAK operations in the United States present can be found in the Department of Justice. Senior Justice aides report that Attorney General Griffin Bell, early this year, gave orders to the FBI to investigate activities of so-called "friendly intelligence services" in the United States. An investigation of allegations that the Iranian Embassy provided plane tickets and hotel rooms for pro-shah demonstrators in Washington in November 1977 is under way. If the allegations are true, the activity would be prosecutable under the Foreign Agents Registration Act.

CONTINUED



Now you see him. The elusive man in the white suit is Mansur Rafizadeh, who heads SAVAK operations in the United States. In the top left photo, he has just emerged from his car at the Iranian Embassy in Washington, bodyguard following. In second photo top right, Rafizadeh has been twirled around by the bodyguard and another aide. They had spotted New York's photographer across the street. In the next three pictures Rafizadeh conducted some business—taking papers from a proffered briefcase—without turning around. He then dashed into the embassy residence a few steps away, keeping his back to the camera. Photo inset at right is the only known picture of Rafizadeh full on; it is his "official" photo, on file with the U.S. State Department.



ARTICLE APPEARED
ON PAGE 1THE CHRISTIAN SCIENCE MONITOR
13 September 1978

Iran: more at stake than Shah's rule

Oil supplies for U.S., Europe, Israel; also NATO defense

By John K. Cooley
Staff correspondent of
The Christian Science Monitor

Athens

Strategic stakes in the struggle in Iran between the Shah and his huge array of enemies are tremendous.

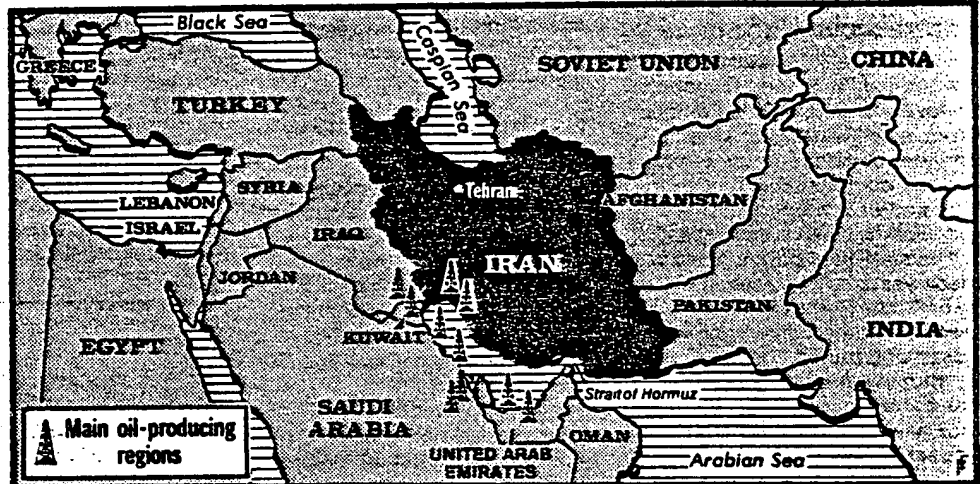
The Iranian internal conflict affects not only the United States, the Shah's main ally. It also has a direct bearing on the oil supplies and defense of Western Europe, especially NATO's southeastern flank.

It also is of direct and crucial importance for the issue of future war and peace between Arabs and Israelis, now being hammered out at Camp David, Maryland, between Presidents Carter and Sadat and Prime Minister Begin.

U.S. and European NATO policy planners have long regarded oil as the main key to their relations with both Saudi Arabia and Iran, which together dominate the Gulf and the Arabian Peninsula.

Internal upheavals in either one would endanger some of the industrial world's oil supplies.

This danger is greater in magnitude in Saudi



Arabia, not at present threatened from within, than it is in Iran, which is seriously threatened.

The United States imports somewhere around 25 percent of its oil requirements from the Saudi kingdom, but gets only about 6 percent from Iran. Though Europe and Japan would be in danger from any interruption of Saudi supplies (such as in a new Arab oil embargo), this is less so in the case of Iranian supplies.

While Saudi Arabian oil money props up the Egyptian economy and, to a lesser extent, that of Syria, Iranian oil is vital to Israel. More

than 80 percent of Israel's oil supplies come from Iran, and Israeli leaders undoubtedly are watching Iranian events with concern.

Mideast political analysts judge that Iran, with a population of nearly 40 million and oil reserves for only another 30 years, must continue to export and sell all the energy it can, in both crude oil form and in refined products and natural gas, whatever regime holds power in Tehran.

Saudi Arabia, on the other hand, could easily afford drastic export cutbacks.

What makes Iran so crucial is its geopolitical position. Former U.S. Ambassador to Iran and ex-CIA chief Richard Helms once briefed this reporter in his embassy office in Tehran. "Iran," he said, pointing to a conic map projection that illustrated his point, "is in political terms, the real center of the world."

Iran's extended land and Caspian Sea frontiers with the Soviet Union, violated by the Soviet Red Army in the 1920s and again between 1941 and 1946, have grown tougher to defend since last May's pro-Communist coup d'état in Afghanistan, which has sensitive tribal and water problems with both Iran and Pakistan.

Iran's 1959 security pact with the United States does not oblige the U.S. to defend those frontiers, but thousands of U.S. military personnel in Iran are, by their nature and position, helpers of the Shah in good times, and could become hostages of his enemies in bad times.

Chinese affirm support

At present Iran blocks both Soviet expansion toward the Indian Ocean and hostile control of the critical Straits of Hormuz, through which Iranian, Gulf, and Saudi oil must flow to reach

the West and Japan. Chinese Chairman Hua Kuo-feng recently visited the Shah to assure him of Chinese support in both these purposes.

For its allies, Pakistan and Turkey, both torn by internal strife, and the soft southeastern flank of NATO — Turkey, Greece, and Italy — Iran in the past appeared to be a pillar of strength.

President Carter's concern about human rights always was soft-pedaled where Iran was concerned, except by some U.S. and European liberal and leftist critics of the Shah.

Because of Iran's strategic importance, most of the \$20 billion in U.S. arms the Shah has asked for in the 1970s have been sold to him. Congress and the U.S. administration, with a few recent exceptions, approved them gladly.

As the Shah faces both popular hostility and apparently organized subversion from a broad spectrum of his people, he resorts to growing military might to suppress it. The human rights dilemma in Iran suddenly takes center stage again — both for him and for President Carter.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE A-3

THE WASHINGTON POST
11 September 1978

PostScript

Guess where the Central Intelligence Agency sends its spy satellite pictures to be developed and printed?

The same place everybody else sends their vacation pictures. Eastman Kodak in Rochester, N.Y.

Not the same photo lab, of course. The CIA has its own safeguarded lab at the Kodak works, which sends the finished prints to a windowless building at the Washington Navy Yard called the National Photographic Interpretation Center.

CIA headquarters at Langley doesn't get to see the prints. What the headquarters types get are the interpretations of the prints that are made by the experts at the Navy Yard. The prints are filed in super-tough safes in the same windowless building at the Navy Yard.

CHICAGO TRIBUNE
13 September 1978

THE NOW SOCIETY



"You give no vibrations. Are you a spy?"

ARTICLE APPEARED
ON PAGE **C3**THE WASHINGTON POST
10 September 1978

British Trial Tests Public's Right To Know

By Peter Pringle

LONDON — For the first time since the notorious British Official Secrets Act was passed in 1911, two journalists went on trial here last week facing charges under the act's espionage section. If convicted, they face prison terms of up to 14 years.

Their alleged crime is to have delved too deeply into one of the most sensitive areas of any government's operations, communications intelligence. One of them, a brilliant 25-year-old Oxford physics graduate named Duncan Campbell, is accused of having his apartment stuffed full of information which could be of direct use to an enemy. The government has never suggested that the information was passed to an enemy agent — or, indeed, that Campbell intended to do so. Under the act it doesn't have to: It is an offense simply to collect any information about the workings of government.

If the journalists go free — or are convicted with token sentences — the trial could, in the long run, help to shift the boundary line between official information and the public's right to know in a country where a civil servant who tells anyone how many cups of tea the government gives him in a day faces two years' imprisonment under a long-discredited section of the Official Secrets Act — as does the person to whom he tells this.

Already the pre-trial hearings have put the government and the judiciary in some unflattering poses. In one embarrassing episode the government sought to keep secret the identity of the Defense Ministry's star witness, but reporters on two left-wing fringe papers discovered the name from public sources and printed it. In another gesture of defiance, the witness' name was written in huge letters in the sand outside the seaside hotel where a journalists' conference was being held.

Two Newsmen Are First To Be Tried Under Espionage Section of 1911 Official Secrets Act

Moreover, an important connection has emerged between the Campbell affair and the summary expulsion from Britain last year of CIA whistleblower Philip Agee and U.S. journalist Mark Hosenball. No explanation was ever given by the Labor government for the Agee-Hosenball expulsion, and support for their plight from British journalists and civil libertarians was muted. In comparison, the Campbell case has produced some fiery reactions: Even members of Parliament helped expose the Defense Ministry's star witness by mentioning his name in the House of Commons. Radical watchdog groups have joined the fray, seeking more openness in government here.

A Straightforward Defense

THE DEFENSE of the two journalists, Campbell, who is on the staff of the *New Statesman*, and Crispin Aubrey, 31, a reporter on the radical London weekly *Time Out*, is straightforward: They were collecting information in the course of their reporting duties — and that information was all public. It includes details of communications intelligence gleaned from a former British army signal corps specialist, John Berry, 33, whom the two journalists interviewed immediately before they were arrested in February, 1977. Berry was arrested with them and is also charged under the "espionage clause" of the act. The case has become known as the "ABC Affair," after the names of the three defendants.

Berry's defense is not so easy: He was arrested in the act of offering the journalists the benefit of his experiences in

the army, in flagrant contradiction of the act he had signed as a government employe.

Exactly what he told them may never be known, as that part of the trial will be held *in camera*. The government's case is that the journalists, in particular Campbell, whose expertise gave him a special insight into the meaning of the information, had stepped beyond the boundary of what should reasonably be public information.

The Official Secrets Act was first passed in 1889 after a foreign office minion embarrassed the government by giv-

CONTINUED

ing a newspaper the details of a proposed treaty with Russia. The act was reinforced twice — once in 1911, during a wave of fear of German spies, and again in 1920, after the Irish uprisings. The act has two main parts: Section One was originally designed to cover espionage and Section Two — the discredited part — covers any government information, including cups of tea. The three defendants at first were charged under Section Two of the act. But three months after their arrest, the government took the unusual step of adding the Section One charges.

Several previous cases under Section Two of the act have involved journalists, including a newspaper reporter who was charged with receiving information on police movements from a telephone operator and was fined \$20. A second journalist, charged with receiving and publishing a confidential Foreign Office report about the Nigerian civil war, was acquitted. Until now, no journalist had been charged under Section One.

At the time of the arrests last year it seemed, on the surface at least, that Campbell and Aubrey had been picked up simply because they had interviewed Berry.

Tight-lipped officials gave no clue that there might be some connection with the deportation of Agee and Hosenball a few days earlier. Campbell and Hosenball had recently published an article in *Time Out* revealing the widespread monitoring of international airwaves by British army intelligence. For the first time the acronym SIGINT, as the branch of the army's secret signals intelligence operations is known, was published in the popular press. Although there was no official complaint about the article, it was widely thought that Hosenball was deported because of it.

Berry, who is now a social worker, had offered his services to the Agee-Hosenball defense committee, hoping to provide them with information which would prevent Hosenball's deportation.

A Former Phone Freak

CAMPBELL, with his technical expertise, had been brought in by *Time Out* to quiz the soldier on communications intelligence. Before going to the interview, Campbell noted a declaration in the House of Commons by Home Secretary Merlyn Rees, which in effect said that under the Labor government's promised reform of Section Two of the Official Secrets Act, mere receipt of official information would not be an offense. (This promise was repeated in a government white paper on the reform of the act last July.) But it didn't work out that way.

Despite his youth, Campbell is a well-known communications specialist. While still at Oxford, where he obtained a first-class degree in physics, he amazed and annoyed the bureaucrats who run the nationalized British telephone system by cracking their dialing codes before they were published, thus enabling him to make long distance calls at local rates. Campbell's favorite prank was to call the maternity wing of Bethlehem's hospital on Christmas Eve to give his best wishes to all new births.

Campbell became associated with a secret phone freaks club. In a celebrated case, the Post Office, which runs the phone system, had all the club members arrested at a clandestine convention in 1973. After an elaborate trial the group was acquitted, the judge dismissing them as intellectual pranksters.

After Oxford, Campbell began to write for technical magazines on communications and in one article trod on more official toes by revealing that Britain was in the process of selling South Africa a sophisticated communications network, usable for internal military purposes, in defiance of the United Nations arms embargo.

Despite the absence of any official reaction to his increasingly sensitive articles, Campbell must have been annoying the British intelligence community. The area in which he used his specialized knowledge had never been probed quite so professionally by any journalist, and those intelligence officials who had been operating behind the cover of the Official Secrets Act didn't like it.

After the arrest detectives from the Special Branch, Britain's FBI, presumably acting on orders from MI5, the internal security police, began to investigate Campbell's contacts. An old friend who had sent him a Christmas card had his apartment searched. A monk who had told him about some strange-looking antennae on a hill in northern England was investigated. The monk is to produce evidence for the prosecution.

The Secret Witness

AT A HEARING, Campbell's lawyers argued that "Section One of the act was designed for use against skunks — against spies, saboteurs and traitors." not "against a ferret, an investigative journalist, like Duncan Campbell, a journalist who had gone about his business zealously, perhaps overenthusiastically, but not disloyally."

The question of disloyalty under the act, however, hangs not on whether Campbell passed on the information but on the fact that he collected it and on the fact that the Defense Ministry says it is of use to an enemy. To date, the prosecution has not alleged that any of the information collected by Campbell was either official or secret. The evidence against Campbell consists of about 1,000 pages of material copied from his files.

Here enters the extraordinary episode of the unveiling of the ministry's star witness. It is not uncommon in a British court of law for a witness to be given anonymity — to protect a rape or blackmail victim. But, for verification purposes, the name is always known to both prosecution and defense counsel. The government sought to go beyond this rule of thumb. The identity of their first shadowy expert, a "Lt. Col. A," was so secret, they said, that the defense lawyers must not have his name. The magistrates objected, saying this was unacceptable procedure. So the army produced a "Col. B." His name was given to the defense lawyers, who were instructed to keep it secret.

Under pre-trial cross-examination, "Col. B" admitted that his name had appeared in the official journal of the Royal Corps of Signals, where he was once referred to as the "Don of the Communications Underworld." This periodical, "The Wire," is freely available to the public and it didn't take an already aroused left-wing press long to unearth the colonel's identity from it.

Two journals, *Peace News*, which flourished during the ban-the-bomb marches of the '60s, and the *Leveller*, a newer left-wing weekly, ignored the court's directive to keep "Col. B's" name secret. The *National Union of Journalists'* monthly newspaper, which circulates to 30,000 members, followed suit.

CONTINUED

The government immediately began contempt proceedings against all three publications and was about to fine them when four Labor members mentioned the colonel's name during a debate in the House of Commons. In doing so they were covered from contempt by parliamentary privilege. The colonel's name was then in the official parliamentary record for all to see. For newspapers not to publish it became academic.

The government attempted to salvage something from the farce by issuing a directive to editors that the name should not be mentioned. Editors, in the name of press freedom, published it all the same — the only exception being the conservative Daily Telegraph. But since Peace News, the Leveller and the journalists' journal had printed the name before it was mentioned in Parliament, the lord chief justice fined them for flouting a court decision. The Leveller and Peace News were fined \$1,000 each and the journalists' paper \$400.

Now the government is said to be producing yet another anonymous witness, a "Mr. C."

Technically Guilty

AS THE TRIAL begins, it seems clear that all three defendants are *technically* guilty. The act effectively denies a defense to any unauthorized person who has handled any information. The soldier passed on the information and the journalists received it.

In the same way, Anatoly Scharansky was technically

guilty of passing information to Robert Toth of the Los Angeles Times. The question still remains: Was the information of use to western intelligence and, therefore, was Scharansky's crime treasonable?

In a parallel case in the United States, Ronald Humphrey and David Truong were recently convicted in a federal court of passing allegedly secret documents to the Vietnamese. They admitted the physical act but, again, the question remains: Was their information of material use to the Vietnamese?

When the government opened its case here last week it did concede that much of the information, not all, that Campbell had in his possession had been published. But it alleged that Campbell had use his skills as a physicist to fit together pieces of a jigsaw in order to present a picture that might be valuable to a potential enemy. What he had done, declared the prosecution counsel, had gone beyond the ordinary inquisitiveness of a journalist. The counsel also maintained that Campbell, although not working as a spy and not communicating with spies, had been willing to pass on his information.

These two claims, which will be vigorously contested by the defense, ensure that the conclusion of the "ABC Affair" will be fundamentally important to the continuing debate about the public's right to know about government operations.

Pringle is a reporter for the London Sunday Times.

ARTICLE APPEARED
ON PAGE 24

CHICAGO TRIBUNE
12 SEPTEMBER 1978

World



Ratna Sari Dewi . . . new charges
against the CIA.

JAKARTA, Indonesia—Ratna Sari Dewi, the widow of President Sukarno of Indonesia, Monday accused the CIA and former Japanese Prime Minister Eisaku Sato of involvement in the abortive coup staged by Communists in Indonesia in 1965.

ARTICLE APPEARED
ON PAGE B-7

THE WASHINGTON POST
12 September 1978

Snepp Seeks Permission To Publish Two Articles

By Jane Seaberry

Washington Post Staff Writer

Former Central Intelligence Agency agent Frank W. Snepp III has asked a federal judge to stay his order restricting what Snepp can write about the CIA and allow him to publish an essay on government officials and a romantic short story about a CIA agent in Saigon.

Last July, after a two-day hearing on the publication of "Decent Interval," Snepp's unauthorized account of CIA operations in Vietnam, U.S. District Court Judge Orin R. Lewis ruled that Snepp could not write anything about the CIA without prior agency review.

Yesterday Snepp said in a three-page affidavit that the ruling prohibits him from submitting to two national magazines two recently completed articles touching on his experiences as a CIA officer in Vietnam. Snepp has asked that the judge stay his order pending appeal of the ruling so that he can continue his new-found career as a writer.

Snepp claims Lewis' ruling is overbroad concerning the two articles and that neither contains classified information. During Snepp's trial, the government never contended that his book contained classified material. But Lewis said that "Snepp is not the judge of what portions, if any, of

CIA's intelligence may be made public."

According to Snepp's affidavit, last Thursday he completed an essay that "is a reflection on how government officials compromise their personal beliefs and views in order to stay in step with official policies and perceptions of events. The essay includes a number of vignettes concerning State Department officials whom I knew in Vietnam while serving with the CIA."

The essay "also includes reflection on the compromises which I made while in government service" and information on the U.S. involvement in Vietnam that has already been made public, Snepp said.

Snepp said he finished last Sunday a short story "set in Saigon concerning a romantic relationship between a CIA officer and a French woman. The story is based on observations which I made while serving with the CIA in Vietnam."

Lewis' ruling places "a real and present burden on my First Amendment right to publish and my Fifth Amendment right to practice my chosen profession," Snepp said in the affidavit.

If Lewis refuses to grant a stay, Snepp's lawyers will ask that the order be lifted concerning just the two articles, according to court papers.

ARTICLE APPEARED
ON PAGE A-18THE WASHINGTON POST
14 September 1978

Aide Details U.S. Misgivings on Angola

Covert Military Operations Were Mounted in 1975 Despite the 'Longest of Odds'

By Jim Hoagland
Washington Post Staff Writer

One of Henry A. Kissinger's principal aides during the Angola crisis of 1975 reports in a forthcoming magazine article that the Ford administration mounted covert military operations in Angola despite a strong conviction by the officials most directly involved that the effort would fail and ultimately damage American interests abroad.

Providing the first public account by a high-level insider of the policy battle over Angola, Nathaniel Davis writes in the fall issue of the quarterly journal *Foreign Affairs* that Kissinger and President Ford seemed to believe during both the final weeks of Vietnam and the Angola crisis "that it was better to roll the dice against the longest of odds than to abandon the competition against our great adversary," the Soviet Union.

Kissinger "saw Angola as part of the U.S.-Soviet relationship, and not as an African problem," argues Davis, who served as assistant secretary of state for African affairs under Kissinger from March to July 1975, when he secretly resigned because of his differences with Kissinger and Ford.

Asked for comment, Kissinger said that he was "astonished that a serving ambassador would publish such a one-sided and distorted view of events and the State Department has cleared such a piece, it is not conducive to nonpartisan foreign policy."

Quoting from two highly classified memos that he prepared during the intense policy debate, Davis portrays himself and other senior officials as arguing that Angola had to be treated as a diplomatic-political problem that could be solved in an African context.

The account by the career diplomat—which was cleared for publication by the State Department at Davis' request—appears only a few months after the same kind of policy battle over responding to Russian actions in the conflicts of Ethiopia and Somalia and of Zaire's Shaba Province surfaced inside the Carter administration.

Although partial accounts of the 1975 Angola policy struggle and Davis' resignation were eventually leaked to reporters, Davis himself had sought to keep them secret until now. His account, entitled a "Memoir," is his first effort to explain publicly the painful dilemma he felt the Angola crisis represented for him.

It is an account filled with strong suggestions of manipulation of the bureaucracy and the press not only to preserve secrecy but also to improve the chances for getting presidential acceptance of covert operations.

Davis draws a number of parallels between the dangers of covert involvement in Angola and initial U.S. involvement in Vietnam. He states that Kissinger seemed to share fully those perceptions, but eventually overrode them to go more deeply into Angola.

"I believe the secretary is right in his conviction—if I understand his views—that if we go in, we must go in quickly, massively, and decisively enough to avoid the tempting, gradual, mutual escalation that characterized Vietnam during the 1965-67 period," Davis wrote in a memorandum on July 12, 1975. "... If we are to have a test of strength with the Soviets, we should find a more advantageous place."

Davis wrote the memorandum to head off a Central Intelligence Agency covert operations proposal for Angola ordered up by the administration in April. He urged Kissinger and Ford instead to adopt the "diplomatic option" developed at the same time by a high-level interagency task force on Angola, which suggested that the administration work with Portugal and a few key African countries to reduce the flow of arms to the three warring black nationalist factions.

The task force included senior representatives from the CIA, Defense Department, National Security Council and other agencies involved in African policy. Davis writes that the task force "in its great majority" favored the diplomatic option and opposed the covert intervention, which "would commit U.S. resources and prestige in a situation the outcome of

which was in doubt and over which we could at best exercise limited influence."

But the task force diplomatic recommendation was rewritten on instructions from the National Security Council staff to give equal weight to two other options, a complete hand-off policy or military intervention, according to a report of the House Select Committee on Intelligence that was published in February 1978 and which Davis quotes with evident approval.

Davis suggests he was also bureaucratically outflanked at the crucial July 14 meeting of Kissinger's highly secret "Forty Committee," a high-level review body for covert actions. Davis asked to be present at the meeting to argue his case, but he notes that he "was not invited" to the meeting. It ended with an order for further study of the covert operation plan.

Within a week, Ford had approved a \$6 million guns-and-cash operation for the Angolan forces of Holden Roberto and Jonas Savimbi, according to the House Intelligence Committee report. A month later, the figure had gradually escalated to \$14 million, and reached \$32 million before the Senate legislated an end to the covert support on Dec. 19.

Davis, who has served at lower level posts since his break with Kissinger, is currently state department adviser at the Naval War College. He describes his opposition entirely on pragmatic grounds. He suggests at several points that he did not disagree with Kissinger's concern over Russian moves in Africa and he sidesteps the question of his own views on the principle of covert action in such situations.

In the July memo he submitted to Kissinger through Undersecretary of State Joseph J. Sisco, Davis argued that the CIA proposal "grossly underestimates the risks of disclosure abroad" because of the operation's high visibility. The CIA had instead stressed the danger of leaks in Washington and the need to restrict information to Congress, Davis notes.

The Russians, Davis argued, would quickly know of the American support for the Roberto and Savimbi forces

CONTINUED

and could easily increase their supplies to their client, the Popular Movement for the Liberation of Angola. He described the Roberto and Savimbi forces as having serious military weak points, and noted that Savimbi was reported to be receiving South African assistance, a link that would cause problems with African opinion.

In a section that gives a broader scope to the CIA proposal than has previously been officially confirmed, the July 12 memo noted that "the CIA paper envisages covert CIA-organized military training, organization, orientation and leadership," along the lines of CIA activities "in the Vietnam highlands and elsewhere in East Asia."

Davis resigned immediately after Ford approved the covert option, and was offered a job as ambassador to Switzerland. He paints the period that followed his resignation as a difficult time of feeling that he could not talk about his resignation without disclosing the covert operation.

The article discloses that Davis and Kissinger aide Lawrence S. Eagleburger deliberately scheduled Davis to be on vacation on July 28 when the Senate Foreign Relations African subcommittee began hearings at which Davis should have testified. When The Washington Post discovered the resignation a month later, Davis acquiesced in what he now calls "a cover story" that he had quit because of the frustration of "working against too many psychological obstacles" from African and congressional opposition.

The secret Angola operation first came to public notice on Sept. 25 in a New York Times report that reported that both "East and West," including the United States, were pouring millions of dollars covertly into Portugal and Angola. Davis writes that he is still puzzled why that particular report "had so little impact in the United States," but suggests that it was because the story's sources put the main emphasis on the political activity in Portugal rather than the military operation in Angola and because it "emphasized Soviet actions in support of the leftists in Angola."

Staff researcher Jane Freundel contributed to this report.

INDIANAPOLIS STAR
29 August 1978

Law To Protect CIA Agents' Identities Urged

THE STAR'S WASHINGTON BUREAU

Washington — Rep. John T. Myers (R-Ind.), in a newsletter Monday, said he hopes the House Intelligence Committee will quickly take up legislation to protect identities of CIA agents.

"Since it is not now a crime to identify intelligence employees, they are the target of assassins around the world," Myers said. "It is obvious that simple patriotism is no longer a guarantee of anonymity for these brave Americans. It appears only the certainty of a long prison term and a harsh fine will serve as a deterrent to those who seek to jeopardize the lives of their fellow Americans."

Myers noted that he had introduced a bill calling for a 10-year prison term and \$10,000 fine for identifying or tending to identify any intelligence agent. The bill died in the last Congress and was reintroduced in 1977, but so far has received no committee attention.

ARTICLE APPEARED
ON PAGE 12CHICAGO TRIBUNE
11 SEPTEMBER 1978

Hints CIA wanted Yank writer dead

NEW YORK [UPI]—CIA agents may have ordered the execution of an American writer during Chile's bloody military coup five years ago because he "knew too much" about U.S. involvement, a new book says.

Charles Horman, 31, of New York, was one of the two Americans among the reported "thousands" of people killed in the Sept. 11, 1973, military coup that ousted Marxist President Salvador Allende.

Horman was taken from his home in Santiago on Sept. 17. His body was officially identified on Oct. 18. The other dead American, Frank Teruggi of Des Plaines, Ill., was arrested in his home on Sept. 20 and his body was found on Oct. 2.

THOUGH CHILE'S military junta denies executing either, author Thomas Hauser charges that junta troops arrested and killed Horman—probably with the knowledge of U.S. officials and perhaps under their orders—because Horman had stumbled onto signs that Washington was involved in the coup.

Hauser told UPI that he hopes his book, "The Execution of Charles Horman," will spark a congressional investigation into Horman's death.

"Charles Horman was killed because he knew too much, and this was done between the CIA and the local authorities," the book quotes a former Chilean army intelligence offi-

cer, Rafael Gonzalez, as saying. Gonzalez fled Chile this year.

GONZALEZ IS quoted as saying he and an unknown American man were in the office of Army Intelligence Chief Gen. Augusto Lutz about three days after Horman was arrested. He said he heard Lutz say that Horman "has to disappear."

"Charles Horman was brought from Valparaiso to Santiago," Gonzalez was quoted as saying. "I saw the guys who brought him here."

The book said Horman, who moved with his wife Joyce to Chile in mid-1972, saw signs of U.S. involvement in the coup when he took a visiting New York friend on a tour to Vina on Sept. 10, the day before the coup.

Stranded at the Miramar Hotel by the coup, Horman and his guest, Terry Simon, 28, met another American, Arthur Creter. Creter claimed to be a "retired" U.S. Navy engineer living in Panama.

THE BOOK MENTIONS notes kept by Miss Simon and Horman, a freelance writer, and those notes quote Creter as saying: "I am here with the U.S. Navy. We came down to do a job and it's done."

"We seem to be stranded in the middle of a monumental victory celebration, and the winning team assumes we're wholeheartedly on its side," Miss Simon wrote in the notes.

MILWAUKEE SENTINEL
24 August 1978

US Must Act to Defuse Terrorist Time Bomb

The taking of eight hostages by two Croatian terrorists in Chicago accentuates the need for more effective planning to combat political terrorism in this country.

The Croatians appeared to be somewhat uncertain of themselves and released all the hostages after 10 hours, surrendering unconditionally.

But had they been a little more desperate, or a little more cunning in exploiting the fear of terror, the incident might have been tragic.

Less than 18 months ago, a religious dispute between two Moslem sects resulted in 134 hostages being held in three Washington buildings. One died and several were wounded in that episode before a negotiated release of the hostages was arranged.

Who knows when something that serious might occur again? And how well prepared is the US to deal with such a situation today?

A recent article by Milwaukee Sentinel Washington Bureau Chief Richard Bradee pointed out that the CIA expects an epidemic of European style political violence in the US. Meantime, the CIA and FBI, through restrictive legislation, have lost much of their ability to keep track of potential terrorists. The attorney general has even been cited for contempt of court for refusing to disclose thousands of pages of investigative files.

Given much justified concern about the excesses in such investigations in the previous decade, Congress has been reluctant to loosen the reins on the investigative agencies. At the same time, action is being pursued to prevent what amounts to old style terrorist tactics such as skyjacking and to punish nations that do not deal with terrorists within their own boundaries.

Care in protecting the rights of Americans is in order. But that protection must be reconciled with the fact that the time bomb of more widespread terrorism may now be ticking away while law enforcement authorities have no means of defusing it. As one staff member of the House International Relations Committee which has been investigating terrorism noted: "There are a lot of refugees from terrorism coming here and they may attract a hit."

Unfortunately, the nature of modern terrorism is that the perpetrators are not selective in picking their victims. The effective terrorist intimidates society in general and this most often is done by threatening an innocent bystander rather than one's enemy.

Consequently, it is imperative that a national policy aimed at identifying and maintaining surveillance on potential terrorists be formulated. When terrorism strikes, the nation's duty to its citizens will demand that innocent bystanders be protected.

ARTICLE APPEARED
ON PAGE 44-49

THE SATURDAY EVENING POST
September 1978

WAR ON THE FBI

"Unless something is done, we are in grave danger of doing what the Soviet Union has long tried to do: cripple the FBI and CIA."

by William E. Simon

Have you ever heard the name John M. Maury? Like Victor Marchetti and Philip Agee, he is a former member of the CIA, but unlike them, he is not a disgruntled former employee. He carries no grudge against the CIA. He has not written a book betraying government secrets and endangering the lives of CIA agents. Perhaps if he had done these things, his recent appearance before a congressional committee would have attracted the attention it deserved. In his testimony, Mr. Maury, a veteran of 27 years with the CIA, stated that a former Soviet intelligence officer had told him that the top priority of Soviet intelligence was "to put out the eyes of our enemy by disrupting and discrediting his intelligence service." This is not the first time we have been given this warning.

As far back as 1965, Representative Melvin Price placed in the *Congressional Record* an excerpt from a Soviet document stating that the fundamental task of the KGB—the Soviet secret police—was to "destroy the confidence of the Congress and the American public in U.S. personnel and agencies engaged in anti-Communist and Cold War activities." On April 14, 1976, the highly respected C. L. Sulzberger, who recently retired as foreign affairs columnist of the *New York Times*, wrote: "It is believed Moscow has found a way to paralyze the United States by striking at its two principal warning security services. As a consequence of such operations... the effectiveness of the CIA and the FBI is held to have been rendered extremely anemic by apparent internal U.S. political arguments."

Thus, we have been warned. What deeply concerns me is that we heed the warnings. Judging from recent events, it doesn't seem that we are. Unless some-

thing is done—unless the American people are prepared to act now—we are in grave danger of doing what the Soviet Union has long tried to do: cripple the FBI and the CIA.

One of the most dramatic examples of how far we have gone astray—of how we accommodate the Soviet Union—was the indictment last year of John J. Kearney. Although the Justice Department has recently dismissed all charges against Mr. Kearney, his case provides a perfect illustration of how we are persecuting the people charged with protecting our security.

After devoting 25 years of his life to the FBI, Kearney retired from the Bureau in 1972 with an immaculate record and the respect and affection of his colleagues. In April of 1977, five years after he retired, he was indicted on five criminal counts by the U.S. Department of Justice, his former employer. What are the "crimes" Kearney was accused of? Graft? Bribery? No.

From 1970 until his retirement in 1972, Kearney was supervisor of Squad 47, the New York-based FBI unit whose assignment was to track down the Weather Underground. This was the terrorist group, you will recall, that had declared war on the United States, vowing to adapt the guerrilla strategy of the Vietcong to the United States, which it did with a malignant proficiency, planting bombs from coast to coast.

In its search for this band of bombers and saboteurs, Squad 47 tapped the phones of 10 people and opened the mail of 16 people authoritatively believed to be contacts and associates of the Weather Underground. It was for these activities that the Justice Depart-

ment charged Kearney with two counts of obstructing correspondence, two counts of conspiracy, and one count of illegal wiretapping—despite the fact that mail opening and wiretapping were investigative techniques used by the FBI and other security agencies under five Presidents and their attorneys-general. As Attorney General Griffin Bell admitted to a Senate subcommittee shortly after the Kearney indictment, what Kearney did "has been going on for 40 years in this country." The Supreme Court, in 1972, ruled that warrants were required for taps on domestic organizations, but the decision did not become effective until after Kearney had retired. Furthermore, the Court did not require warrants if those tapped had "significant" ties with a foreign power. Lest there be any doubt about the Weather Underground's ties with a foreign power, the FBI has compiled a 400-page report detailing the Weather Underground's relationship with foreign powers, particularly Fidel Castro's Cuba, a frequent host to members of the Weather Underground since the terrorist cadre's formation in 1969.

Frankly, I haven't the slightest doubt why the Justice Department decided against prosecuting John Kearney. Everybody hates to lose. But the Justice Department hasn't given up its prosecution of the FBI. It has just chosen new targets.

CONTINUED

The same day that Attorney General Bell announced the dismissal of the charges against Kearney, he also announced the indictments, on charges of conspiring to violate the civil liberties of relatives and acquaintances of the Weather Underground fugitives, of three former high-ranking members of the FBI: L. Patrick Gray III, a former acting director of the FBI; W. Mark Felt, a former associate director of the FBI; and Edward S. Miller, a former assistant director in charge of the FBI's intelligence division. Obviously, the war on the FBI continues.

Along with the indictments of Gray, Felt, and Miller, Attorney General Bell announced that he would initiate "administrative disciplinary proceedings" against J. Wallace LaPrade, the director of the FBI's New York office during its hunt for the Weather Underground. As if his estimation of LaPrade wasn't already clear, Mr. Bell then passed suggestions that he would welcome LaPrade's resignation, not only from his New York command, but from the FBI.

Mr. Bell also announced that he was recommending that FBI Director William H. Webster initiate disciplinary proceedings against the 68 agents of Squad 47 who engaged in the pursuit of the Weather Underground. For a man who has expressed such great concern about the FBI's low morale, he certainly goes about boosting it in a bizarre fashion. Though LaPrade and the agents of Squad 47 don't face any criminal punishment, the public spanking that Mr. Bell seems anxious to administer could well make them vulnerable to civil damage suits, which are growing ever more popular among the enemies of the intelligence services, to say nothing of what it will do to their career. As a result of his indictment, John Kearney is now the target of a series of civil suits brought by fans of the Weather Underground.

In May of last year, shortly after John Kearney's indictment, former Ambassador Clare Boothe Luce, former Senator James L. Buckley, and I decided to do something to make the odds against people like John Kearney a little fairer. We realized that a thorough, painstaking defense against the abundant resources of the Federal Government is difficult and expensive. But we also realized that many Americans throughout the country were as outraged as we were about what was being done to the FBI—and would not want it to stand alone any longer. It was this assurance that led us to form the Citizens' Legal Defense Fund for the FBI. In the months since, we have seen how justified our assurance was. There was an overwhelming outpouring of support for Kearney, ranging all across the political spectrum, embracing people in every walk of life. Along with the support of 78 members of Congress, about 15,000 people have made donations, including Charles Addams, the cartoonist; Eric Hoffer, the longshoreman-philosopher; Frank Borman, the former astronaut; Senator Barry Goldwater; and Leon Jaworski, the Watergate prosecutor.

There have been countless touching letters. One man, on the chance that Kearney were to be convicted and sentenced to jail, wondered if it would be possible for him to serve the sentence in his place, saying he was "retired, ready, and willing."

Besides receiving the support of thousands of private citizens, we have discovered that the Defense Fund has also greatly boosted the morale of the people in the intelligence services. Until our group was formed, there was no citizens' group organized to lend moral support to the intelligence community and financial assistance to agents and former agents under investigation or indictment for their efforts in defending America. Thanks to the support we received, we were able to hire Edward Bennett Williams, the famed trial attorney, to represent Kearney—part of the reason, no doubt, the Justice Department was willing to drop its case against him.

The Defense Fund, aside from assisting Gray, Miller, and Felt, is also helping 122 active and former special agents in obtaining and retaining legal counsel in connection with their appearances before Grand Juries investigating the FBI tactics in pursuit of such as the Weather Underground. As mentioned before, many FBI agents and officials, along with their counterparts in the CIA and other agencies, have become targets of a rash of civil suits, asking damages running into the millions of dollars. Although legislation has been introduced to provide individual defendants in such cases with immunity from damage judgments—in the belief that people shouldn't be financially ruined for performing duties they thought were lawful—the legislation is being bitterly challenged by a wide array of powerful groups, many of which, not coincidentally, are eager participants in the civil suits.

It is fear of potential future prosecution that poses such a threat to the FBI. "I feel that I should consult a lawyer before carrying out an assignment," an agent was quoted as saying shortly after John Kearney's indictment. "How can I know if my superiors are acting properly? Or, even if they are, that some lawyer in Justice isn't going to interpret something as a crime that previously was standard procedure." At-

Send contributions to:
Citizens' Legal Defense Fund
 for the FBI
 Suite 808, 95 Madison Avenue,
 New York, N.Y. 10016

torney General Bell's intention to punish the agents of Squad 47 has opened the FBI's wounds even further. The agents in the New York office, according to one account, now seem "extremely cautious, circumspect—almost indifferent." At a time when America is confronted by the gravest threats in its history, can we afford to allow this kind of thinking to permeate the agencies that are charged with protecting our national security? They are handicapped enough as it is.

An FBI agent has recently written a letter to the Defense Fund detailing exactly how severely hamstrung the FBI is. Stressing

CONTINUED

that he was writing not in his official capacity but rather as an "American citizen deeply concerned with what is happening," the agent wrote that prior to his departure from the Justice Department, former Attorney General Edward Levi, Bell's predecessor, imposed new guidelines for the FBI's domestic security investigations that virtually strip the Bureau of the intelligence function the courts have said it has a duty to carry out. The guidelines are so strict that they confer virtual immunity from investigation of Communist fronts and many terrorist groups. (Example: the agent noted that the Communist Party of the United States—which the Supreme Court has found to be controlled by the Kremlin—is now immune from investigation.) In September of 1976, FBI Director Clarence Kelley revealed that the Bureau's internal security investigations had dropped from 21,414 in mid-1973 to only 626 as of September 1976 (78 organizations and 548 individuals). Although this represented a cut of 97 percent, the number of investigations has continued to plummet: the General Accounting Office recently reported that only 17 organizations and 130 individuals are now being investigated. The GAO says only 143 special agents are now assigned to domestic security work, compared to 788 in 1975.

In the past, the Bureau received great quantities of information from the CIA and other agencies that operate abroad. Now this flow of information is evaporating, in part because of two laws passed by Congress: the Freedom of Information Act, which gives individuals and groups the right to obtain information about themselves held by government agencies; and the Privacy Act, which bars the government from releasing information on anyone without his consent. Many state and local agencies, because of these laws, are withholding information from the FBI out of fear

that their informants and sources will be compromised by disclosures compelled by the Freedom of Information Act. The reverse is also true. The FBI is not giving police and other local law enforcement agencies the information they need out of fear of violating the Privacy Act. On top of all this—on top of the threat of criminal indictments, the threat of civil suits, the stringent new guidelines, the drastic reduction in intelligence personnel—the agents must also contend with something called the Campaign to Stop Government Spying, an umbrella group composed of many organizations, ranging from the American Civil Liberties Union and Americans for Democratic Action to recognized Communist fronts such as the National Lawyers Guild and the National Emergency Civil Liberties Committee. The purpose of this Campaign to Stop Government Spying is unmistakable. It seeks nothing less than to paralyze our intelligence services, the same goal—need I repeat?—as the Soviet KGB, a goal that seems perilously close to being realized.

Last year, Robert Moss, editor of the *Economist's Foreign Report*, took to the pages of the *London Sunday Telegraph* to urge his countrymen not to do to their intelligence services what has been done to America's. To demonstrate that America was not setting an example worthy of imitation, Moss offered a few "symptoms of America's malaise":

- Soviet block spies are free to roam Capitol Hill, while the FBI is constitutionally forbidden to maintain a presence there;
- Local police intelligence teams have been dismantled in many states;
- Leaks of continuing intelligence operations from congressional subcommittees have disrupted America's foreign policy;
- The Civil Service Commission

in Washington no longer bothers to run security checks on base-grade government employees.

While nothing would please me more than to be able to report that the American intelligence services have touched bottom and are on the rebound, this does not seem to be the case. Various measures are being discussed whose effect would be to circumscribe them even further. The Carter Administration, according to Vice-President Mondale, is preparing a new set of regulations that would prohibit the FBI from investigating political organizations in the name of "domestic security," thereby putting out to pasture the few agents still engaged in domestic security investigations. Representative Ronald Dellums has proposed a bill that explicitly states: "The Federal Bureau of Investigation shall have no function other than the investigation of specific acts which violate the criminal statutes." Thus, if the FBI were tipped off about a successor to, say, the Symbionese Liberation Army, would it not be forbidden from investigating and developing information about the group until *after* it had kidnapped its first victim or exploded its first bomb? Would the enactment of this kind of legislation better protect our freedom, our rights as American citizens?

While the FBI and CIA are fighting for their survival, their enemies—our enemies—are thriving. A KGB agent was recently quoted as telling a *Time* magazine correspondent: "Of all the operations that the Soviet Union and the U.S. have conducted against each other, none have benefited the KGB as much as the campaign in the U.S. to discredit the CIA. In our wildest scenarios, we could never have anticipated such a plus for our side. It's the kind of gift all espionage men dream about."

CONTINUED

Today our boys have it a lot easier, and we didn't have to lift a finger. You did all the work for us."

Although the U.S. intelligence agencies have an abundance of overseers, on Capitol Hill and in the rest of the country, surprisingly little attention is paid to the activities of other intelligence services. The Senate Select Committee on Intelligence, for example, devoted most of its first annual report to the CIA and FBI, but it did discuss briefly the operations in the U.S. of the intelligence services from such countries as Chile, Iran, Taiwan, and the Philippines. The report neglected to mention one word, however, about the Soviet bloc's intelligence operations inside the U.S. Compared to the Soviet bloc, the efforts of Chile, Iran, Taiwan, and the Philippines are strictly Little League.

The Soviet Union conducts the most massive spy operations in the world. Last year, Soviet agents were expelled from Norway, Sweden, West Germany, Switzerland, Spain, and Zambia. In the U.S. last year the FBI arrested: a Soviet emigré in New Jersey on charges of attempting to transmit space program secrets to a KGB agent; two Americans in California on charges of plotting with a Soviet embassy official in Mexico; an American and a West German in Florida on charges of conspiring to smuggle cruise missile components to the Soviet Union.

Since there are reliably reported to be at least 5,000 Russian spies in the U.S., it is probably safe to assume that a major share of their activities proceed free of interference. An aide to a Republican senator recently said that he takes it for granted that the Soviets have penetrated Capitol Hill. Given the fact that spies have been discovered inside virtually every major Western government, he says it is naive to think they wouldn't be capable of infiltrating the government of their major adversary, especially when that adversary is preoccupied with the fumigation of its own intelligence agencies. Yet why are there no campaigns to stop KGB spying? The KGB doesn't represent the only threat to the U.S.

The attack on the FBI comes at a time when the world is experiencing a terrorist boom. It was recently reported that there were 239 terrorist attacks—bombings, kidnappings, and assassinations—in the world last year, compared to only 37 such attacks a decade ago. And the boom hasn't bypassed the United States. The Symbionese Liberation Army, as residents of the West Coast are frequently reminded, has already been replaced by something called the New World Liberation Front which has taken credit for 50 bombings in California, Colorado, and Oregon. FALN, a Puerto Rican terrorist group operating in the U.S., has several fatalities to its credit, along with thousands of dollars' worth of damage to property.

Basic to any effort to counter the New World Liberation Front, FALN, or any other terrorist group is governmental recognition of the importance of surveillance. As the West German government has recently learned, in order to defend itself against this modern plague a government must be willing to wiretap, to use informants, and to infiltrate terrorist groups: all those things various people are trying, with no little success, to deny the FBI. What astounds me, in light of the brutal campaign being waged against the FBI, is how the Bureau has retained any effectiveness at all.

The Citizens' Legal Defense Fund is not so foolhardy as to think that it can solve all the problems of our intelligence services; too much has already happened. But we can show the beleaguered agents that we are on their side.

It is very easy, now, to ignore the scars left by the Weather Underground. But it is inconceiv-

able that the Justice Department would have dared to indict any of these men in 1972, while the Weather Underground's bombs were exploding all over the country. No, it waited until memories were dim, striking, in Kearney's case, just two months before the statute of limitations would have prevented the Department from prosecuting him; in the case of Miller and Felt, just one month before the statute of limitations would have placed them beyond the reach of the Justice Department.

Thanks to the thousands of people who have given their support to the Citizens' Legal Defense Fund, we have been able to show—and will continue to show—that Americans have not forgotten what the Weather Underground did to America. We also have been able to show—and will continue to show—all the present and former members of the Federal Bureau of Investigation that we have not forgotten what they have done for America. ☒

Page Denied

Next 1 Page(s) In Document Denied

THE WASHINGTON STAR (GREEN LINE)
4 October 1978

ARTICLE APPEARED
ON PAGE B-1

Did Nature Foil Ex-CIA Official's Attempt to Hide a Suicide?

By Michael D. Davis
Washington Star Staff Writer

Maryland investigators and friends of John Paisley, the former high-level CIA official who was found shot to death in the Chesapeake Bay, believe he took his own life because he had been despondent over his financial and marital affairs.

One source close to the investigation said the death has unofficially been ruled a suicide, but no formal determination will be released until the Coast Guard and Maryland State Police complete their investigations.

State police spokesman William Clark said Paisley's body was found Sunday floating in the bay at the mouth of the Patuxent River.

Clark said he died from a gunshot wound to the left side of the head and that 38 pounds of divers' weights were strapped to his waist and chest.

Paisley, 55, who lived in the 1500 block of Massachusetts Avenue NW, retired in 1974 as deputy director of the CIA's Office of Strategic Research.

He was last seen Sept. 24 when he left a group of friends to sail his 31-foot sailboat, The Brillig, to Solomon's Island. The next day the owners of a private yacht found his sloop abandoned and aground near Point Lookout in St. Mary's County. Clark said there were no signs of a struggle.

THE BODY was found clothed in deck shoes, jeans and a T-shirt, according to Clark. He said the wound appeared to be a contact wound, which would indicate that Paisley was shot at close range. An automatic pistol that he had kept aboard the ship was missing, police said.

Retired Air Force Col. Norman Wilson, who met Paisley four years ago and allowed him to keep his boat at Wilson's Lusby, Md., dock, said he talked with him the evening that he sailed.

"He called me on the short wave radio and said he was finishing up some paper work and would be in later that evening," Wilson said. "I told him I would leave the dock lights on," he added.

A source said yesterday that Paisley was despondent over his recent separation from his wife, Maryann, who lives in McLean.

The source also said that Paisley had recently suffered several financial reverses and found it necessary to take out an unanticipated loan to meet a tax bill. "He had a lot of recent financial problems, but he kept most of them to himself," the source said.

WILSON SAID Paisley sought an early retirement from the CIA because "he wanted to spend a lot of time sailing. That was his one real love," Wilson said.

Six months ago, however, he applied for a full-time job and was hired by Coopers & Lybrand, an accounting firm with offices in Washington. A company spokesman, who characterized Paisley as "an intelligent and even-tempered man," said he was an executive assistant to the firm's president, Wayne Smith.

Wilson said Paisley frequently used the boat to work on office records and that it was not unusual for him to spend the night either on the boat or in a small cabin on the Wilson property.

Wilson said that after the boat was recovered it was brought to his dock, where it was searched by CIA and FBI agents. "They said they wanted to make sure that there were no classified documents on the ship," he said.

Wilson said that yesterday he inspected the boat and found an unspent pistol shell in the cabin. He said the shell fitted a 7mm pistol that Paisley kept aboard the ship.

"I KNEW he kept the pistol on the ship for protection," Wilson said. "I

made a trip with him to the Florida Keys and he carried that pistol for protection when there was talk about pirates boarding and stealing private sailboats," he said. He said that when he inspected the boat yesterday the pistol was missing.

Wilson said he went over the sailboat and found that nothing else was missing, despite the fact that the boat was equipped with expensive electronic gear.

One source said it is believed that Paisley, an accomplished diver, wrapped the weights around his body, shot himself and then fell overboard with the pistol.

"He apparently tried to sink himself, but didn't realize that he didn't have enough weight, and that once

the body gases began to form the body would rise to the surface," the source said.

"We believe he was trying to hide the suicide," he added.

Several of Paisley's friends, who asked that their names not be used, advanced the same theory and said that they too believed him to be concerned about his financial affairs and marital status.

"I think it's just a story about a guy, a nice guy who had too many problems and couldn't deal with them," one of the friends said.

CLARK SAID that state investigators are still working and expect to make a formal determination within the next few days. "We're pursuing two possibilities. We don't know if it was a suicide or a homicide, but we are investigating both possibilities," he said.

Edward Paisley, 21-year-old son of the dead man, said his father was "in good spirits" the day he left on the sailboat, and he said he doubted his father's death was a suicide.

"My father was an excellent sailor and swimmer. He went down just about every weekend to sail. He seemed in good spirits. Everyone who talked to him that day said he was fine," he said.

The younger Paisley said he knew of no reason why someone would want to kill his father.

The dead man's estranged wife said her husband was an excellent swimmer, scuba diver and sailor and that at one time he had lived aboard his boat.

Suzanne Black, a CIA spokesman, said the agency would have no comment on the case. Another agency spokesman said the CIA "is not involved in the investigation in any way, but we will cooperate if asked."

A former CIA agent who has remained close to agency affairs told a reporter that Paisley was not involved "in the agency's clandestine work" and was not subject of an investigation for any covert activity.

He said it is standard procedure for CIA representatives to accompany local law enforcement agencies when they investigate the unattended deaths of former CIA employees.

"Paisley was in research, he had never been assigned to Moscow and was never in a position to have access to sensitive information," the source said.

ARTICLE APPEARED
ON PAGE B-1

THE WASHINGTON POST
4 October 1978

Mystery Death on Bay Either Execution or Suicide

By Blaine Harden

Washington Post Staff Writer

John A. Paisley, a former high-level CIA employe whose body was found Sunday floating in the Chesapeake Bay, either killed himself or was the victim of an execution-type murder, Maryland police said yesterday.

Police said they could not determine how the death occurred from an examination of Paisley's decomposed body, discovered wearing two scuba diving belts weighing 38 pounds.

The death of the former CIA official, who once had access to highly sensitive military secrets, is being investigated as "suspicious," said William E. Clark, a Maryland State Police spokesman.

Maryland Chief Medical Examiner Dr. Russell Risher said Paisley, 55, who was last seen Sept. 24 sailing his 31-foot sloop on the bay, died of a gunshot wound above and behind the left ear.

The fatal bullet was fired from a 9 millimeter automatic pistol, the same

type of gun Paisley was known to keep aboard his sailboat, Fisher said. The gun has not been found, Maryland State Police said yesterday, but one 9 millimeter cartridge was found on board.

"I see no reason to doubt that Paisley's gun fired the fatal bullet," Fisher said.

The medical examiner said the decomposed body, identified yesterday through dental records, made it impossible to check for traces of gun powder on Paisley's hands, evidence that Fisher said would indicate suicide.

"There is no way of proving his death was a suicide," Fisher said. According to the pattern of the wound, the barrel of the gun that killed Paisley was pressed against his head when fired, he said.

Paisley, who was considered an expert sailor, once lived aboard his boat, the Brillig, for two years. He retired in 1974 as deputy director of the CIA's Office of Strategic Research. That of-

fice, according to a CIA spokesman, "produces analytic studies of foreign military programs and activities."

Paisley was in a position to know "highly sensitive" military secrets, according to a former CIA colleague.

The Brillig was found unoccupied but with its sails still set on the morning after Paisley disappeared. It had run aground near Point Lookout at the mouth of the Potomac River, 78 miles southeast of Washington.

Paisley's body was found Sunday afternoon about 15 miles north of Point Lookout near the mouth of the Patuxent River, according to the U.S. Coast Guard.

His body was dressed in blue jeans, a white pullover shirt and had no shoes, Fisher said. The diving weights were strapped around his waist. Paisley, according to his estranged wife Maryann, had recently completed a scuba diving course.

According to a close family member who did not want to be identified, Paisley often had been depressed while at the CIA, but that in recent months he had been "happier and more talkative than he ever was before."

In December, Paisley, at the urging of his family, participated in an encounter group called Lifespring, the family member said. "It seemed to give him a new outlook on life," the relative said.

Paisley had worked for the past six months as a consultant for the accounting firm of Coopers and Lybrand. He recently separated from his wife, who lives in McLean, and moved into an apartment at 1500 Massachusetts Ave. NW.

On the day he disappeared, Paisley was sailing west across the bay from Hooper Island to his home mooring at Solomons, Md. At 6 p.m., he radioed to a friend at Solomons, retired Air Force colonel Norman Wilson, saying he was coming home after dark.

"He said he was going to do some paper work on the boat," Wilson said yesterday. "He sounded normal."

ARTICLE APPEARED
ON PAGE C-1THE BALTIMORE SUN
4 October 1978

Body found in bay is Paisley's

Former CIA official died of gun wound; weapon still sought

The body of a man wearing 40 pounds of diving weights that was pulled from Chesapeake Bay near the mouth of the Patuxent River Sunday was identified yesterday as John Paisley, a former CIA official, State Police said.

He was killed by a gunshot wound to the head, authorities said.

Bill Clark, a police spokesman, said tests indicated the weapon was touching Mr. Paisley's head at the time it was fired.

That could mean either a suicide or an execution-type murder, Mr. Clark said, adding that an investigation of the case was continuing. He added that no weapon has been found.

The bullet entered the head above and behind the left ear. Sources said Mr. Paisley was left-handed.

Friends said yesterday that Mr. Paisley was despondent because he and his wife had separated. His wife, however, had said Monday that her husband was "in a fine frame of mind" and has "started a new life."

The positive identification of Mr. Paisley, 55, who was a deputy director in the Central Intelligence Agency division that analyzed Chinese and Soviet military operations, was made through dental records.

Mr. Paisley disappeared September 24 while on an afternoon sailing trip on the Chesapeake Bay aboard his 30-foot sloop, the Brillig.

Other police sources said a live shell was found in the cabin of Mr. Paisley's pleasure boat. His estranged wife, Maryann Paisley, said her husband carried a 9-mm. handgun on the boat. The gun has not been found.

Mr. Paisley, who lived in Washington, retired in 1974 as deputy director of the CIA's Office of Strategic Research. Since then, he had worked as a consultant for the accounting firm of Coopers and Lybrand.

He was last seen alive while sailing his 30-foot motorized sailboat on the bay. His sloop was found the following day after it ran aground near Point Lookout at the mouth of the Potomac River. The sails on the empty boat were still set when the vessel was found.

Police said yesterday that Mr. Paisley was last heard from when he radioed his home mooring to tell a friend that he was on his way in, but not to wait for him.

The body was discovered floating at the mouth of the Patuxent River by a pleasure boat, the Ramada, said Chief William Patterson of the Coast Guard.

3 October 1978

Identity of Body Confirmed

The body of a man who was found in Chesapeake Bay wearing diving weights and with a bullet wound in his head has been identified as former CIA official John Paisley, Maryland state police said today.

Paisley, 55, was identified through dental records, and died from a gunshot wound to the head, authorities said.

Bill Clark, a police spokesman, said tests indicated the weapon was touching the victim's head at the time it was fired. That could mean either a suicide, or an execution-type murder, Clark said, adding that an investigation of the case was continuing. Clark said no weapon has been recovered.

Paisley, who lived in Washington, retired in 1974 as deputy director of the CIA's Office of Strategic Research.

ARTICLE APPEARED
ON PAGE B-3

THE WASHINGTON STAR (GREEN LINE)
3 October 1978

Body Adds to Mystery on Bay

BALTIMORE (AP) — The decomposed body of a man wearing diving weights was found floating near the spot in Chesapeake Bay where a former high-ranking CIA official disappeared while sailing last week, the U.S. Coast Guard said.

The Baltimore Sun today quoted unidentified sources involved in the investigation of the disappearance as saying that the body had a bullet hole "above and behind the left ear."

Dr. Steve Adams of the state medical examiner's office refused to comment on the report, and would only say the body had been in the water "a week or possibly more."

Adams said dental records would be used to determine whether the body found was that of John Paisley, 55, who retired as deputy director of the CIA's Office of Strategic Research in 1974.

Paisley vanished Sept. 24 while sailing across the bay from Hooper

Island toward his home mooring at Solomons. His 31-foot sloop, The Brillig, was found the following day, its sails still set, after it ran aground near Point Lookout at the mouth of the Potomac River.

A Coast Guard official confirmed that the CIA had been contacted in an effort to determine the victim's identity.

The body was discovered floating at the mouth of the Patuxent River by a pleasure boat, The Ramada, said Chief William Patterson of the Coast Guard.

Patterson said the diving weights were adequate to take a body down to the bottom until the body bloated and filled up with air.

Mary Ann Paisley, the estranged wife of the missing man, said yesterday that her husband was an active scuba diver and kept diving weights on his boat. She said the weights were not aboard the boat when it was recovered.

ARTICLE APPEARED
ON PAGE A-1

BALTIMORE SUN
3 OCTOBER 1978

Body of man thought to be ex-CIA aide found in bay; gunshot wound reported

The body of a man, tentatively identified as John Paisley, once a high-level CIA official, has been found near the mouth of the Patuxent River with weights tied around the waist and a bullet hole in the head, authorities reported yesterday.

Sources investigating the discovery of the body said last night that the dead man had a bullet hole "above and behind the left ear."

The man also was found wearing diving weights around his waist, they said.

According to the sources, investigators had sent for Mr. Paisley's fingerprints from the FBI, hoping to make a positive identification of the body.

The sources said the position of the bullet hole suggested the man may have shot himself.

Officials investigating the matter would not confirm the presence of a bullet hole or say whether the man died of a gunshot wound. They also refused to say if they were investigating the case as a homicide or suicide.

They said persons aboard a pleasure boat found the man's body about 3.45 P.M.

Sunday, just north of where Mr. Paisley's sailboat was recovered last week.

Mr. Paisley, 55, of Columbia, retired in 1974 as deputy director of the CIA's Office of Strategic Research at the agency's headquarters in Langley, Va. Recently, he had been employed as a consultant for the accounting firm of Coopers and Lybrand.

He has been missing since September 24 when he failed to return from an afternoon sailing trip in the Chesapeake Bay. His 30-foot sloop, The Brillig, was found by a boater the next afternoon on shore at Point Look In in St. Marys county. The sloop had its sails set and was otherwise in good order.

Mary Ann Paisley, his estranged wife, said yesterday her former husband was an active scuba diver and kept diving weights aboard his sloop. She said the weights were not on the boat when it was recovered.

She said Mr. Paisley had been "in a fine frame of mind . . . very pleased." She also said he had "started a new life" and was not despondent.

Dr. Steve Adams, of the state medical

examiner's office, refused to comment last night about a Coast Guard statement that the body recovered Sunday had "what seemed to be a bullet hole" in the back of his head. He would say only that the body was decomposed and that the man had been in the water "a week or possibly more."

However, another authoritative source said flatly that there was a bullet hole in the dead man's head.

Dr. Adams and police said dental records would have to be located to confirm the man's identity.

The Coast Guard described the man as being in his late 40's or early 50's, with a moustache and dressed in dungarees and a T-shirt. He also wore gloves and had a watch on his left wrist, they said.

Mrs. Paisley said her husband wore partial dental plates. Sources said last night the body recovered Sunday also had dental plates.

Philip Waggener, a friend of Mr. Paisley and an employee in the same CIA section, said yesterday he had been asked to give the name of Mr. Paisley's dentist to CIA officials and other authorities.

ARTICLE APPEARED
ON PAGE C-3

THE WASHINGTON POST
5 October 1978

Police Say Cause Still Is Uncertain In Paisley Death

By Blaine Harden

Washington Post Staff Writer

Maryland police said yesterday they are still unable to determine whether the death of John A. Paisley, a former high-level CIA employe found Sunday floating in Chesapeake Bay with a bullet wound in his head, was suicide or murder.

In an unusual response to newspaper reports that linked Paisley's death to his CIA involvement, the CIA yesterday announced that Paisley, at the time of his disappearance, was under contract as a CIA consultant studying "Soviet military expenditures and other economic affairs."

The intelligence agency labeled as "ridiculous" and "absurd" a copyrighted story in the Wilmington (Del.) News Journal which said the CIA fears Paisley was murdered by Soviet secret police because of his connection with the agency's satellite surveillance system.

CIA spokesman Dale Peterson said that Paisley, who retired in 1974 from his full-time job as deputy director of the CIA's Office of Strategic Research, was not a spy and was not involved in clandestine activities for the agency.

As a consultant, Paisley was "a member of the Military Economic Advisory Panel, composed of outside experts," Peterson said. "Much of this (work) is unclassified and released to the public."

Maryland's chief medical examiner, Dr. Russell Fisher, said Paisley, 55, who was last seen Sept. 24 sailing his 31-foot sloop on the bay, died of a gunshot wound to the left side of the head. The fatal bullet was fired from a 9 mm. automatic pistol, the type of gun Paisley was known to keep aboard his sailboat, Fisher said.

Police found an unspent 9 mm. cartridge aboard the sailboat, which was found unoccupied with its sails set on the morning after Paisley disappeared. It had run aground near Point Lookout at the mouth of the Potomac River.

It was learned yesterday that Paisley, although ambidextrous, used his left hand for writing. Fisher said the bullet that killed Paisley was fired with the gun touching the victim's head and the wound, above and behind the left ear, could have been self-inflicted.

Terrence O'Grady, a Falls Church attorney representing the Paisley family, yesterday denied reports that Paisley was heavily in debt at the time of his death. "I've had access to his financial records and there is no evidence of any debts that he couldn't handle with his consulting earnings," O'Grady said.

ARTICLE APPEARED
ON PAGE 1-2THE BALTIMORE SUN
5 October 1978

CIA label said to be on documents aboard sloop of dead ex-spy official

Documents bearing the words "Central Intelligence Agency" were aboard the sloop Brillig when it was found aground near Point Lookout the day after John Arthur Paisley, once a high ranking Central Intelligence Agency official, was reported missing from his boat, a person who was at the scene said yesterday.

Although first reports on the boat were that nothing was amiss, a Coast Guard spokesman yesterday noted that life preservers on the sloop were "scattered about" and "not in their proper place."

Mr. Paisley, 55, of Washington, was found shot to death Sunday night—a week after he had disappeared—in the Chesapeake Bay near the mouth of the Patuxent River. Forty pounds of diving weights were strapped to his chest and waist.

Police officials have leaned toward regarding the case as a possible suicide, but no official determination has been announced and the State Police investigation of the death continues.

State Police said yesterday they had been unable to determine whether the murder weapon was a 9-mm. handgun, the type Mr. Paisley reportedly carried aboard the ship, or a .38-caliber revolver, a gun type not heretofore associated with the death.

An assistant state medical examiner refused yesterday to answer directly any questions as to whether there were bruises on Mr. Paisley's body. The medical examiner at first noted that the body was badly decomposed, then said he "couldn't recall" and finally referred all questions to the State Police.

Adding to the mystery was a report from a friend yesterday that Michael Yohn, of the Agency for International Development (AID), the last known person to see Mr. Paisley alive, has left the country hurriedly. The friend, who asked not to be named, said that he did not know where Mr. Yohn had gone, only that he might be away as long as six months.

The source who was at the scene, who asked not to be identified, said that an attache case, which was locked, was in the helm of the sloop when it was found. Inside the case were documents which bore the words "Central Intelligence Agency."

Central Intelligence Agency employees were on hand when Maryann Paisley, the victim's estranged wife, went aboard last week. The CIA has officially denied any overt activity in the investigation of the death.

Sources said that the operators examined the contents of the case before turning it over to Mrs. Paisley.

One source said that the documents returned concerned an intelligence experi-

ment called "The B Team," which deals with the CIA attracting outside people to evaluate evidence and draw conclusions from the evidence. He said it is not classified information.

CIA officials who all week had contended that Mr. Paisley had left the agency in 1974 when he retired as deputy director of the Office of Strategic Research yesterday acknowledged that he had done consultant work for them since he officially retired.

John Paisley worked part time on a contract basis as a member of the Military Economic Advisory Panel, composed of outside experts, which advises the director of Central Intelligence on the CIA's assessments of Soviet military expenditures and other economic affairs," the CIA announced in a prepared statement.

The *Wilmington News Journal*, in a copyrighted story yesterday, quoted sources in the Washington intelligence community as saying the CIA is conducting its own investigation because it fears Mr. Paisley may have been murdered by the KGB, the Soviet intelligence agency.

Quoting sources in the Senate Intelligence Committee, the *News Journal* story said that an investigation is being conducted into the possibility that there was a "high level mole," or double agent, within the agency who was leaking information to the Soviet Union.

The investigation began in August with the arrest of a 23-year-old CIA employee, William P. Kampiles, in Hammond, Ind., on charges of selling information to Soviet representatives on the KH-11 satellite surveillance system. After that arrest, the story said, other classified documents were found to be missing.

Sources said the satellite system, known as "Big Bird," will have the major burden of confirming that the Kremlin is adhering to any agreements reached at the strategic arms limitation talks.

According to the *News Journal's* sources, Mr. Paisley, who was an expert on Soviet and Chinese military operations, had helped plan the satellite system.

The *News Journal*, citing sources,

said that the head of the investigation into the leaks had contacted Mr. Paisley on the "remote possibility" that he was a double agent.

The CIA yesterday denied the *News Journal* story.

A spokesman for the Maryland State Police said, "We do not know if someone got on the boat and did it. We cannot substantiate KGB reports."

The FBI in Baltimore said they are monitoring the investigation, but so far have not entered because nothing has been turned up to indicate they have any jurisdiction to enter it under federal law. The agency has volunteered its laboratories to the State Police to aid them, a spokesman said.

Capt. Paul Rappaport, who is heading the investigation, said last night that he has been briefed by telephone but has not yet seen evidence or photographs of the boat. He said that therefore he could not make in-depth comments on the investigation, which so far has been handled by two detectives out of the Prince Frederick barracks.

He said that a major meeting is planned for today at State Police headquarters to go over the evidence. He said that then he would decide how many additional men will be put on the case.

Mr. Paisley disappeared September 24 while on a cruise on the Chesapeake Bay.

Mr. Yohn, the AID man, reportedly went out on a boat to see him about 2 P.M. and after cruising a while told Mr. Paisley that he was going to back to port to watch a football game.

Mr. Paisley was last heard from later that day when he radioed a friend, Col. Norman Wilson (USAF Ret.), that he was on his way back but not to wait for him.

The derelict vessel was found the next day near the mouth of the Potomac River.

Police have quoted friends as saying Mr. Paisley was despondent over his recent separation from his wife. The *Washington Star* reported yesterday that he was also upset because of recent financial reversals and that Mr. Paisley had to take out a loan to pay a back tax debt.

Mrs. Paisley has denied that her husband was upset over the separation.

ARTICLE APPEARED
ON PAGE 1WILMINGTON NEWS JOURNAL
4 OCTOBER 1978

CIA eye on KGB in bay slaying

Copyright 1978 by The News-Journal Company

By JOE TRENTO

The Central Intelligence Agency is investigating the death of a former high-level agency official because it fears he may have been murdered by the KGB, the Soviet secret police.

The body of John Arthur Paisley, 55, of Washington, D.C., was found Sunday, weighted down and with a bullet in his head, not far from where he had disappeared while sailing Sept. 24 on the lower Chesapeake Bay.

The Morning News has learned from high-level CIA sources that Paisley had been in charge of the CIA's satellite surveillance system. Although he had formally retired in 1974 as deputy director of the Office of Strategic Research, after 30 years in intelligence work, he had continued as a consultant to the agency, according to these sources.

Officials in the CIA's security division feel his murder may have been directly connected to the loss of important documents relating to the K-11 spy satellite system. According to President Carter, these satellites will be used to monitor any agreement that comes out of the current Strategic Arms Limitation Talks (SALT) with the Soviet Union.

CIA sources last night confirmed it was looking into the Paisley death and its possible connection with an investigation by the agen-

cy and the Senate Intelligence Committee of a suspected high-level "mole" in the CIA. Those probes have focused on whether top-level information was leaked to the Soviets by someone within the agency.

The official CIA spokesman, however, would not directly comment on the investigation.

Cpl. John Murphy, who is investigating the Paisley case for the Maryland State Police, told the Morning News that "numerous CIA documents" were found aboard Paisley's abandoned sail boat.

Murphy said "The Coast Guard turned the documents from the abandoned boat over to us and we turned them over to Mrs. Paisley," the estranged wife of the CIA official.

Murphy confirmed that Paisley was still a consultant for the CIA. "They wouldn't tell us much but they told us he still worked for them," he told a reporter last night.

Murphy said he had not been directly contacted by the CIA — "but you can tell they have been working quietly around us. It really is very weird."

The Morning News confirmed that the documents found on the sailboat were picked up from Mrs. Paisley by the CIA's office of Security. Some of the documents, according to a source, were of a security level "that indicated they should have never been out of the headquarters building."

The possibility that the Soviets possess vital information about American spy satellites was first opened by the arrest early this summer of a 23-year-old CIA watch officer who was charged with stealing secret documents relating to the K-11.

According to an official of the CIA security division, who refused to be identified, an investigation then revealed that "equally important documents in connection with other surveillance programs were missing. We definitely have a major, unplugged security breach."

Robert Gambino, charged with the investigation, was called in to check Paisley's knowledge of the satellite program, sources close to the investigation told The Morning News. Gambino could not be reached for comment.

According to the source, however, Paisley had launched the sophisticated K-11 satellite series before his official retirement, and then continued as a consultant.

One source in the CIA's Office of Strategic Research said Paisley was "like a man on Mount Everest. He had access to everything technical the agency did. He knew it all."

Gambino was investigating the "remote possibility" that Paisley might have worked for the KGB, a CIA source said. "The documents that are missing are under his expertise." The same source held out the possibility that Paisley had stumbled on a security breach within the agency and had been killed to prevent its exposure.

Last Sunday, in an astronaut awards ceremony at the Kennedy Space Center, President Carter said spy satellites provided a basis for the SALT agreements. It was the first public reference by an American president to the surveillance of Soviet territory by satellites since the downing of a U-2 in 1960.

According to CIA spokesman Dale Peterson, the search for a mole inside the agency intensified with the arrest of William Kampiles, who is awaiting trial next month, for the theft of the operations manual of the K-11 reconnaissance satellite.

Peterson refused official comment on Paisley's death except to say that "he was a very high-level employee of the agency on the analytical side, not on the clandestine side of the house."

A high-level staff member of the Senate Intelligence Committee warned that "the political implications of this murder are very serious. Conservative Democrats and Republicans want to know if the satellite system we have is workable. People at CIA have been leaking information that other documents beyond the K-11 manual are missing."

Should the Soviets know the workings of the U.S. system that would monitor adherence to a SALT agreement, they would be able to figure out a way to get around such monitoring, Senate opponents of SALT have warned.

Paisley's body was found Sunday two miles southeast of the Patuxent Naval Air Station, not far from Solomons Island on the western shore of Chesapeake Bay.

ARTICLE APPEARED
ON PAGE A-1,6

THE WASHINGTON STAR (GREEN LINE)
5 October 1978

CIA Doubts Dead Analyst Served as a Double Agent

By Michael D. Davis
Washington Star Staff Writer

A CIA spokesman says the agency is convinced that John Paisley, the retired agency official who was found shot to death in the Chesapeake Bay, took his own life. He discounted published reports which suggested that Paisley was a double agent for the Soviet Union.

The spokesman, Herbert E. Hectu, yesterday said Paisley became a consultant for the agency after he retired in 1974, but that he specialized in reports on Soviet military spending and did not handle or have access to highly classified information.

He said agency officials have been told by investigators that Paisley, who was reported to have been distraught over his marital and financial affairs, took his own life.

Hectu said a Maryland State Police investigation concluded Paisley wrapped skindivers weights around his body, shot himself and then fell into the bay from the deck of his 31-foot sailboat, The Brillig.

HE SAID THE state police decided not to announce the findings after a Wilmington, Del., newspaper published reports suggesting that Paisley was a double agent who was linked to the disappearance of important papers dealing with the U.S. spy satellite system. "I guess they want to be very cautious about their findings," he said.

Knowledgeable sources inside and outside the CIA insisted that Paisley, who was deputy director of the agency's Office of Strategic Research when he retired, never was assigned to work on the satellite program, did not have access to classified information on the program and was not the subject of an internal CIA investigation.

Hectu confirmed reports that CIA agents were called to Lusby, Md., after a Coast Guard boarding party found Paisley's sloop aground in the Bay and reported finding classified documents on the ship.

A Coast Guard spokesman at Curtis Bay said the decision to call the CIA was made "after we found documents which appeared to be sensitive."

HECTU SAID the Coast Guard found Paisley's CIA identification card in a wallet on the boat and then made "the inaccurate determination" that the papers found on the ship were classified CIA documents.

He said two agents examined the papers and then turned them over to Paisley's estranged wife, along with his other personal effects.

Retired Air Force Col. Norman Wilson, who owns the dock where Paisley kept his boat, confirmed CIA reports on the papers.

"I saw the papers. It was nothing more than a series of memos he was preparing on meetings. It was all pretty dry administrative stuff," he said.

Hectu, the CIA spokesman, said, "He was not involved in clandestine operations, and we are leaving the investigation of this incident to the Maryland State Police."

Paisley, who ended a 30-year intelligence career in 1974, was an avid saltwater sailor who took his sloop into the bay alone Sept. 24. Later he radioed Wilson that he would be returning to port later that evening. His body, with a bullet wound in the head, was found the following Sunday floating in the bay.

FRIENDS AND investigators said Paisley, 55, was depressed over several recent financial reverses and his recent separation from his wife, who lives in McLean, Va. After that separation Paisley lived alone in an apartment at 1500 Massachusetts Ave. NW. He took a full-time job as a consultant with a Washington accounting firm.

Hectu confirmed that shortly after Paisley retired from the CIA he was retained as a consultant to the Military Economic Advisory Panel, which advises the agency's director on Soviet military expenditures and other economic affairs. He said Paisley was given this position because this was his area of specialization when he retired from the CIA.

"He was an analyst. He wasn't a spy," Hectu said.

Hectu said the CIA was not taking "an active role" in the investigation. "We are an overseas intelligence collecting organization. We don't do domestic investigations. That is prohibited by executive order," he explained.

MARYLAND State Police Cpl. Jerry Eismann said the police have had no contact with the CIA apart from asking for help in the identification of Paisley's body from dental records.

"They have not approached us," Eismann said. "We asked them for help in identifying the body, and as far as I know that is the only connection we have had with the CIA or the FBI."

"It appears to be a suicide by all indications," a source in the Maryland medical examiner's office said. "There were no signs of a struggle."

An automatic pistol that Paisley kept aboard the boat for protection was missing, according to Wilson, the dock operator, who said he found a live cartridge in the ship's cabin.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE A-1

THE BALTIMORE SUN
4 October 1978

Sputnik's 21st anniversary

Satellites have made cloak, dagger passe

By ALBERT SEHLSTEDT, JR.

The space age, which began 21 years ago today, has produced a maturing generation of reconnaissance satellites which, it is said, can spot a pack of cigarettes from 100 miles in orbit.

These officially secret instruments of intelligence have been the silent partners in a series of highly publicized space achievements that began October 4, 1957, with the launching of the Soviet Union's Sputnik 1.

Now, President Carter, speaking at Cape Canaveral, Fla., Sunday, has referred to satellite reconnaissance publicly, something no other chief executive has done in the last two decades.

In that time, the capabilities of these instrumented spacecraft, which the United States and the Soviet Union have orbited by the score, have been sharpened to a point that they have revolutionized the business of gathering intelligence.

Sea Power, official publication of the Navy League of the United States, quoted one knowledgeable observer in its September issue as saying:

"Covert intelligence operations, if not obsolete, are obsolescent. . . . A satellite circling the world in 45 minutes will pick up more information in a day than the espionage service could pick up in years.

While professional intelligence people in the United States and the Soviet Union would likely take exception to that, it is apparent that the precise instruments aboard spy satellites have recorded an untold story of an amazing genre.

President Johnson, addressing a small audience of educators in 1967, said satellite reconnaissance alone had justified spending 10 times the money the nation had already spent on space, then about \$35 billion.

Because of this reconnaissance, he said, "I know how many missiles the enemy has."

Doubtless, the art has improved in the last 11 years.

However, space reconnaissance means much more than adding up numbers. It also means inferring intentions of an enemy, a capability beyond price in military preparedness.

For example, a Soviet cruiser operating off the East Coast of Africa may move across the Indian Ocean toward Indonesia. Why?

That sort of question, based on a single bit of information from a satellite, can start wheels turning in the intelligence community. The answer may be important, or unimportant, but the question might not have been asked two decades ago.

The United States took its first step into the reconnaissance satellite business in 1960 with the launching of a series of spacecraft designed to keep this country alerted to an enemy attack.

The Defense Department's Advanced Research Projects Agency and the Air Force were quick to recognize the potential of a satellite circling the globe at 18,000 miles an hour.

After a string of failures, which seemed almost inevitable in those days, the space engineers and scientists began to get things to work right.

Midas 2, launched May 24, 1960, and designed to warn the nation of enemy missile launchings, was the first American satellite of this type to achieve orbit.

Midas, an acronym for missile defense alarm system, carried instruments sensitive to heat, ultraviolet light and X-rays, and was sent aloft to look out for nuclear explosions and spot missile exhausts.

Discoverer 13, launched in August of that year, carried a photographic package that was ejected from the orbiting spacecraft and was recovered from the ocean.

With the launching of Discoverer 14, a week later, the Air Force did even better and recovered the satellite package

in midair with a trailing line from a cargo plane.

Photographs were and are a valued form of intelligence information because of their clarity.

Samos 2, designed for photographic and electronic observations, was launched in January, 1961, and was the first United States satellite of that type to attain orbit. Samos was an acronym for satellite and missile observation system.

The Air Force was open about these matters until the Kennedy administration decided the entire subject of satellite reconnaissance should be a secret.

The names, Midas, Samos and Discoverer were later dropped from the military lexicon, and in 1963, the American spy-in-the-sky system began working full-time.

ARTICLE APPEARED
ON PAGE 14THE CHICAGO TRIBUNE
3 October 1978

Relying on spy satellites

President Carter brought our reconnaissance satellites "out of the closet" Sunday by acknowledging, in a speech at Cape Canaveral, that we are using them to monitor military activities in the Soviet Union; that we are well ahead of the Soviet Union in their development; that "in the monitoring of arms control agreements they make an immense contribution to the security of all nations"; and that we shall do our best to keep our lead.

Until now, spy satellites have been officially referred to—if at all—only by the euphemism "national technical means." Significantly, Mr. Carter's speech came at almost exactly the moment that our latest SALT talks were breaking up in Washington with only the familiar comment that they had been "intensive and useful." Mr. Vance keeps hinting that a satisfactory agreement is just around the corner, but we're beginning to wonder how many corners we have to round before we hit the right one.

In view of the timing, we can't help wondering whether we're being prepared for a SALT agreement that contains no provision for on-ground monitoring [long a sore point with the Soviet Union] and therefore depends primarily on our ability to monitor the Soviet Union by satellite.

Never mind, for the moment, whether satellites alone can do the job adequately [can they detect the replacement of

one rocket engine with a more powerful one?]. If Mr. Carter is proposing that we rely on spy satellites, then what he didn't say becomes as important as what he did.

What he didn't mention is that the Soviets are generally acknowledged to be well ahead of us in the development of killer satellites—missiles that can seek out and destroy satellites up to an altitude of about 900 miles, which would be sufficient to reach our reconnaissance satellites. The Russians are also reported to be working on anti-satellite laser beams.

Three months ago, the administration approached the Soviets with a suggestion that killer satellites be banned; there was a meeting of the bodies at Helsinki, but not of the minds. These talks have gotten nowhere; and small wonder. In view of our apparent lead in spy satellites, it is hard to see the Soviets abandoning efforts to knock them down. And Mr. Carter's Florida talk is not likely to make them any more amenable.

So we find Mr. Carter's assurance less than comforting. Even granting that spy satellites are marvelous in their capabilities, they are useful only so long as they can fly over the areas we want to watch. If the Soviets win the power to control where they fly, they will be of little use to us. Clearly there are more questions that need to be answered before we can rest easy in the knowledge that our spy satellites are protecting us.

ARTICLE APPEARED
ON PAGE A-1-6

THE WASHINGTON STAR (GREEN LINE)
2 October 1978

President Seeks Broad Support For Arms Pact

By Vernon A. Guldry Jr.
Washington Star Staff Writer

DISNEY-WORLD, Fla.— In anticipation of an agreement with the Soviet Union to limit strategic arms, the Carter administration is stepping up its efforts to demonstrate it is capable of looking after U.S. interests.

Apart from negotiating the substance of the limitations, the administration has been conducting a campaign of public education and persuasion in support of the treaty it hopes to negotiate.

The most visible elements of that campaign have been meetings with community leaders organized around the country by the State Department.

Yesterday, President Carter gave the public relations effort a push by talking about the chief means the United States has to keep track of what the Soviet Union is doing: spy satellites.

NOT THAT THE president had much to say. "Photo reconnaissance satellites have become an important stabilizing factor in world affairs in the monitoring of arms control agreements. They make an immense contribution to the security of all nations. We shall continue to develop them," he said.

This was news to no one. The fact that spy satellites are used to keep track of opposing missile silos, for instance, has long been the most open of secrets.

Carter's mention of the satellites came early in a two-stop Florida trip that first brought him to Cape Canaveral and the Kennedy Space Center before he arrived here to address a session of the International Chamber of Commerce.

The satellite reference was made in a speech at the cape commemorating the 20th anniversary of the National Aeronautics and Space Administration.

Presidential press secretary Jody Powell made sure none of the report-

ers traveling with Carter missed the reference by pointing out that it was the first time a president had publicly acknowledged the spies in the sky.

PREVIOUSLY the satellites had been referred to in the euphemistic jargon of arms control as "national technical means" of verifying what the other side was doing.

"It is important for people to know that we are in a position to verify without relying on the good intentions of the (other) party," Powell said.

Without offering any specifics, Powell went on to say that "to say that it (the satellites' picture-taking ability) is good is an understatement."

In the speech at the space center, Carter seemed to have encouragement for both critics and advocates of space spending. Space activities "will be measured against all the needs of our country," he said, but he added, "we will not give up the leadership of the United States in space."

While there Carter presented the congressional space medal of honor to former astronauts Neil Armstrong, Frank Borman, Charles Conrad Jr., Sen. John H. Glenn Jr., D-Ohio, Alan B. Shepard Jr. and to the widow of Virgil I. Grissom, the second American in space (in a 1961 sub-orbital shot), who later lost his life during preparation for the first Apollo flight.

THE SPACE CENTER is now conducting the \$5.2 billion space shuttle program. Carter viewed a shuttle launch pad and met shuttle pilots while at the center.

"The first great era of the space age is over. The second is about to begin," Carter said in his speech. "It will come into its own with the new space shuttle, the heart of our new space transportation system. . . ."

At Disney World, members of Carter's entourage were embarrassed by the backdrop for his outdoor speech and by the pomp that the Disney hosts provided.

The president spoke from a platform in front of the multiple turrets and spires of Cinderella Castle in the center of the giant amusement park.

Liveried trumpeters lined a balcony above Carter and other

dignitaries from which they heralded the president's arrival. The large castle glowed pink, lavender and deep rose as it was alternately bathed by colored floodlights before Carter spoke.

Amid all this, Carter delivered a speech which urged international businessmen to use their economic power in concert with historic trends to give the world's have-nots a fair share of the world's wealth.

Carter also reminded the businessmen that there were those among them who had used their power to exploit developing nations.

ARTICLE APPEARED
ON PAGE&&& A-8

THE WASHINGTON POST
2 October 1978

Carter Vows U.S. Will Continue Leadership in Space

By Edward Walsh
Washington Post Staff Writer

CAPE CANAVERAL, Fla. — President Carter celebrated his 54th birthday yesterday with a trip to the Kennedy Space Center here and a pledge that the United States will not surrender its leadership role in space exploration.

Speaking to several thousand National Aeronautics and Space Administration employes and their families inside a huge building where the U.S. space shuttle vehicle will be assembled, Carter said that in the coming generation the U.S. space program "will reflect the range of our requirements and interests as a vigorous, responsible and free society."

"Those activities will be measured against all the needs of our country," he added. "We will be encouraging other countries to participate both in the work and in its benefits. But we will not give up the leadership of the United States in space."

In the course of the speech, the president also sought to reassure the public about U.S. ability to verify compliance with arms accords, which is expected to be a key element in the

debate over a new strategic arms limitation agreement with the Soviet Union.

"Photoreconnaissance satellites have become an important stabilizing factor in world affairs," he said. "In the monitoring of arms control agreements, they make an immense contribution to the security of all nations. We shall continue to develop them."

White House officials said Carter's speech marked the first time that an American president had publicly acknowledged U.S. use of "spy satellites" to monitor other nations' compliance with international arms agreements.

The use of such satellites has been known for years and the president's decision to acknowledge that fact publicly appeared to be aimed primarily at domestic worries over verification in a second Strategic Arms Limitation Talks (SALT) treaty.

"It is important for people to know that we are in a position to verify without relying on the good intentions of the other party," press secretary Jody Powell told reporters aboard Air Force One en route here.

The United States and the Soviet

Union appear close to agreement on SALT II, with a summit conference signing ceremony possible later this year and a bruising Senate debate over ratification likely next year. The emphasis White House officials placed on Carter's brief mention of spy satellites was clearly the beginning of an administration public relations campaign to sway public opinion in favor of Senate approval.

The president, accompanied by his wife, Rosalynn, and daughter, Amy, flew to the Kennedy Space Center to commemorate the 20th anniversary of NASA and to present the first congressional space medals to five veterans of the U.S. space program and the widow of an astronaut who died here while preparing for a space flight.

The medals were presented to former astronauts Neil A. Armstrong, Frank Borman, Charles Conrad Jr., Alan Shepard Jr. and John H. Glenn Jr., now a Democratic senator from Ohio. A posthumous award was presented to astronaut Virgil (Gus) Grissom, killed in a 1967 spacecraft fire, and was accepted by his widow, Betty.

Before his speech, Carter spent 10 minutes inspecting the space center's Launch Pad A, from which all but one of the Apollo spacecraft were launched for the moon and where the first flight of the U.S. space shuttle vehicle is to begin next September.

In the space center's eight-acre Vehicle Assembly Building, standing in front of a towering simulator of the space shuttle, the president extolled the accomplishments of the space program but warned that it is "too early to commit the nation" to such exotic and expensive projects as space "factories" and solar-power satellites.

The Carter administration has not emphasized the space program. With the president's overriding concern with inflation, it is not likely that NASA's budget will grow significantly in the years ahead.

Calling the effort to land a man on the moon a "stupendous achievement . . . that captured the imagination of the world," Carter said the space program has changed man's perspective about his world.

From here the president flew by helicopter to Disney World, near Orlando, where he addressed the International Chamber of Commerce last night.

THE WASHINGTON POST

5 October 1978

ARTICLE APPEARED
ON PAGE A-24

Unlike U.S., Soviets Pin Nuclear Hopes On Breeder Unit

By Thomas O'Toole

Washington Post Staff Writer

OBNINSK, U.S.S.R. — In contrast to the United States, where President Carter has moved to restrict the use of plutonium, the Soviet Union is developing it as a nuclear fuel to generate electricity.

The Soviets are in the midst of a construction program that in two years will find them generating 720,000 kilowatts of electricity from the two largest plutonium breeders in the world.

If no unforeseen difficulties are encountered in these two plants, the Soviets plan to start construction in 1983 of a third breeder that will more than double their breeder-produced electric capacity.

The United States does not operate a breeder electric plant and has no firm plans to build one. Carter ordered a halt to the proposed Clinch River, Tenn., breeder reactor, which would have produced 500,000 kilowatts of power, to find an alternate nuclear process that does not breed plutonium.

Plutonium breeder reactors produce their own source of fuel and do not rely on what many view as a diminishing supply of uranium. Critics of the process complain that the plutonium produced can also be used to make nuclear weapons.

Carter opposes development of the breeder plants for that reason and has urged other nations to follow suit. Carter has also deferred indefinitely U.S. plans to produce plutonium for civilian use.

Indications here are that Soviet civilian nuclear energy technicians receive only small amounts of plutonium for experimental use from the Soviet military establishment. The overwhelming bulk of the Soviet plutonium is controlled by the military, Western experts think.

"We don't see any difficulties moving to plutonium," said Mikhail Troyanov, deputy director of the Institute of Physics and Power Engineering. The institute, 80 miles southwest of Moscow, is where the Soviet nuclear power program was born 24 years ago.

"After 1990, breeders should be built in the Soviet Union in large numbers," Troyanov added.

Troyanov was speaking to American science writers on a trip arranged in cooperation with the Soviets by the Atomic Industrial Forum, a Washington-based trade association. It is made up of major nuclear suppliers including Westinghouse and General Electric. The forum vigorously opposed Carter's efforts to stop the Clinch River breeder reactor.

Soviet nuclear leaders, while not criticizing Carter's Clinch River cancellation, question the wisdom of the move. The Soviets say they see no alternative to plutonium as a replacement for what they say is an inevitable dwindling of uranium supply.

There is a worldwide debate on how much uranium can be dug out of the earth's crust, in part because uranium is hard to find and in part because mining interests are only beginning to explore aggressively for it.

The Carter administration takes the optimistic view that there is as much as 4 million tons of extractable uranium in the United States. The National Academy of Sciences believes the United States can hope to mine one-third that much.

The Soviet Union does not advertise the size of its uranium reserves, except to point out that they are not limitless. The Soviets already import raw uranium ore from East Germany, Poland and Czechoslovakia.

While clearly ahead of the rest of the world in engineering electric plants to burn plutonium, the Soviets have had their share of trouble getting there.

The Soviets placed their first breeder near Shevchenko on the eastern shore of the Caspian Sea, a desert where oil, natural gas, manganese and phosphates are produced. The plant was built to produce electricity and also steam to desalt Caspian sea water for industry in the surrounding desert.

In 1974, one year after the Shevchenko breeder went into operation, one of the six loops of tubes that carry liquid sodium metal to transport heat from the nuclear reactor to the steam generators swelled and broke. The accident that followed mixed 125 gallons of water with one ton of sodium, more than enough to start a flash fire.

Parts of the Western press described the fire as an explosion saying that U.S. spy satellites had witnessed the accident. The West had no details of what really happened until Soviet

nuclear scientists began a year ago to tell their colleagues in the West what took place.

Sodium is a combustible metal that will ignite on contact with water in a violent enough way to release explosive hydrogen from water. One American nuclear engineer said that the Soviets described the incident at Shevchenko as "something like a grain elevator explosion" but that nobody was killed or injured. The Soviets insist the accident was not serious enough to shut down the plant.

"This failure was so insignificant," Troyanov said, "that not only was it impossible for sputniks to see it but the local populace didn't even notice it."

Whoever noticed it, the accident has proved to be costly and time consuming for the Soviet Union. The ruptured coolant tube still has not been repaired, forcing the Shevchenko breeder to operate ever since at 65 percent of its rated power—where it is to stay until next year, when a new steam generator is shipped from Czechoslovakia and a new coolant loop installed.

The incident at Shevchenko may have had something to do with the delays the Soviets have encountered with their second big breeder, a 600,000-kilowatt plant being built near Belyoyarsk in the Ural Mountains.

The Belyoyarsk breeder has been under construction since 1968 and was to be finished in 1973. Officials now say it will be ready next year or the year after. Troyanov insists the Shevchenko accident did not cause the Belyoyarsk delays. He blamed "normal machinery and construction delays."

Belyoyarsk will use an entirely different kind of sodium coolant.

While far advanced in designing and building the machinery for plutonium breeders, the Soviets curiously are five to 10 years away from operating their breeders on plutonium. They use uranium as the fuel in Shevchenko and will start up the Belyoyarsk breeder with uranium in the core of the reactor.

This is significant because breeders are more efficient if they use plutonium as their start-up fuel. Uranium will breed plutonium but not nearly at the rate that plutonium itself breeds fresh plutonium. A plutonium breeder will double its fuel supply in 10 years or less. A uranium breeder might take more than 20 years to breed as much fuel as it burns.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

THE WASHINGTON STAR (GREEN LINE)

4 October 1978

ARTICLE APPEARED
ON PAGE A-7

Navy Officer Testifies Russian Shadowed

By Phillip Wechsler

Special to The Washington Star

NEWARK, N.J. — A U.S. naval officer who also was a counterespionage agent for the FBI says a Soviet employee of the United Nations is the man who shadowed him during three clandestine meetings with members of a suspected Soviet spy network.

Lt. Cmdr. Arthur Lindberg, the prosecution's key witness in the espionage trial of two Russian nationals, made the identification yesterday in U.S. District Court here. Lindberg said he saw the man each time he went to pick up instructions from the alleged Soviet spy network.

Stepping from the witness stand and walking across the courtroom, Lindberg pointed to Rudolf P. Chernyayev and said, "This is the man I saw."

Chernyayev, 43, a personnel officer at the U.N. Secretariat, sat expressionless at the defense table and listened to a Russian interpreter repeating Lindberg's accusation.

THE OTHER defendant is Valdik A. Enger, 39, a political affairs officer at the Secretariat.

The two defendants, who have been working at the United Nations since 1974, are being tried on charges of espionage and conspiracy.

Lindberg, a supply officer assigned to an engineering unit at the Lakehurst Naval Air Station, was recruited for his double-agent role by the FBI in the summer of 1977. He has testified that he passed military secrets — which the FBI had censored beforehand — to the Russians

in return for \$20,000 in cash payments.

In the beginning, Lindberg testified yesterday, he was shadowed by a man in a blue Dodge sedan on two separate occasions. Then last March 11, Lindberg said, he spotted the man, Chernyayev, sitting in a telephone booth at a gas station on the Garden State Parkway.

The station had been used to transmit messages back and forth between Lindberg and the spy ring, by making calls to the public telephones.

LINDBERG SAID that while he was a double agent there had never been any planned face-to-face meetings with the Russians, but the confrontation at the gas station was apparently created by Lindberg arriving earlier than scheduled.

"I walked away toward another booth and when I turned around he (Chernyayev) had gotten out of the booth and started to exit the building," Lindberg said. "I saw him walk to a light blue car and drive away."

Lindberg, dressed in his navy uniform, said that several minutes later he received his scheduled call from a Russian contact and was directed to the booth where Chernyayev had been sitting. Then following the usual procedure, Lindberg reached under the shelf of the telephone and found written instructions taped to the bottom.

Lindberg, 43, who is due to retire Nov. 1 after 20 years of service, completed his direct testimony yesterday and was to undergo cross-examination today.

Him

Deposited Secrets on Parkway, Navy Officer Says

By Judi Hasson
United Press International

NEWARK, N.J. (UPI)—An American naval officer testifying for the government in the espionage trial of two Russian citizens ship yesterday. He passed on American defense secrets for cash.

Lt. Cmdr. Arthur E. Lindberg, 43, star witness in the government's case against Valdik A. Enger and Rudolf P. Chernyayev, two Russians employed at the United Nations, said he had made contact with a network of spies seeking classified defense material.

Enger, 39, and Chernyayev, 43, released without bail in the custody of the Soviet ambassador, are charged with paying the naval officer more than \$20,000 for the defense documents.

They were arrested on May 20 by the FBI in Woodbridge, N.J., shortly after they allegedly picked up classified documents.

In testimony before U.S. District Court Judge Frederick B. Lacey, Lindberg did not identify the defendants, since his contacts were by telephone or written notes.

The officer, stationed at the Naval Air Engineering Center in Lakehurst, N.J., said he accepted an undercover assignment from the FBI to help identify and prosecute a network of spies. Allegedly using the Soviet merchant marine as a cover.

Lindberg said he made his first contact with a foreign operative after taking a cruise on a Russian passenger ship and leaving a note saying he

would exchange documents for money.

A man with a heavy accent contacted him by phone and said, "We were pleased to receive your note," Lindberg testified.

Last Oct. 22, Lindberg made the first in a nine-month series of drops of secret documents in an orange juice container at the bottom of a stairway in a train station in Iselin. He drove two miles up the Garden State Parkway to a service station and received \$2,000 in cash hidden in a flattened milk carton, he said.

He told of receiving \$3,000 in cash Dec. 3, after dropping off defense material on the New Jersey Turnpike, and being told \$2,000 was for the documents and \$1,000 was a Christmas bonus.

On Jan. 7, Lindberg said, he retrieved two radiator hoses from a location on the Garden State Parkway, after dropping off material, and found that they contained \$5,000 in cash.

After every phone contact, Lindberg said, he was interviewed by the FBI and was provided with instructions on how to proceed.

In one typewritten note from his contact, Lindberg was instructed to "make necessary notes and destroy this letter. Best wishes." In another he was told, "If you follow my instructions, it will be as easy as ABC."

The notes were introduced before the jury, including instructions that warned Lindberg to be careful about flaunting his money, and to take care that even his wife not become suspicious about his extra cash.

ARTICLE APPEARED
ON PAGE B-7

30 September 1978

FBI Duped Alleged Soviet Spies, Trial Told

Reuter.

NEWARK—The FBI duped a Soviet spy ring into recruiting a Navy officer who was a double agent, a federal prosecutor said at the opening yesterday of the espionage trial of two Russians.

U.S. Attorney Robert Del Tufo said the FBI had the officer pose as a traitor who was ready to sell secrets for money.

For nearly a year, the officer passed doctored military documents to the Russians in return for \$20,000, he said.

The disclosures were made as the trial of two Soviet employes of the United Nations began in federal court here. They are accused of orchestrating the spy network that unwittingly used the Navy officer.

Del Tufo said the officer, Lt. Cmdr. Arthur Lindberg, volunteered for the double agent role because "he wanted to help his country."

Defendants Rudolf Chernyayev, 43, and Valdik Enger, 39, are being tried on one charge of espionage each and two counts of conspiracy in what has been dubbed a politically sensitive trial.

The arrest of the two Russians was believed to have led to the Moscow arrest of American businessman Francis Jay Crawford. The International Har-

vester employe was found guilty of violating currency regulations, given a suspended sentence and allowed to leave the Soviet Union.

Del Tufo said the FBI suspected a Soviet spy net work involved in shipping was operating in the United States.

The FBI told Lindberg to board a Russian vessel going on a week-long cruise to the Bahamas. Once aboard, he left a note saying he was "available for future contacts and interested in making some money," Del Tufo said.

The officer, who used the code name "Ed" and left a number to call, slipped the note into an envelope, addressed it to "Soviet Ambassador" and gave it to a ship's officer.

At the appointed time, Del Tufo said, the commander was called by a man with a foreign accent who said, "Hello, Ed. We received your letter and we're pleased to get it."

The officer and the two Russians never met face-to-face, but used public telephone booths to communicate. They also left instructions in cans and bottles discarded along the roadside.

The FBI filmed the Russians at the drop spots and tape recorded telephone conversations between the defendants and Lindberg, the prosecutor said.

ARTICLE APPEARED
ON PAGE A-11

THE WASHINGTON STAR (GREEN LINE)
5 October 1978

FBI Says It Monitored Soviets While They Watched Navy Officer

By Phil Wechsler

Special to The Washington Star

NEWARK, N.J. — Two Soviet employees of the United Nations charged with spying had been under a lengthy and close surveillance by FBI counterespionage agents, the prosecution at their conspiracy trial has disclosed.

The FBI monitoring of the defendants began well before their alleged involvement last year with an American naval officer who posed as a traitor to infiltrate a suspected Soviet spy network based in New York City.

These disclosures were made during acrimonious legal arguments yesterday outside the presence of the jury in U.S. District Court here.

The arguments resulted when defense attorneys tried to chip away at FBI identifications of the two defendants, Rudolf P. Chernyayev, 43, and Valdik A. Enger, 39.

The two defendants have been employed at the U.N. Secretariat in New York since 1974.

EDWARD PLAZA, a prosecutor at the trial, revealed during the arguments that FBI agents had "seen the defendants on more than 100 occasions on the streets of New York." He started to indicate when the surveillance began, but was cut off by U.S. District Judge Frederick Lacey.

The judge, glancing at a dozen re-



LT. CMDR. ARTHUR B. LINDBERG
Posed as traitor

porters in the court, took Plaza and the defense attorneys aside to continue the argument. During pretrial sessions, newsmen were barred, apparently because of the sensitive diplomatic and defense secrets involved in the case.

Yesterday, two agents from the FBI counterespionage unit in New York, Daniel Newman and Gareth Pass, both testified that they spotted the defendants at clandestine meetings in New Jersey with Lt. Cmdr.

Arthur Lindberg, a naval officer who was recruited by the FBI to become a double agent.

Lindberg, who said he received \$20,000 from the Russians for passing military secrets, testified that he communicated with the alleged spy network by making and receiving calls from public telephone booths at service stations on the New Jersey Turnpike and the Garden State Parkway.

THE FBI AGENTS said they watched Enger and Chernyayev scrutinize the movements of Lindberg at the service station in what appears to have been a cat-and-mouse gambit by the FBI and Soviets.

The FBI agents also identified a third Russian, Vladimir Zinyakin, a former attache in the Soviet mission to the United Nations, as having participated in one of the clandestine rendezvous in New Jersey.

Zinyakin was seized along with the two defendants by the FBI in Woodbridge, N.J., last May 20, but was not prosecuted because of diplomatic immunity.

Plaza, the prosecutor, told the court yesterday that when Zinyakin was apprehended he had "physical possession of classified secrets." Zinyakin has since left the United States.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Inside the news - briefly

Locusts in Ethiopia dire threat, CIA says

Washington

The Central Intelligence Agency reported Tuesday that a plague of locusts in Ethiopia threatens famine, and thus hundreds of thousands of lives, and predicted that if the infestation is not checked this winter it could spread to North Africa and India by spring.

The report, which said the wars in the Horn of Africa prevented insect control operations, also said that only immediate action in Ethiopia and Somalia could avert widespread crop destruction.

ARTICLE APPEARED
ON PAGE 1THE CHRISTIAN SCIENCE MONITOR
4 October 1978

Soviet industry reported lagging

CIA study details slips in growth rates; steel, oil, coal woes

By John Dilln
Staff correspondent of
The Christian Science Monitor

Washington

The Soviet industrial giant is beginning to pant.

Studies by the Central Intelligence Agency indicate that key sectors of the Soviet economy, including oil, coal, steel, and cement, are developing serious problems that are hampering growth.

Long-term Soviet prospects are worsening, and some of the previously impressive year-to-year growth rates in major sectors are becoming impossible to sustain.

Growth of the Soviet gross national product (GNP), which climbed 4.3 percent in 1976, slowed to 3.3 percent last year, the CIA reports.

The slump would have been even greater if agriculture production had not rallied just as the industrial sector was sagging.

This year, severe problems are continuing, and overall growth could be as low as 3 to 3½ percent.

A new, 20-page report by the CIA entitled "The Soviet Economy in 1976-77 and Outlook for 1978" pinpoints several troublesome areas:

- **Steel.** Growth rates fell sharply in each of the last two years because of declining quality of Soviet iron ore and a shortage of scrap. This forced the Soviets to import more than \$4 billion in steel products from the West.

- **Machinery.** Output climbed 5.9 percent in the past two years, well below the 8.2 percent rate of the previous five years. Steel shortages were largely responsible.

- **Oil.** Annual growth in output reached just 5 percent, slowest in three decades, and the outlook is unfavorable. Growth continues to slow this year, and the CIA stands by its earlier forecast that Soviet oil output will peak within the next few years and then begin a long decline.

- **Coal.** Production barely held even despite efforts to boost output. A major cause appeared to be that some important deposits were nearing exhaustion.

- **Electric power.** Growth rate fell to just 3.5 percent in 1977, an all-time low for the Soviets, for three reasons: conservation, shortage of generating capacity, and a fuel squeeze. Soviet leaders are looking to nuclear power to fill the gap.

Agriculture, however, presents one potentially bright point, and the Kremlin has moved to shore up farm output even if it means granting a more important role to the private sector.

Farm production rebounded at a 7.7 percent growth rate in 1976 and continued up at a 3.4 percent rate last year.

To maintain momentum, and to alleviate long lines for meat and dairy products, the government promised aid, including a steady supply of feed from state sources, for privately owned herds of livestock.

As a result, privately held stocks of cattle, sheep, goats, and especially hogs, are expected to climb this year — with hog stocks soaring 3 million to nearly 15 million.

Even if the Soviets are able to achieve record grain crops in the coming year, however, the country will need to import 15 million to 20 million additional tons from the West, up from 11 million tons in the past year, the CIA estimates.

Despite its economic shortcomings, the Soviet Union is expected to maintain defense spending at about 12 percent of GNP — just where it has been in recent years. About 57 percent of GNP will go into consumer goods, relatively unchanged.

ARTICLE APPEARED
ON PAGE A-10

THE WASHINGTON POST
4 October 1978

Soviet Economy in Trouble, New Analysis by CIA Finds

United Press International

The Central Intelligence Agency reported yesterday that the Soviet economy is in trouble and may be headed for worse.

State Department analysts said the unclassified study, released yesterday, might help explain signs of renewed Soviet interest in detente and disarmament.

The study reported a "marked slowdown in industry, construction and transportation" in the Soviet Union despite a significant recovery in agricultural production because of favorable weather.

It said the economic slowdown "has been much sharper than Soviet leaders anticipated," and the Kremlin "will find it increasingly difficult to maintain even the present pace of economic growth."

In both 1976 and 1977, the CIA said, the Soviet economy fell short of targeted goals in steel production, machinery output, energy growth and plant construction.

State Department analysts sug-

gested the disappointing economic performance has prompted the Kremlin to turn once again to the West for technology and industrial goods.

To accommodate that need, they said, the Soviets have had to adopt a more conciliatory attitude toward the western powers and renew their interest in concluding an early strategic arms limitation talks (SALT) treaty, one of President Carter's prime-foreign policy goals.

Marshall Shulman, the State Department's chief expert on Soviet relations, told Congress last week Soviet-American relations appear to be improving in the wake of severe tensions during the summer.

In addition, senior officials from both nations said Soviet Foreign Minister Andrei Gromyko and Carter achieved progress toward a SALT agreement during White House talks last weekend.

Although the CIA report concludes the Soviet Union will find it difficult to maintain economic growth, it said much depends on the weather.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ST. LOUIS POST-DISPATCH
23 SEPTEMBER 1978

'By Any Means'

They called it a "hostile interrogation." And after three years or so, they decided it was "counter-productive" to keep Yuri Nosenko in solitary confinement, during which they tried to break his story by sweeping away the calendar he made from lint on the floor and confiscating the chess set he fashioned from cloth. The question then became what to do. "Liquidate the man" was one possibility considered. Another was using drugs to "render him incapable of telling a coherent story" and committing him "to a loony bin." Or simply "commitment to a loony bin without making him nuts."

According to testimony heard last week by the House assassinations committee, this is how the Central Intelligence Agency handled a defector who claimed to be a Soviet intelligence official who had personal knowledge of Lee Harvey Oswald's years in the Soviet Union. Coming only months after Oswald was believed to have assassinated President John F. Kennedy, the CIA was skeptical of the defector's assertion that Oswald had no connections with the KGB—even though other information the defector supplied checked out and led to the arrest of at least two Soviet agents in the U.S. and the disintegration of a major spy ring in France.

So Yuri Nosenko was held prisoner in a concrete and steel vault, inside a building at some still-secret location in this country. The 1975 Rockefeller Commission Report made passing reference to the incident, politely calling his confinement "spartan," as well as unlawful. John Limond Hart, a former CIA official who prepared the testimony on the case for the House committee, said the defector's treatment was "an abomination" and "the most dismal I have ever seen." But such belated expressions of official disapproval are more convenient than convincing. And they beg the larger question of how many other "hostile interrogations" have there been by those "honorable men" at the CIA? How many, one wonders, resulted in one of the alternatives outlined by the CIA official in charge of the Nosenko interrogation. Surely they did not all end, as we are supposed to believe this one did, with the defector living under an assumed name in Washington or North Carolina, depending on who is telling the story, and earning \$38,325 a year as a consultant to the agency that considered his "liquidation."

As one former spy recently told Seymour Hersh of the *New York Times*, the men and women in the clandestine

service have a job to do and must accomplish it "by any means possible." The "people and the Congress have to trust us." The Nosenko case is but another example of what "any means" can mean, and yet another demonstration of why men who hold themselves to be above the law cannot be trusted.

ARTICLE APPEARED
ON PAGE A-18

BALTIMORE SUN
3 OCTOBER 1978

Horror Story

It has now been revealed that in the 1960s Central Intelligence Agency officials subjected a Soviet defector to isolation and torture lasting three years, even considering at one time "liquidating" him.

The reaction of Richard Helms, the former CIA boss, to this was to wonder out loud if the present CIA leadership revealed these "lurid" details to embarrass him and the others responsible (including, according to some evidence, former Attorneys General Robert Kennedy and Nicholas Katzenbach) for this horror story. We certainly hope the present leaders of the CIA are ashamed of an American institution's doing exactly the sort of thing that most Americans assumed could only be done by the most inhumane of dictatorial, totalitarian governments. We certainly hope, also, that the congressional committees responsible for overseeing CIA activities will learn from this revelation that far more vigorous oversight of the agency is required, if American traditions are to be honored.

23 SEPTEMBER 1978

editorials

'By Any Means'

They called it a "hostile interrogation." And after three years or so, they decided it was "counter-productive" to keep Yuri Nosenko in solitary confinement, during which they tried to break his story by sweeping away the calendar he made from lint on the floor and confiscating the chess set he fashioned from cloth. The question then became what to do. "Liquidate the man" was one possibility considered. Another was using drugs to "render him incapable of telling a coherent story" and committing him "to a loony bin." Or simply "commitment to a loony bin without making him nuts."

According to testimony heard last week by the House assassinations committee, this is how the Central Intelligence Agency handled a defector who claimed to be a Soviet intelligence official who had personal knowledge of Lee Harvey Oswald's years in the Soviet Union. Coming only months after Oswald was believed to have assassinated President John F. Kennedy, the CIA was skeptical of the defector's assertion that Oswald had no connections with the KGB—even though other information the defector supplied checked out and led to the arrest of at least two Soviet agents in the U.S. and the disintegration of a major spy ring in France.

So Yuri Nosenko was held prisoner in a concrete and steel vault, inside a building at some still-secret location in this country. The 1975 Rockefeller Commission Report made passing

reference to the incident, politely calling his confinement "spartan," as well as unlawful. John Limond Hart, a former CIA official who prepared the testimony on the case for the House committee, said the defector's treatment was "an abomination" and "the most dismal I have ever seen." But such belated expressions of official disapproval are more convenient than convincing. And they beg the larger question of how many other "hostile interrogations" have there been by those "honorable men" at the CIA? How many, one wonders, resulted in one of the alternatives outlined by the CIA official in charge of the Nosenko interrogation. Surely they did not all end, as we are supposed to believe this one did, with the defector living under an assumed name in Washington or North Carolina, depending on who is telling the story, and earning \$38,325 a year as a consultant to the agency that considered his "liquidation."

As one former spy recently told Seymour Hersh of the *New York Times*, the men and women in the clandestine service have a job to do and must accomplish it "by any means possible." The "people and the Congress have to trust us." The Nosenko case is but another example of what "any means" can mean, and yet another demonstration of why men who hold themselves to be above the law cannot be trusted.

CIA Depravity

From The Kansas City Star

As one considers the story of the Russian defector confined and abused by the U.S. Central Intelligence Agency — details revealed now in testimony 14 years after the fact not by the victim but by the CIA itself — incredulity and humiliation ripen into white-hot rage.

What was inflicted on the man would have done credit to the KGB, the Chilean junta, Idi Amin or the Spanish Inquisition itself. The CIA confined him in the isolation of a tiny vault, starved him and subjected him to psychological torture. The American agents suspected him of being a plant of Soviet intelligence. They demanded he confess. They considered forging a confession. They also thought of murdering him or driving him mad.

Instead, after three years, they decided he was really a defector after all. So they released him and hired him as a consultant.

A monstrous little tale, that one. For what happened to that luckless Russian could have happened to anyone at the hands of a secret apparatus run amok, beyond the society's constraints. And if such sadism was practiced in the U.S. of the 1960s, what entitles us to outrage at abominations in today's Soviet gulags and asy-

lums? The depravity of the men and their methods can in no way be distinguished. They are alike in evil.

It is that evil against which we are entitled — obliged — to cry out, even if the cry must, as in this case, be uttered in embarrassment. But embarrassment should not be the end of it. These were crimes against decency and law, ordered and committed by men who can be identified and named. Let them be made to answer.

Melvin Maddocks

Nosenko and the toothpaste papers

Yuri Nosenko, buried alive in a concrete vault for three and a half years, somewhere in Virginia, has pushed to the surface of American history over a decade later. And American history still does not know what to do with him.

Was Nosenko a *bona fide* deserter, a KGB officer who wanted to come in from the cold, as he said? Or was he a plant whose assignment was to convince the United States Moscow had no advance knowledge of an assassination plot against President Kennedy, and certainly no sinister alliance with Lee Harvey Oswald?

During the long, lightless years the CIA kept him captive in the state where Patrick Henry cried, "Give me liberty or give me death," Nosenko's interrogators do not seem to have decided upon these facts, at least according to the testimony before the House Assassinations Committee by Richard Helms, then Deputy Chief of the CIA.

But the burden, as often happens in matters of justice, has reversed itself. The question now is not the guilt and culpability of Nosenko but of his captors.

Systematically Nosenko was undernourished, on porridge and water. His one-man prison, especially constructed for him, had no windows. The only furniture was a steel cot — no pillow, no blanket. He inhabited an ice-box in the winter, a sweat-box in the summer. He was driven to hallucinating.

When the CIA failed to resolve its doubts about Nosenko, a memo was drawn up, neatly listing its options. "Liquidate the man." Or: "Render him incapable of telling a coherent story (special dose of drug, etc.). Possible aim — commitment to looney bin." Or perhaps: "Commitment to looney bin without making him nuts."

Survival is our favorite epic these days, and Nosenko, in retrospect, becomes a bit of an unscheduled hero. He did at least three things to save his sanity. He tried to keep a calendar by arranging patterns of lint on the floor. They were swept away by alert guards. He formed a chess set from threads of clothing — promptly confiscated by his silent watchers, under orders not to speak to him.

Then, finally, he was given toothpaste (but no toothbrush). The real treasure consisted of a leaflet that came with the tube, describing ingredients. Here was the first reading material Nosenko had seen since his incarceration.

The calendar, the chess set were assertions by Nosenko that he was part of the world outside — that he was still in the game. But the banal toothpaste-words must have read like a message from that world — a coded signal that he was not the last man in the universe, that a whole cosmos of fellow toothpaste-users existed with him. Who knows what words mean to a person starved for them?

Despite Nosenko's furtiveness — as if he were reading political heresy — the toothpaste brochure was noted and taken away.

At last the time-beyond-recording passed. Nosenko was released from his vault, and even put on the CIA payroll as a "consultant." His problem was solved, but what about our problem — this embarrassment we have brought upon ourselves by the strange national habit of investigating our investigations?

Do we say, as one congressman has, that all this took place, in effect, in another America? Nobody in Washington today would make contracts with the Mafia to assassinate Castro, or write an American chapter of "Darkness at Noon," as was done with Nosenko.

Or do we stare with fashionable obsessiveness at our dirty hands, wring them, and declare forever dead the myth of American innocence?

Nosenko, with his lint calendar, his thread chess set, his toothpaste reading library, confronts us like our latest moral rebuke. Since Vietnam, since Watergate, the struggle for self-respect has become an ongoing American agony. Can we find something, somewhere between self-justification and self-condemnation? If not, the alternative is to end up with Mr. Helms, sighing the exhausted words: "I'm just sorry, it's an untidy world."

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE 1-34THE WALL STREET JOURNAL
5 October 1978

Ironic Payoff

Foreign-Bribery Trials May Show U.S. Knew Of Some Payments

**If So, Washington May Have
Problems in Prosecuting
The Executives Involved
Were Firms Spy Havens?**

By DAVID IGNATIUS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—More than three years after American companies first disclosed that they had been paying bribes abroad, Justice Department prosecutors are confronting some awkward questions:

Did U.S. government officials know about some payoffs at the time, in part because of covert intelligence links to some major corporations? And did government officials in some instances tacitly condone bribery because the payments seemed to serve American policy interests abroad?

A top Justice Department official concedes that if the answer to either question is yes, the government may have difficulty bringing criminal charges against executives who approved the payoffs.

The prosecutorial problem has emerged as part of a high-level review by the Justice Department of several major payoff investigations involving corporate executives. The department is starting with its criminal investigation of Lockheed Corp. and the company's former president, Carl Kotchian.

Lockheed Official

In the past three years, Lockheed has admitted to the Securities and Exchange Commission that since 1970 it had paid \$30 million to \$38 million in improper foreign payments to influence aircraft sales in 15 foreign countries. In their review of the case, Justice Department officials are trying to decide whether to recommend that a grand jury indict Mr. Kotchian on charges connected with some of the payoffs.

If the prosecution of Mr. Kotchian goes forward, the case could shed new light on the government's sensitive, often-tangled relationships with major U.S. corporations overseas. In particular, it could document the way some American companies have provided cover for U.S. intelligence agents abroad.

Mitchell Rogovin, the Washington attorney who represents Mr. Kotchian, says he has told the Justice Department that if criminal charges are filed against his client, he will "demonstrate at trial the reasonableness of our client's belief that the government knew foreign payoffs were being made."

Mr. Rogovin contends he can show that officials of the State Department, the Defense Department and the Central Intelligence Agency knew during the early 1970s that corporate bribery was widespread abroad and had knowledge of some specific payoffs made by Lockheed.

Posing as Employees

Mr. Rogovin won't say so, but it's understood that one reason the former Lockheed executive is convinced the CIA knew about a few of the company's foreign payoffs is that, at the time, some "deep-cover" CIA agents were posing as Lockheed employees abroad. Lockheed declines to comment on this matter or any other aspect of the payoffs case.

Intelligence sources contend that a number of other large American companies have, at one time or another, provided similar cover for CIA agents abroad.

The sources say that Moore McCormack Resources Inc.'s steamship lines unit provided a CIA man in Buenos Aires with a cover job as a freight supervisor during the mid-1960s; Exxon Corp.'s Creole Petroleum Corp. unit (since phased out) employed during the mid-1960s an American security man in Caracas, Venezuela, who was also on the CIA payroll; and Control Data Corp. provided cover for an agent in Southeast Asia during the late 1960s and early 1970s.

In most cases, according to sources, a few high-level executives in companies providing such cover have known about the arrangement. Spokesmen for Moore McCormack and Control Data say that they can't confirm or deny reports about their companies' alleged past relationships with the CIA, but that current executives haven't any knowledge of the matter. An Exxon spokesman says, "Exxon's current management isn't aware of any Exxon employee, past or present, on the payroll of the CIA."

Legal Obstacle

Philip Heymann, the head of the Justice Department's Criminal Division, won't comment on Lockheed or any other specific case under investigation. But he says that if many high-level government officials knew about any company's foreign payoffs, it could be an obstacle to bringing charges.

"If there was extensive acquiescence (to foreign payoffs) by federal officials, it could be a very troublesome objection to our prosecution," Mr. Heymann says. If it could be shown, further, that the government "actually encouraged the wrongdoing," he adds, prosecution might be impossible. But he doubts that widespread government knowledge or approval of specific payoffs can be demonstrated.

Of course, there is a more basic problem with the payoffs prosecutions: It wasn't directly illegal for American companies to pay bribes abroad until last December, when an antibribery law took effect. In prosecuting companies for payoffs made before then, a special payoffs task force at the Justice Department has had to focus on indirect charges, such as violation of currency-transaction laws, Export-Import Bank disclosure rules and mail and wire-fraud statutes. A handful of companies already have pleaded guilty to such charges in payoff cases. But no major executives have been indicted yet, so the investigation of Mr. Kotchian is something of a test case.

Richard Beckler, who heads the department's payoffs task force, says, "It's conceivable that relationships between companies and the CIA may arise in a number of payoffs cases, and we'll have to treat that problem on a case-by-case basis." But he declines to discuss any specific investigations.

It isn't clear how the Justice Department will resolve its prosecutorial problems. But conversations with some former intelligence officials suggest that for years many in the CIA and perhaps other agencies have known, at least in general terms, about corporate payoffs.

One former CIA official, for example, says payoffs were a "routine" subject of discussion when agency officials met with American businessmen in Southeast Asia. His fellow intelligence officials, probing for possible contacts or weak links in foreign governments, were always curious about which local-government officials might be "on the take" from U.S. companies, he recalls.

But the simple fact that American companies might be paying bribes didn't worry the agency, this former CIA man continues. In fact, under the agency's "management by objectives" philosophy, such mundane matters usually weren't even mentioned in intelligence reports. "You didn't want to waste your superior's time with business peccadilloes," this ex-intelligence official says.

Another former CIA man agrees that it was widely assumed in the agency that "in most foreign countries, it's impossible to do business without bribes." In Latin America, he recalls, "a number of U.S. businesses had what they called 'liaison' offices" set up "to keep things running smoothly" with the local government. The practice was so common that CIA officials rarely bothered to find out "how much money might have changed hands," he says.

The CIA's placement of agents abroad disguised as corporate executives of U.S. companies also may have given the agency an inside view of corporate payoffs.

CONTINUED

Intelligence officials refer to corporate cover as a form of "unofficial" cover, to distinguish it from the "official" cover slots abroad, in which CIA agents are disguised as employes of the State Department, the Defense Department or other government agencies. Protecting the continued availability of "unofficial" corporate disguises is thought to be especially important these days; the number of "official" posts overseas has declined in many areas and limits have been placed on the agency's use of other forms of cover, such as posing as journalists.

Highly Sensitive Matter

But the use of corporate cover is a highly sensitive matter because its disclosure could entail risks for both the CIA and the companies that have helped it. Congressional oversight committees that have investigated the matter have backed away from disclosing any details—partly because they fear the consequences for companies with extensive operations abroad.

William Colby, a former CIA director and currently a Washington attorney, says the motivation for companies that provided cover for CIA agents was strictly patriotism. "A country needs an intelligence service, and an intelligence service needs cover," Mr. Colby says. "These companies could provide it, and they undertook the risk to help their country. They certainly didn't make a profit out of it."

According to intelligence sources, Chase Manhattan Bank, which had been providing cover for CIA agents for years, recently stopped the practice, for fear that its disclosure could harm the bank's business dealings and the interests of its stockholders. A spokesman for Chase Manhattan declines comment.

Although it is only a piece of the foreign-payoffs puzzle, the use of corporate cover also raises troubling problems for the Justice Department's prosecution of some payoff cases. That's because the examples of this type of CIA-corporate contact demonstrate that the interest of American companies and the U.S. government have often become entangled abroad. Indeed, in some instances they apparently have shared the same bribery targets.

Hidden Motive

For example, one ex-CIA man recalls that one "corporate" payoff made by a deep-cover agent posing as an executive of a U.S. company was actually made for the CIA's own purposes. According to the ex-official, the agent-executive bribed a deputy minister of a Southeast Asian country to ensure that a certain make of building equipment was installed in buildings in the country's capital. But the deeper reason for the bribe, the ex-official claims, was that "the CIA wanted to get a handle on the government official being bribed."

In Southeast Asia generally, according to this former intelligence official, "deep-cover people with corporations were sanctioned to bribe people."

The corporate covers also pose more mundane problems for the CIA, according to intelligence experts. For one thing, it can sometimes be difficult to recruit young agents into these assignments, which could keep them undercover for 10 years or more and which usually prevent them from rising in the agency's own bureaucracy. What's more, the corporate CIA men are supposed to pay back to the government the difference between their corporate salaries and the lower pay corresponding to their civil-service grades. This is understood to have cost one deep-cover man in Asia 20% of his take-home pay.

Few Public Disclosures

There haven't been many public disclosures of the CIA's relationship with U.S. companies. One small oil producer, Ashland Oil Inc., disclosed three years ago that it had accepted nearly \$100,000 from the agency and had acted as a cover for covert activities for as long as five years. But Justice Department officials maintain that just because the CIA may have known of certain corporate bribery activities, the U.S. government wasn't necessarily tacitly approving such payoffs.

The Justice Department's Mr. Heymann stresses that he will resist any "broad interpretation" of what constitutes government knowledge or endorsement of payoffs. "We have a massive government presence abroad," he argues. "It would be impossible to run a system abroad if notice by any official could be treated as acquiescence by the government."

The possibility that payoff prosecutions could lead to disclosure of information that would be embarrassing, or worse, for the government isn't lost on attorneys representing corporate executives or on Justice Department officials.

Three Counts Dropped

Last month, for example, the government dropped three counts of its six-count indictment of Edward Gerrity, a top executive of International Telephone & Telegraph Corp., who had been charged last March with lying about ITT's activities in Chile. The apparent reason: To defend these counts, Mr. Gerrity's lawyer requested documents about a top-secret matter that the government wasn't willing to disclose. And if prosecuting the remaining three counts requires similar disclosures, the Justice Department may prefer to drop the case entirely.

The department's Mr. Heymann won't tip his hand about any prosecutions of corporate executives. But he appears to be wise to the game of "chicken" being played out in many cases touching on sensitive foreign-policy issues.

"The game for a defendant," Mr. Heymann explains, "is to demand information that you know the government won't release. As soon as you find a piece of information the government won't release, you win."

HUMAN EVENTS

30 September 1978

ARTICLE APPEARED
ON PAGE 19

Spotlight on Congress

Not Prepared

By REP. GENE SNYDER (R.-Ky.)

While we have been tying the FBI and the CIA up in court cases, investigations and crippling restrictions, there are growing expectations that the U.S. will experience an epidemic of terrorism within the next year or two.

There is also evidence that we won't be ready to cope with it when it hits.

The best way to fight terrorism is through intelligence. By knowing what is planned and who is planning it, terrorism can be prevented. But our intelligence agencies have been hamstrung by the recent assaults on their ability to collect intelligence. Budgetary and manpower reductions have severely hampered anti-terrorism operations.

The number of informants in terrorist organizations has dropped from 1,100 in 1976 to less than 100. FBI Director William Webster said in May that the FBI currently has only 42 informants in the "domestic security and terrorism fields."

The situation can be fairly well summed up by the title of a recent GAO report—"FBI Domestic Intelligence Operations—an Uncertain Future."

That report says that the "Justice Department and FBI officials recognize that the current scope of domestic intelligence operations severely limits the FBI's opportunity to anticipate crimes. They realize that a crime is likely to have been committed before a group comes to the FBI's attention. As such, the operations, as handled by the FBI's Domestic Security-Terrorism Section are aimed primarily toward the collection of evidence for criminal prosecution."

To me that says the FBI might be able to dig up enough evidence to take a terrorist to court *after* his act is complete but will be powerless to prevent the killing, the kidnapping, the bombing or whatever the terrorists might have in store for us.

This kind of intelligence gathering might get some convictions—and that is great, but it won't do much for the people the terrorists choose as their targets.

Apparently, intelligence experts expect Palestinian organizations, West German or Italian groups to be the most likely sources of terrorism. This is particularly interesting in view of recent reports that several members of the West German terrorist group—the Baader-Meinhof gang—had slipped into this country from Canada. I think we'd better get ready.

Terrorism is not yet a serious problem in the United States. We can be thankful for that. But we should also be looking to the future, preparing for the day we might not be so fortunate. And it should be obvious that continuing to treat the CIA and the FBI as criminals won't leave us any better prepared if and when terrorism does strike.

Michael Novak

Covert action, spying are tools of survival

In London this September, a broadcaster for Radio Free Europe was boarding a bus when a man with an umbrella charged forward and jabbed him in the thigh with the tip of his umbrella. Apparently poisoned, this critic of communism died three days later. Those who daily risk their lives to criticize the Soviet empire often lose their lives.

A month earlier, a young American, briefly an employee of the CIA, was finally arrested a long time after he had turned over to Soviet agents plans for a key American spy satellite, on which the United States critically depends for verification of Soviet arms behavior. Watchers of the satellite had detected suddenly successful Soviet defensive operations.

In "Commentary" magazine for September, a highly trained Soviet dissident now in the United States asserts that the United States has no secret agents on the ground in the Soviet Union. He says the CIA has to translate Soviet publications (Aganda) for its estimates of Soviet economic, agricultural and military behavior.

The American capacity for intelligence has been systematically shattered by attacks from Congress, from its own employees, and from — it is now widely believed — the penetration of Soviet agents high into the CIA itself. The ability of the CIA to protect its own agents around the world has been undermined by public committees that publish information identifying every U.S. agent abroad. Many dedicated persons are thus eliminated.

The liberal convention of the last decade or so has been to try to cripple the CIA and the FBI. Who has counted the costs?

West German intelligence estimates that the Soviet KGB maintains more than 100,000 agents in Western Europe, many of them under deep cover. In recent years, Soviet penetration reached as high as Chancellor Willy Brandt's personal secretary. It also netted a top general in Switzerland.

"Liberation armies" in a score of countries are given salaries and supplied from outside. The Palestine Liberation Organization has access to millions of dollars of costly funneled arms, training and international liaison. The PLO does not support itself by popular sentiment, speeches, rhetoric and passing the plate. Hard cash — most of it from various Arab factions — keeps it active. Shiny weapons are its voice.

Peace, nowadays, is war carried out by other means. If the United States does not have the capability to conduct covert operations, it has no intermediate instrument between diplomatic rhetoric and open warfare. This is acceptable to those who believe that international politics is conducted by reasonable and moral men, judiciously choosing the moral thing to do. In a humane and reasonable world, some believe, force is an improper instrument of policy. But this is a serious mistake.

Reasonable discourse is always affected by superior force. To those with lesser force, the person with greater force begins to sound reasonable. When the costs of

disagreement go up, the weak quietly acquiesce. It becomes reasonable to choose surrender rather than useless bloodshed.

The Founding Fathers of the United States believed unequivocally in the importance of covert intelligence and covert operations. Benjamin Franklin practiced the profession of spying both in Great Britain and in France. George Washington made covert operations central in the Revolutionary Army. A nation without superior intelligence and the capacity for covert uses of force risks death.

As the population of the United States becomes more educated, serious observers cannot help noting a withdrawal from reality. Global warfare is unpleasant to contemplate. Better to jog, to sip wine and nibble cheese, to search for one's own identity, and to believe that the world is run by morality and reason. Call those who worry about the superior capabilities of the enemy "cold warriors."

But this is not the Cold War. The Cold War ended years ago, when the Soviet Union was relatively weak. Now the Soviet Union is a military empire, governed by secret police, with capabilities for covert and overt action on every continent and in every ocean. We have put the Cold War behind us. We lost it. What we face now is too awful to contemplate. Most prefer not to.

Young PhDs looking for jobs might well consider the CIA — or, preferably, a new and more efficient organization. We need a covert force of high-minded and skillful talents. We need it urgently.

Page Denied

Next 1 Page(s) In Document Denied

RADIO TV REPORTS, INC.

4435 WISCONSIN AVENUE, N.W. WASHINGTON, D.C.

244-3540

FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News STATION WRC-TV
NBC Network

DATE October 9, 1978 6:30 PM CITY Washington, D.C.

SUBJECT Arkady Shevchenko

JOHN CHANCELLOR: Until last April, Arkady Shevchenko was the highest-ranking Soviet citizen at the United Nations, Undersecretary-General of the U.N. Then he defected to the United States, taking on a new name.

And now, in Washington, D.C., Arkady Shevchenko's cover has been blown by a woman who says Shevchenko paid her to be his companion. He confirmed those payments to NBC News today.

What is somewhat surprising about the story you're about to hear is the relaxed way the American authorities handled this defector, the highest-ranking Soviet official ever to turn himself over to the American Government.

In any case, she has made it all public: his name, where he lived, a place he will not return to now, so we can show it to you without endangering him.

James Polk got the story.

JAMES POLK: Since July, a white-haired stock man has been living in this luxury apartment building in Washington under a false Finnish name. He is, in fact, this man, Arkady Shevchenko, a former Russian diplomat and the highest-ranking Soviet official on the United Nations' staff until he disappeared and sought political asylum in this country.

For Shevchenko, the life of a defector cooperating with the Central Intelligence Agency has been a comfortable one. He has a checking account under his own name in the \$50,000 range in this Washington bank. Under guard, he visits Washington nightclubs

OFFICES IN: NEW YORK • LOS ANGELES • CHICAGO • DETROIT • AND OTHER PRINCIPAL CITIES

Material supplied by Radio TV Reports, Inc. may be used for file and reference purposes only. It may not be reproduced, sold or publicly demonstrated or exhibited.

and restaurants, like this one; and flew to the Virgin Islands for a week's vacation this summer with a woman who has told NBC News she was Shevchenko's paid companion, given cash and checks by him at the rate of \$5000 a month.

When Shevchenko came to lunch today at the Iron Gate Inn in Washington, NBC News tried to talk with him.

ARKADY SHEVCHENKO: And at the present moment, I don't like to meet with the press.

POLK: Well, we...

SHEVCHENKO: I would like to avoid the meeting with the press for the time being. I'm settling down. Everything is all right now.

[Confusion of voices]

SHEVCHENKO: I'm not prepared to now to give the interview and answer the questions.

POLK: The woman with whom Shevchenko was supposed to keep his luncheon date and who tipped off NBC News is Judy Chavez, who said she became the defector's paid companion, with FBI and CIA knowledge, after an escort service sent her to Shevchenko's hotel suite. She said the defector first gave her \$500 a night, then \$5000 a month, mostly in cash, sometimes in checks, like this one for \$9000 to buy this new sports car for her last month.

How much has Shevchenko given you, all together? In cash and checks.

JUDY CHAVEZ: Between 35 and 40 thousand dollars.

POLK: Have you ever had any indication of where it was coming from?

CHAVEZ: Yes. At one point, the FBI called me at home. They wanted an emergency meeting with me to try and find out exactly how much money I was receiving, because the CIA had asked them to question me. What they told me was that Arkady goes to a high official in the CIA; he, in turn, gives the money to Arkady; he, in turn, gives the money to me.

POLK: Chavez is negotiating to write a book, and was accompanied by a lawyer in the interview.

A spokesman for the CIA acknowledged Shevchenko is receiving money from the CIA for living expenses as part of its agreement with Shevchenko. The CIA spokesman said, "How Shevchenko spends that money is up to him."

As Shevchenko left the restaurant today, we tried to ask him about the allegations. Told that the man accompanying Shevchenko was an undercover CIA agent, NBC News has masked that portion of the picture. Shevchenko, who settled his United Nations contract for \$78,000, acknowledged that he did take the trip to the Virgin Islands, bought the car, and gave the money to Chavez, but he said he used his personal funds.

SHEVCHENKO: I got a lot of money from the United Nations.

CIA AGENT: We don't wish to comment on any of these things, Mr. Polk.

SHEVCHENKO: Yeah. And I got a lot of money.

POLK: Who paid for the trip to the Virgin Islands in June?

SHEVCHENKO: I had enough money. It was not expensive.

CIA AGENT: We do not intend to comment on any of these things, Mr. Polk.

POLK: The CIA acknowledged that Shevchenko is in their protective custody, but did not discuss why such an important defector was allowed such freedom.

DAVID BRINKLEY: Miss Chavez, it is said, is talking of writing a book about all this. It is difficult to keep anything secret in Washington because you can never be sure which of those involved will be tempted to blow the whole thing by writing a book about it.

THE WASHINGTON POST
10 October 1978

ARTICLE APPEARED
ON PAGE A-1,14

Defector's High Life Disclosed

By Bill Richards

Washington Post Staff Writer

Six months ago Arkady Shevchenko was proclaimed to be a Soviet spy who came in from the cold, quitting his \$87,000-a-year United Nations post to seek refuge in the United States.

Two months later, he was touring the sunny Caribbean with a female escort, paying her \$3,000 a month for her companionship with CIA funds, she claimed on national television last night.

Judy Chavez, the American escort, indicated in an interview with NBC television that she plans to write a book about her fling with the former Soviet diplomat. Shevchenko gave her a check for \$9,000 to buy a sports car and then, in June, took her to a resort in the Virgin Islands for a holiday, she said.

Shevchenko's high living so concerned the Central Intelligence Agency that she said at one point FBI agents called her and requested "an emergency meeting" to determine exactly how much cash the former Soviet diplomat was passing on to her. She estimated that she had received between \$35,000 and \$40,000.

"What they told me," she said, "was that Arkady goes to a high official in the CIA. He, in turn, gives the money to Arkady who, in turn, gave the money to me."

After Chavez' revelation was aired yesterday a CIA spokesman acknowledged that the intelligence agency was indeed giving Shevchenko a regular stipend "to help him along until he becomes established in his own identity." The spokesman said the arrangement was "pretty standard" for defectors, but he declined to say how much Shevchenko was paid.

Shevchenko, asked at a downtown restaurant about Chavez's claim, was reluctant to comment. He told NBC, "I would like to avoid meeting with the press for the time being. I'm settling down. Everything is all right now."

Later, pressed on the source of the money, he said, "I got a lot of money from the United Nations." Asked about the Virgin Islands trip, he said, "I had enough money; it was not expensive."

According to Chavez, the former Soviet diplomat maintained a checking account of about \$50,000 in a bank here. Shevchenko's former attorney, Ernest A. Gross, said last night that Shevchenko settled with the United Nations for \$78,000 when he left his post, as under secretary general. Shevchenko moved to the District of Columbia in May, said Gross.

Chavez said that Shevchenko gave her \$500 a night after she met him through an escort service. As the arrangement became more regular she said he paid her \$5,000 every month.

The 47-year-old former U.N. official is the highest-ranking defector ever to leave the Soviets. When he announced through his attorney that he would not go home, Soviet officials at-

tempted to claim that he was being held in the United States "under duress." The charge was denied by Gross at the time as "ludicrous."

After Shevchenko defected, there were reports from Moscow in May that his wife, Leongina, had died from an overdose of sleeping pills.

Gross said yesterday that Shevchenko, who NBC said was living in a luxury apartment house under an assumed Finnish name, had received several offers of jobs from universities and that several publishers also were seeking to have him write a book.

The CIA's spokesman said that while Shevchenko is kept under "pretty close tabs" he is allowed to move about freely.

"We are aware of what he is doing," the spokesman said. "What he does with his money is his business."

THE WASHINGTON STAR (GREEN LINE)

10 October 1978

ARTICLE APPEARED
ON PAGE A-1,6

Did Defector Lavish CIA Money on

Woman?



ARKADY SHEVCHENKO
Pays for "companion"

From News Services

Arkady Shevchenko, the Russian who left a high United Nations post and defected to the United States, gave a young woman between \$35,000 and \$40,000 to be his "paid companion," NBC News reports.

The woman, Judy Chavez, said the money came from the CIA, but Shevchenko said it came from his U.N. severance pay of \$78,000. The CIA confirmed that it was paying the defector's living expenses and NBC quoted a spokesman as saying, "How Shevchenko spends that money is up to him."

At the request of the Soviet Union, Shevchenko, 47, was given the post of U.N. undersecretary general for political and Security Council affairs. This made him the highest-ranking Russian in the Soviet U.N. mission and was one rank below that of secretary general.

ON APRIL 10 Shevchenko disap-

peared and on April 25 applied for asylum in the United States, citing "serious differences of political philosophy and conviction with the present Soviet system." A number of published reports said Shevchenko had been in touch with U.S. officials since 1976.

Chavez approached NBC with the information that Shevchenko had met her through an escort agency, originally paid her \$500 a night, then \$5,000 a month. She said he took her with him to the Virgin Islands and bought her a \$9,000 sports car, NBC said.

Asked NBC reporter James Polk: "How much has Shevchenko given you altogether? In cash and checks?"

"Between 35 and 40 thousand dollars," Chavez said.

"Have you any indication where it was coming from?" Polk asked.

"AT ONE POINT," she replied, "the FBI called me at home. They wanted an emergency meeting with me to try to find out exactly how much money I was receiving because the CIA had asked them to question me."

"What they told me was that Arkady goes to a high official in the CIA, he in turn gives the money to Arkady, who in turn gives the money to me."

Shevchenko had made a date with Chavez for lunch, but an NBC camera crew showed up instead.

"At the present moment," he said, "I don't like to meet with the press."

Asked where the money to pay Chavez came from, Shevchenko said, "I got a lot of money from the United Nations."

Asked who paid for the Virgin Islands trip, Shevchenko said, "I had enough money. It was not expensive."

Interrupted a CIA agent: "we do not intend to comment on this."

Shevchenko had been living in a luxury apartment building in Washington using a Finnish name, and had a checking account in the \$50,000 range under his own name in a Washington bank, NBC News said.



JUDY CHAVEZ
Claims CIA gives money

ARTICLE APPEARED
ON PAGE 44

THE BOSTON GLOBE
10 October 1978

CIA allegedly paid defector's bill for consort

United Press International

WASHINGTON—Arkady Shevchenko, the Russian who left a high-level United Nations job and defected to the United States, gave a young woman between \$35,000 and \$40,000 to be his "paid companion," NBC News reported yesterday.

The woman, Judy Chevez, said the money came from the CIA, but Shevchenko said it came from his UN severance pay of \$78,000. The CIA confirmed it was paying the defector's living expenses and NBC quoted a spokesman as saying, "how Shevchenko spends that money is up to him."

At the request of the Soviet Union, Shevchenko, 47, was given the job of UN undersecretary-general for political and Security Council affairs. This made him the highest-ranking Russian in the Soviet mission.

On April 10, Shevchenko disappeared, then on April 25 applied for asylum in the United States, citing "serious differences of political philosophy and conviction with the present Soviet system." He reportedly had been in touch with US officials since 1976.

Chevez approached NBC with the information that Shevchenko had met her through an escort agency, originally paid her \$500 a night, then \$5,000 a month. She said he took her with him to the Virgin Islands and bought her a \$9000 sports car, NBC said.

Asked NBC reporter James Polk: "How much has Shevchenko given you altogether? In cash and checks?"

"Between 35 and 40 thousand dollars," Chevez said.

"Have you any indication where it was coming from?" Polk asked.

"At one point," she replied, "the FBI called me at home. They wanted an emergency meeting with me to try to find out exactly how much money I was receiving because the CIA had asked them to question me."

"What they told me was that Arkady goes to a high official in the CIA, he in turn gives the money to Arkady, who in turn gives the money to me."

Shevchenko, asked where the money to pay Chavez came from, said: "I got a lot of money from the United Nations."

Asked who paid for the Virgin Islands trip, Shevchenko said, "I had enough money. It was not expensive."

Interrupted a CIA agent: "We do not intend to comment on this."

ARTICLE APPEARED
ON PAGE 7ATHE ATLANTA CONSTITUTION
10 October 1978**\$500 A NIGHT**

Defector Gave CIA Money To Woman

From Press Dispatches

WASHINGTON — Soviet defector Arkady Shevchenko, once an undersecretary-general at the United Nations, has given \$35,000 to \$40,000 in CIA money to a woman who is negotiating to write a book about it all, NBC News

reported Monday night.

However, Shevchenko, who on April 6 stopped going to his job as U.N. undersecretary-general for political and Security Council affairs, said the money he gave to the woman, Judy Chavez, came from his U.N. severance pay of \$78,000, NBC News said.

Ms. Chavez approached NBC with the information that Shevchenko had met her through an escort agency, originally paid her \$500 a night, then \$5,000 a month. She said he took her with him to the Virgin Islands and bought her a \$9,000 sports car, NBC said.

Asked NBC reporter James Polk: How much has Shevchenko given you altogether? In cash and checks?

"Between 35 and 40 thousand dollars," Ms. Chavez said.

"Have you any indication where it was coming from?" Polk asked.

"At one point," she replied, "the FBI called me at home. They wanted an emergency meeting with me to try to find out exactly how much money I was receiving because the CIA had asked them to question me."

"What they told me was that Arkady goes to a high official in the CIA, he in turn gives the money to Arkady, who in turn gives the money to me."

Herbert Hetu, chief spokesman for the CIA, confirmed in a telephone interview that Shevchenko was being paid a living allowance, but refused to say how much money was involved.

"We don't normally release that type of figure because it is a different case with each defector," Hetu said. NBC quoted a CIA spokesman as saying how Shevchenko spends his allowance is his own business.

Shevchenko, a specialist in disarmament issues, was appointed to the Soviet position in the U.N. Secretariat in 1973.

THE WALL STREET JOURNAL
11 October 1978

ARTICLE APPEARED
ON PAGE 26

Asides

Good Line

A cheer for President Carter's handling of the delicate matter of whether the CIA financed the \$35,000 to \$40,000 one Judy Chavez, hyping a book she plans to write about it, says she got from Soviet defector Arkady Shevchenko for attending his Caribbean vacation. The President said the reports of CIA financing in these terms were not true, but if they were his reaction would be that the amounts are highly inflationary.

ARTICLE APPEARED
ON PAGE A-1,20

THE WASHINGTON POST
11 October 1978

Carter Sees West Bank Discussions Sinai Also on Slate As Arabs, Israelis Head to Blair House

By Don Oberdorfer

Washington Post Staff Writer

EXCERPT:

Asked about the alleged sale to the Soviets by a CIA watch officer of a technical manual for U.S. spy satellites, Carter said, "It has not affected the SALT talks." Although any disclosure of classified information is potentially damaging, he said, U. S. aerial surveillance capacity is adequate to verify present or future agreements on strategic arms.

Carter evoked waves of laughter at his news conference with an unusually jocular reply to a question about reports that Soviet defector Arkady Shevchenko paid between \$35,000 and \$40,000 to a young woman for companionship, allegedly from funds provided by the Central Intelligence Agency.

"If the figures the woman quoted were accurate, which they aren't, it would be highly inflationary," said Carter. The president went on to say that Shevchenko, formerly a senior U.N. official, amassed large sums from his U.N. earnings and will be paid "substantial advanced payments" for writing a book or books about his experiences.

Carter volunteered that Adm. Stansfield Turner, director of Central Intelligence, "would be glad to answer" questions about the payments to Shevchenko. The president said he did not know all the details, but said the CIA payments do not equal what Shevchenko's friend, Judy Chavez, reportedly said she was paid.

In a statement issued later through his press spokesman, Turner said that Shevchenko was receiving CIA payments "commensurate with his services and value to the United States." The statement did not say, and spokesman Herbert E. Hetu would not say, how much the payments are.

The CIA statement also said that "while concerned with his personal safety, the CIA exercises no control over the private life of Mr. Shevchenko," who was described as "a permanent resident of the United States." The CIA said it has not provided any funds directly or earmarked for Shevchenko's companion.

ARTICLE APPEARED
ON PAGE A-1WASHINGTON STAR (GREEN LINE)
11 OCTOBER 1978CIA Not Amused

Defector Must Be Rehidded After Woman Escort Talks

By Jeremiah O'Leary
Washington Star Staff Writer

The CIA, unamused by the high-spending antics of Russian defector Arkady Shevchenko with a woman from a Washington escort service, will have to relocate him elsewhere in the United States for his own safety.

"He was under cover until all this happened. Now the Soviets have got him pinpointed and we'll just have to relocate him," CIA spokesman Herbert Hetu said.

In CIA parlance, that means Shevchenko will be given another new identity and in another area. When the 47-year-old Shevchenko met Judy Chavez through a local escort service that is listed in the yellow pages, he had a Washington apartment and a Finnish-sounding name.

"The whole thing is the woman's story," said Hetu. "The implication is falsely made that the CIA is paying for a whore."

THE CIA ACKNOWLEDGED that Shevchenko, once a high-ranking official of the United Nations Secretariat, is receiving a consultant's fee when he works but denied that he is receiving a fixed annual income.

It was revealed recently that another defector, Yuri Nosenko, an ex-KGB agent, was being paid about \$35,325 a year by the CIA for his services.

Indications are that Shevchenko's wages would come to about \$35,000 if he worked steadily.

The CIA insisted that Shevchenko drew about \$78,000 in back salary when he left the United Nations last April and, moreover, had a fair amount of money in the bank. His rank at the United Nations was undersecretary general for political and Security Council affairs until he

applied for asylum in the United States.

Chavez told NBC on national television that Shevchenko at first paid her \$500 a night but then switched to \$5,000 a month. He also bought her a \$9,000 sports car and took her on a trip to the Virgin Islands. All told, Chavez said, Shevchenko gave her between \$35,000 and \$40,000.

"HE'S FREE TO do whatever he pleases," the CIA said. "We can't control his movements."

Former CIA officials said it looked as if the agency couldn't win, no matter how it treats defectors. Nosenko, according to widely publicized CIA testimony, was badly mistreated and held in solitary confinement over a period of five years before being released and hired as a consultant.

Shevchenko evidently was given free rein and had the money to live the high life.

Chavez could not be reached last night, but has obtained a literary agent in New York who said that Chavez was "out of town."

When President Carter was asked about Shevchenko's reported government-financed arrangement with Chavez, he uncharacteristically replied with a gag line.

His questioner at yesterday's press conference asked Carter what he thought about the defector's whereabouts being revealed "by a paid woman companion who says that the funds for her companionship came from the CIA?"

Carter responded by saying, "if the figures the woman quoted were accurate, which they aren't, it would be highly inflationary (and) contrary to my policy there."

Carter, whose staff had obviously anticipated the question, said CIA payments to Shevchenko were smaller than those reported and suggested the CIA would have more information.

12 October 1978

ARTICLE APPEARED
ON PAGE A-19Joseph Kraft

Defector Detection: Not by the Media

An undoubted public interest impels inquiry into the way the Central Intelligence Agency deals with defectors. But is exposure on television and in the press the right way to probe the matter?

Almost certainly not. So there are grounds for questioning the revelations by NBC television of the life of Arkady Schevchenko, the former Soviet diplomat who defected from his high post at the United Nations Secretariat six months ago.

Shevchenko is not the first Soviet defector whose treatment by the CIA has acquired notoriety. Only the other day a congressional committee was hearing from a CIA witness the horror story of what happened to Yuri Nosenko, a former officer in the Soviet secret police, or KGB, who defected in 1964.

The agency suspected Nosenko of being a plant with phony information. He was held incommunicado for long periods and subjected to intense pressures. One of his CIA captors, at one point, suggested that he be killed. Relevant information he supposedly had about the assassination of President Kennedy was withheld from the Warren Commission.

In the case of the NBC exposure, the implicit criticism is the reverse: Schevchenko, according to the NBC story, which seemed sound in every detail, lived it up as a defector and acted in a way that was almost certain to attract attention. Among other things, he hired a woman—Judy Chavez, who was the source of the story—for sexual services. He paid her some \$40,000, including a trip to the Virgin Islands and money for a car. He lived in a fashionable Washington apartment house.

Taken together, the two stories demonstrate the legitimate public interest in the handling of defectors. There have clearly been abuses. Some kind of discipline needs to be applied, and that means unearthing the facts.

But the two stories also indicate why the fact-finding job ought not to be left to the necessarily capricious workings of journalistic enterprise. In the first place there is a national-security interest.

Defectors provide information valuable to those who make American foreign and defense policy. Breaking the cover of former defectors discourages those who would follow suit. But none of us in the media are in good position to weigh up the loss of information against the value of correcting abuses.

Neither are we well equipped to identify with any clarity the nature of

“The defector stories indicate why the fact-finding job ought not to be left to the necessarily capricious workings of journalistic enterprise.”

the abuses. Those who focus on the Nosenko case will be persuaded the CIA is excessively secretive and harsh. Those who stress the Schevchenko case will believe the problem is laxity.

Because outsiders necessarily deal on a case-by-case basis, we cannot know the whole story. Inevitably, we feature extremes and are unable to draw the balance.

We are not even well equipped to determine the rights and wrongs of individual cases. Maybe Schevchenko has a story to tell—a story of the trauma of defection and the troubles it brings to family and friends. But he can't tell that story publicly. Maybe the CIA was restrained from controlling his actions by present standards of fair treatment. But the agency can't tell its story in public, either.

Finally, there is the little matter of the First Amendment. Its protection of a free press is now under attack in many different ways. One of the reasons is that some of the leading institutions in the press and television have used the First Amendment as a cover for stories rich in entrepreneurial self-promotion but wholly divorced from the original purposes of the constitutional protection.

The NBC broadcast on Schevchenko seems to me a case in point. It made first-rate television—a bulldog investigative reporter confronting a non-plussed defector with the facts as a CIA

agent, whose picture was blacked out, vainly sought to protect his charge.

But the public interest has not been well served. The best NBC can say for itself is that somebody else would have run the story. That seems to me not good enough at a time when the press and television, in the interest of preserving the First Amendment privilege, ought to be taking pains to prove responsibility. And as for settling the serious question of treating defectors, that requires an inquiry by competent authorities working behind closed doors.

©1978, Field Enterprises, Inc.

ARTICLE APPEARED
ON PAGE A -5

THE WASHINGTON POST
12 October 1978

CIA Says Cover Of Shevchenko Has Been Blown

Associated Press

The Central Intelligence Agency will have to give Soviet defector Arkady Shevchenko a new identity and location in the United States for his safety because of a female companion's allegations of their free-spending adventures together.

"Part of his protection was his anonymity," CIA spokesman Herbert Hetu said yesterday. "Obviously, it was blown" when Judy Chavez told her story on nationwide television, Hetu said.

Chavez told NBC News on Monday that Shevchenko, who defected from a high-level position at the United Nations in April, had paid her between \$35,000 and \$40,000 since asking and receiving asylum in the United States.

Hetu refused comment on a Washington Star report that Shevchenko was living in a Washington apartment and using a "Finnish-sounding name" when he met Chavez through a local escort service. But Hetu said it was obvious Shevchenko will have to be relocated under a new name.

The CIA spokesman refused to confirm or deny estimates that, if he works steadily, Shevchenko would be



ARKADY SHEVCHENKO

... a new identity, a new locale

receiving about \$35,000 a year as a CIA consultant.

President Carter and CIA Director Stansfield Turner denied Tuesday that the CIA gave \$35,000 to \$40,000 to Shevchenko to pay for Chavez's services. Carter joked at his news conference that such a sum would have violated his anti-inflation program.

ARTICLE APPEARED
ON PAGE 12

LOS ANGELES TIMES
11 OCTOBER 1978

CARTER SEES FEES OF DEFECTOR'S GIRL AS INFLATIONARY

From a Times Staff Writer

WASHINGTON—In President Carter's view, charges that Soviet defector Arkady Shevchenko, a former United Nations official, paid more than \$35,000 in Central Intelligence Agency funds to a young woman companion are inaccurate and contrary to his anti-inflation policy.

Laughter brought Carter's news conference to a dead halt Tuesday when the President said with a broad grin that the payments cited by the woman, Judy Chavez, would, if accurate, "be highly inflationary."

Carter said he understood Shevchenko "had large sums of money paid to him by the United Nations when he terminated his services there" and was also in line for a substantial advance from a publisher on a book he planned to write.

He said he was not fully familiar with the payments from the CIA to Shevchenko but was sure "they don't equal what the woman said was paid for her services or favors."

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE B1-3THE WASHINGTON POST
7 October 1978**Suicide Theory in Dispute****Police Probing Paisley's Diving Weight**By Blaine Harden
and Stephanie Mansfield
Washington Post Staff Writers

Maryland State Police, confronted by an apparent suicide that they say makes no sense, are investigating the possibility that one of the two diving weights strapped around ex-CIA official John A. Paisley's body did not belong to him, a police spokesman said yesterday.

The second weight belt, attached to the body found floating last Sunday in Chesapeake Bay, was one subject discussed at a three-hour meeting yesterday morning between Paisley's family and police, according to family lawyer Terrence O'Grady.

That meeting, held in O'Grady's Falls Church office, and the intensive seven-man investigation continued yesterday by Maryland police indicated that authorities are far from convinced that Paisley killed himself.

"Nobody can account for the second set of weights," O'Grady said. "It's a mystery and one that has bothered the family from the very beginning."

Scuba divers contacted yesterday who frequently dive in Chesapeake Bay said it is unusual for a diver to own or use more than one set of weights.

Paisley, 55, former director of the CIA's Office of Strategic Research, was first reported missing Sept. 24, the day before his unoccupied 31-foot sailboat was spotted run aground near Point Lookout, Md. His body was found a week later with a bullet hole above and behind the left ear, weighted down by the 38-pound belts.

It was learned yesterday that some of Paisley's scuba equipment was not aboard the sailboat when he disappeared. A Maryland detective, who went looking for the scuba gear yesterday at Paisley's Washington apartment, was told by the resident manager at 1500 Massachusetts Ave. NW that she saw the equipment in Paisley's apartment the day after he was reported missing.

Investigators, according to police spokesman Cal Jerry Eiseman, were working throughout the state, tracing down Paisley's actions before his disappearance and questioning people in the Solomons, Md. area who reported seeing the former CIA official on the day he disappeared.

Eiseman said police have not begun a water search for a gun because the area in which Paisley's body was

found is one of the deepest in Chesapeake Bay—about 150 feet. "We just don't know where to start the search," Eiseman said.

State Medical Examiner Dr. Russell Fisher said yesterday that state ballistics experts are having trouble identifying the bullet that killed Paisley because it fragmented on impact.

"The (steel) jacket on the bullet came off and the bullet fragmented so it is impossible to tell what angle the shot came from," Fisher.

The angle of entry of a bullet is often significant in determining whether it was possible for the victim to commit suicide, Fisher said.

Eiseman said the size of the wound indicated that the bullet might have come from a gun larger than a 9-millimeter pistol, which Paisley was known to keep on board his 31-foot sailboat. Police found an unspent 9-millimeter cartridge in the cabin of the boat after it was found unoccupied on Sept. 24.

Eiseman said he learned yesterday that "CIA people use heavier loads in their weapons." He speculated Paisley's wound could have been caused by a 9-millimeter shell with a heavier load in the bullet.

Official CIA documents, marked "For Internal Use Only," were found in a briefcase on Paisley's sailboat and in his Washington apartment, according to O'Grady, who has had access to Paisley's financial and business records.

CIA spokesman Dale Peterson confirmed the presence of the documents, but said they had nothing to do with a breach in the security in the agency's so-called KH-11 satellite surveillance system.

Reports in the Wilmington News Journal this week, termed "ridiculous" by the CIA, linked Paisley's death with the theft this summer of documents related to the surveillance system.

Several days ago the Senate Intelligence Committee began a secret inquiry into Paisley's death. No information from that inquiry has been made public.

One CIA employe and former associate of Paisley yesterday called the

circumstances surrounding the possible suicide "strange."

"He was not a dramatic man," the friend said. "He was a true intellectual, an avid reader. He was unpretentious and reliable and sensible. He was a gentle man and very well liked. But he was a private person."

At the time of his death, Paisley was earning \$36,000 a year as executive assistant to K. Wayne Smith, head of the Washington branch of Coopers and Lybrand, an accounting firm. Smith said yesterday, "If he had financial or marital problems, he certainly concealed them, from us."

Paisley joined the firm, according to Smith when he became "bored" with retirement. After leaving the CIA in 1974, Paisley pursued his sailing interest that friends said, may have caused the break up of his marriage. "He was ready to do something else," one friend said yesterday. "He wanted to spend time on his boat."

At the time of his death, Paisley had grown a scraggly beard, lost weight and started dating, according to the friend. He was fascinated by electronics, and took up ham radio as a hobby.

If Paisley did commit suicide, said family lawyer Terrence O'Grady, insurance was not a motive.

"He had regular government coverage," O'Grady said, adding that no other insurance papers have been found. The lawyer also said that suicide would not effect payment of the benefits that he believes will go to Paisley's estranged wife.

As to what really happened on Paisley's boat, O'Grady said yesterday, "I don't think we'll ever know."

After his retirement in 1974 from the CIA, Paisley continued as a consultant to the agency, specializing in Soviet Military economics. A CIA spokesman yesterday dismissed as "coincidental" that Soviet Embassy personnel lived in the same apartment building as Paisley. The resident manager at the partment building, located a block from the Soviet Embassy, said yesterday, "We have a lot of embassy people here, from every country. After all, we're within walking distance of the embassies."

ARTICLE APPEARED
ON PAGE 1-36

THE CHICAGO TRIBUNE
8 October 1978

CIA spy mystery: How did he die and why?

By James Coates

Chicago Tribune Press Service

WASHINGTON—The Senate Intelligence Committee has opened an investigation to determine whether the mysterious death of a CIA analyst on Chesapeake Bay is linked to the disappearance of United States spy satellite data.

John Paisley, 55, who spent his CIA career using spy satellites to monitor Soviet military moves, was found Sunday in the bay with 38 pounds of weights tied to his body.

The Senate investigation began, a spokesman said, after Sen. William Roth [R., Del.] requested the committee to probe allegations Paisley's death is related to a successful Soviet KGB move to obtain technical data about the U.S. spy satellite system known as "Big Bird."

THE DISCOVERY of Paisley's body has plunged the CIA into confusion and has alarmed many intelligence community experts. The initial police reaction that Paisley's death appeared to be a suicide did little to allay that confusion.

The CIA's immediate reaction was to downplay the death. The day after the body was found, CIA spokesman Herbert Hetu told reporters Paisley had retired from the agency in 1974 as deputy director of the Office of Strategic Research.

TWO DAYS LATER, Hetu acknowledged that Paisley had retained his ties with the agency by becoming a consultant on various projects to evaluate Soviet military prowess.

At that time, Hetu said the agency was not investigating Paisley's death. "We're leaving that to the Maryland police," he said. The next day it was disclosed that CIA agents had interviewed the same persons the police had. A Maryland trooper called the situation "weird."

Suzanne Black, a CIA spokeswoman

then acknowledged that "more than one" CIA employe is "involved with cooperation with the Maryland authorities."

AS CIA spokesmen wrestled with conflicting statements, other agency members, notably some with hard-line views, were telling reporters they suspected Paisley was murdered by KGB [Soviet intelligence] agents.

Some of the hard-liners went so far as to suggest that Paisley was a "mole" in the spy lexicon, an enemy agent who works for many years as a loyal member of the CIA before "turning" after he reaches a high-level job.

Meanwhile, it was learned that one year ago, Paisley separated from his wife, Maryann, and moved into a downtown apartment building here and that eight Soviet embassy officials lived on Paisley's floor.

HETU TOLD reporters that there was no indication any of Paisley's neighbors were involved in intelligence. Again he de-emphasized the gravity of the Paisley affair.

The facts provided by Maryland state police are these:

On Sept. 24 his 31-foot sailboat, the Brillig, was found on Chesapeake Bay with nobody aboard. A live 9 mm. bullet was found on the deck, and there was a briefcase containing internal CIA documents in the cabin.

On Sept. 30, Paisley's body, tied with two 19-pound skin divers' weight belts, was discovered floating in the bay with a bullet wound in the left temple.

LIFE JACKETS were scattered carelessly about the Brillig's deck, a fact hinting foul play because Paisley was known to be a meticulous sailor and extremely fussy about the sailboats neatness.

A team of CIA experts secretly boarded the Brillig the day it was found, but they arrived after the Coast Guard had passed the briefcase of documents to Paisley's widow.

A Senate source said that when the CIA obtained the documents from Mrs. Paisley they noted that the papers were highly classified. The documents still bore the sophisticated metal strips which the CIA uses to prevent employes from removing files from its Langley, Va., headquarters, the source said.

THE METAL STRIPS trigger electronic alarm systems in the CIA lobbies and parking garages, it was learned.

Only highly sensitive documents which the CIA does not want to leave its headquarters are affixed to the alarm system.

The papers dealt with an in-house CIA evaluation study of the current state of Soviet military readiness and how much the Soviets spend on defense, said CIA spokeswoman Black.

SOME OF THE data used in Paisley's evaluation had been collected by the spy satellite system called "Big Bird" or KH-13, CIA officials familiar with Paisley's work said.

Black refused to discuss whether Paisley was using "Big Bird" data in his evaluation work, but confirmed that satellite data is used in evaluating Soviet military programs.

But Paisley's official links with the "Big Bird" program triggered the furor in the intelligence community. In August it was alleged that a Chicago CIA watch officer named William Kampiles had sold a KGB operative the operations manual for "Big Bird."

OBTAINING THE technical information about how the spy system works

CONTINUED

was considered a major intelligence coup for the Russians because the United States intends to use the Big Bird system to verify Soviet compliance with a new Strategic Arms Limitation Treaty [SALT].

After it was alleged Kampiles stole and sold the instruction books for "Big Bird," CIA officials acknowledged other satellite secrets were missing—notably a system called K-12 said to be refinements on the infrared sensing devices used on the satellites.

Knowledge of the infrared devices and other sensors could allow the Soviets to block the American satellite, opponents of SALT charge. Because of the Kampiles leak, anything involving "Big Bird" alarms the intelligence community.

CURRENTLY THE CIA, the Senate Intelligence Committee, and the internal

security division of the Justice Department are investigating the Kampiles leak.

The Senate committee has now expanded its investigation to cover Paisley's death, at Roth's request.

Committee sources pointed out that Paisley, while acting as deputy director of strategic research, had the authority to request the launching of spy satellites for the CIA.

HIS MAIN AREA of expertise was the Soviet missile systems; an area "Big Bird" is specifically designed to monitor. Paisley frequently acted as a technical adviser and testified at congressional hearings about CIA intelligence of Soviet missiles.

Despite the alarming implications of the Paisley case, both the CIA spokesmen and the Maryland state police say they believe Paisley committed suicide.

According to the suicide scenario, Paisley would have attached the diving weights to his body, slipped over the side of Brillig, placed the gun in his left hand, fired into his head and slipped below the surface while the sloop, its sails set, kept moving.

IT WAS POINTED OUT that Paisley was ambidextrous and could have comfortably used his left hand to fire the pistol.

Further, police officials said, Paisley had been depressed over his separation from his wife, and had just taken a full-time job with a Washington accounting firm because of financial reverses since his retirement in 1974.

Because of the sensitivity of the case, however, police continued their investigation instead of announcing their findings quickly. On Friday five additional troopers were assigned to the inquiry.

THE WASHINGTON POST
8 October 1978

ARTICLE APPEARED
ON PAGE A-1,8

Piracy Theory Considered

No Blood Found on Paisley's Boat

By Stephanie Mansfield

Washington Post Staff Writer

Maryland state police said yesterday they are investigating the possibility that retired CIA official John A. Paisley was shot while in the water or on another vessel in the Chesapeake Bay.

"I doubt very much anyone killed him—or he killed himself—on his [Paisley's] boat," said Capt. Paul Rappaport, head of a seven-man police team investigating the bizarre death.

Paisley's body, weighted by two diving belts and shot in the head, was discovered floating in the bay last week.

"There was no evidence that his boat was the crime scene—no bloodstains and no brain fragments," Rappaport said.

Asked if Paisley could have been taken off his boat and shot on another vessel, Rappaport said: "It's a possibility."

The death of the 55-year-old, retired CIA analyst, whose body was found after his abandoned sailboat ran aground near Point Lookout, Md., continues to baffle authorities who say they don't know whether Paisley was murdered or committed suicide.

"If the man took his own life," said Maryland State Police Superintendent Thomas S. Smith yesterday, "he went to great lengths to cover it up. If someone else did, they seized upon an unusual scene and carried it out in an unusual way."

Although police have not ruled out suicide, the fact that seven investigators have been assigned to the case indicates that police are treating it with high priority. This is "something we would not normally do in a suicide," Rappaport said yesterday.

According to Rappaport, Paisley may have been a piracy victim. "One month ago on the Chesapeake, we received reports that a boat

was hijacked, with people hit over the head and thrown in the water," said Rappaport. Police are pursuing the possibility that Paisley may have been such a victim, he said.

Rappaport said the absence of any evidence of a shooting on Paisley's 31-foot sloop Brillig may indicate that the victim was shot—or shot himself—in the water. "He could have been hanging outside the boat holding on with one hand and shot himself with the other," the investigator said.

No gun has been recovered and Rap-

No gun has been recovered and Rappaport said yesterday that if the weapon was thrown or dropped into the bay, "We'll probably never find it."

One Coast Guardsman, Wayne Ward, who boarded Paisley's vessel the morning after it was found, said yesterday, "I don't see how it [the shooting] could have been done on board. To me, there would have to have been some sort of evidence—no matter how slight. If it did happen there, it got cleaned up by itself. It didn't rain that night."

Rappaport said yesterday that officers from a mobile crime lab first went on board the vessel Friday, an action that several other investigators pointed out should have occurred earlier. "The problem is that any evidence would be contaminated. It should have been done on Monday. I made the decision to have them go down anyway," Rappaport said.

Asked about fingerprints, Rappaport said: "I would assume that they did take prints. I have not received the report yet."

Paisley's boat was discovered "in disarray" according to one coast guardsman from the Portsmouth Rescue Center, who said the drifting sailboat was spotted by another sailor who called a park ranger. A Coast Guard vessel arrived on the scene, followed by Paisley's estranged wife, Maryann, and agents from the CIA. The Maryland state police were called in several days later, after his body was discovered.

According to witnesses, canned goods, cigarette butts and a change of clothing were found on Paisley's boat. Rappaport said yesterday that the clothes belonged to Paisley.

Earlier this week, the Senate Intelligence Committee began an investigation into alleged links between Paisley's death and the theft of secret CIA documents—a theory the CIA has labeled "absurd."

"Everyone wants to believe there's a UFO with Russian agents on it in the bay sucking up CIA agents. . . . Everybody wants to believe there's something cloak-and-dagger about it," said Maryland police spokesman William Clark. "The truth is that nobody has the complete facts."

Police are baffled by the second weight belt found on Paisley's body. "It was not the same type as the one identified as belonging to the victim," Smith said yesterday.

Paisley—an experienced sailor and scuba diver—was known to have owned only one weight belt, police say.

"Obviously, whoever killed him—if Paisley was in fact murdered—was

not a waterman," Smith said, noting that it would take more than 38 pounds to prevent a bloated body from surfacing.

"This is an unusual case. Maybe we'll never know what happened," Smith said. "It's a challenge. If it's necessary we'll put additional people on it."



JOHN A. PAISLEY

7 investigators on the case

ARTICLE APPEARED
ON PAGE C1-2THE BALTIMORE SUN
9 October 1978

Paisley probe takes new focus

Doubt expressed on death occurring in victim's boat

The lack of evidence to suggest former CIA official John Paisley was shot on his boat has led Maryland State Police to probe the possibility that he was killed while in the water or on another vessel in the Chesapeake Bay.

"I doubt very much anyone killed him—or he killed himself—on his boat," said Capt. Paul Rappaport, head of a seven-man state police investigating team.

Mr. Paisley's body was discovered floating in the bay Sunday a week ago with a single bullet wound in the head. About 40 pounds of diving weights had been strapped to his waist and chest, authorities said.

Investigators have been unable to determine whether Mr. Paisley's death was a suicide or a homicide.

Meanwhile, a CIA spokesman confirmed that Mr. Paisley's estranged wife removed his personal effects, including agency credentials and four CIA documents, from his Washington apartment several days before his decomposed body was found.

Herbert E. Hetu, the spokesman, said that shortly after the retired official was found shot to death, CIA agents went to his wife's McLean (Va.) home, at her invitation, to look over the personal effects.

Agency investigators have not yet determined why Maryann Paisley removed the items, Mr. Hetu said.

Efforts to reach Mrs. Paisley were unsuccessful.

Captain Rappaport said that there was no evidence on Mr. Paisley's 31-foot sloop Brillig that the boat was the crime scene

—no bloodstains and no brain fragments."

The investigator said it was a "possibility" that Mr. Paisley could have been taken off his boat and shot on another one.

He also said the lack of evidence could indicate Mr. Paisley shot himself in the water.

"He could have been hanging outside the boat holding on with one hand and shot himself with the other," Captain Rappaport said.

William Clark, a state police spokesman, said Saturday that authorities will probably never be able to prove whether Mr. Paisley's death was suicide or murder.

"The truth is that nobody has the complete facts," he said. "The fact is that nobody will be able to prove who pulled the trigger on the gun that killed Paisley unless some dramatic piece of evidence turns up."

Col. Thomas Smith, who heads the State Police and has joined the investigation, remarked that if Mr. Paisley "took his own life, he went to great lengths to cover it up. If someone else did, they seized upon an unusual scene and carried it out in an unusual way."

Because of Mr. Paisley's CIA contacts, reports have surfaced that he may have been killed for connections with the agency. Mr. Paisley resigned from the CIA in 1974 as deputy director of the Office of Strategic Research.

The Senate Intelligence Committee is investigating alleged links between Mr. Paisley's death and the theft of secret documents.

The Central Intelligence Agency has labeled that theory "absurd."

ARTICLE APPEARED
ON PAGE A-1

WASHINGTON STAR
9 OCTOBER 1978

Ex-CIA Analyst A 'Conventional Research Type'

By Michael D. Davis
Washington Star Staff Writer

If John Arthur Paisley had never said a few kind words in Spanish to Anita Antonio she might not have remembered the once high-ranking CIA official who was found shot to death last week in the Chesapeake Bay.

Antonio, a seamstress who was born in Colombia, manages the small dry cleaning store in the basement of the Massachusetts Avenue NW apartment where Paisley rented an efficiency unit after he and his wife separated last year.

"He was a busy man, a man who was always in a hurry," she said, as she thumbed through a small pile of Paisley's laundry receipts. "He took starch in his shirts, and he always wanted them on hangers," she remembered.

"One time, shortly after he moved into this building, he told me in Spanish how much he appreciated the work that I did for him. It was the first time that anyone in this building ever spoke to me in Spanish and I remembered Mr. Paisley for that reason," she explained.

BUT FEW OF THE other employees or tenants in the large apartment house, where numbers instead of names appear on doors and mail boxes, are able to remember the 55-year-old man who retired in 1974 as the CIA's deputy director of strategic research, a man who remained as a consultant to the agency after his retirement.

Last May Paisley signed a contract agreeing to pay \$40 a month to park his 1972 Plymouth Valiant in the building's underground parking lot. But the lot's three attendants, who know most of their customers on sight, could not remember Paisley or even the color of his car.

Gordon A. Chapman, a member of the building's tenant association, said he never remembers Paisley attending a meeting or ever stopping in the building's lobby to chat with other tenants.

That image is consistent with the image held by friends and fellow CIA employees who characterized Paisley as a "competent, hard-working bureaucrat," but one "that didn't stand out in any way."

OTHER CIA EMPLOYEES, some who had worked with him for more than 20 years, remembered Paisley as a frugal man who was often careless in his dress and as a man who had no penchant for new or fancy automobiles.

"I don't think I ever remember seeing John drive a new car," one of the agents said. "All he cared about was a car that would run and one that would get him where he wanted to go."

Dr. Ray Cline of Georgetown University, a man who once worked with Paisley at the CIA, remembers him as a "very sober and conventional research type. I don't think he was involved in any activities that might have compromised him, and I would be very surprised if there were any operational aspect to his death."

Retired Air Force Col. Norman Wilson, a man who shared Paisley's love for sailing, said the former CIA official retired in 1974 at the age of 50 because "he had a very great love for sailing and he said he wanted to devote more time to it."

Wilson had joined Paisley when he sailed his boat, the Brillig, to the

Florida Keys, and he described Paisley as a "close friend."

WILSON AND Paisley had been introduced by a mutual friend who also worked for the CIA and who also had an interest in sailing.

Shortly before Paisley retired he sold the 26-foot sailboat he had at that time and bought the larger Columbia sloop, the Brillig. That was the boat found aground near Point Lookout, Md., shortly before Paisley's body was recovered from the bay with a gunshot wound in the head.

"Like most sailors," a friend said, "John always wanted a larger boat. Recently he had talked about about selling the Brillig and getting a larger boat, one with a shower. John always said he wanted a boat with a shower."

His fellow agents said that last winter Paisley and his wife Maryann, who lives in McLean, agreed to an amicable separation. They said Paisley decided to sail his boat to Florida and spend the winter there living on the boat. When he returned, in the spring, he moved out of the McLean home and took the apartment on Massachusetts Avenue.

"JOHN STAYED in close touch with his wife, son and daughter," one of the agents said. "It was not a bitter separation. He just needed some time to think his life out and decided he needed some time away from the family," he explained.

A CIA spokesman said Paisley's wife removed personal effects, including Paisley's CIA credentials and four CIA documents, from the Massachusetts Avenue NW apartment before the body was found.

He said Mrs. Paisley allowed CIA agents to sort through the belongings at her McLean home and take the four documents, which were not classified but had been marked for "internal use only." He said the CIA has not determined why Mrs. Paisley removed the belongings from the apartment.

Six months ago Paisley applied for

CONTINUED

a civilian job and was hired as a consultant to the president of a Washington accounting firm. Associates there remembered him as a "hard working, introspective man who worked more than his regular 40-hour work-week."

SHORTLY BEFORE his death he had grown a slight beard, had lost some weight and had started attending a lifestyle seminar.

Wilson, who owns the Olivet, Md., dock where Paisley kept the Brillig, said he sailed with him last year to the Florida Keys. Wilson said he was a "better than average sailor" and that he spent a lot of time on his boat.

"There were many occasions when he would come down and take work out on the boat, and there were many times when he came down just to be near the boat and spent the night in the cabin on my property," he added.

He said Paisley kept a 9mm automatic pistol aboard the Brillig for protection, "especially on trips to Florida when there were frequent reports that private boats were being boarded and stolen by drug runners. A live 9mm cartridge was found on the deck of the Brillig and several other unspent shells of that caliber were found in his Washington apartment.

MARYLAND STATE POLICE investigators and officials have continued to insist that the probe of Paisley's death indicates that he took his own life. The pistol was the only item known to be missing from the boat when it was recovered by the Coast Guard in Calvert County, Md.

Wilson said Paisley often appeared tense, but seemed "much more relaxed" after his sailing trips on the bay. He added that several months ago Paisley took out a loan to meet a tax bill, but that he quickly repaid the loan. "I think there was a time recently when he was a little strapped for cash," Wilson said.

Shortly after his 1974 retirement Paisley returned to the CIA as a civilian consultant on Russian and Chinese missile capabilities. He was

a consultant to the Military Economic Advisory Panel, a unit that advises CIA Director Stansfield Turner on Soviet military spending.

CIA officials assert that throughout his career he was an analyst and never served in a clandestine or covert operation. On several occasions he testified publicly before Senate and House committees on military spending. "He was a white (not covert) agency employee who had little information that would be of value to a foreign power," one of his friends said.

BUT A FORMER high-ranking CIA counterintelligence official said it is a mistake to assume that only employees in clandestine operations are targeted by the Soviets. "He (Paisley) had a good working knowledge of what our assessments of Soviet military capabilities are, and that is very valuable information," he said.

Paisley joined the agency in 1953 as an analyst and three years later was promoted to branch chief, supervising a research unit. An agent who worked for him in that section said he was "a good boss and a good teacher, a very warm man who took care of his people."

"He was very successful early in his career and he was an excellent communicator and one of the more respected members of the agency," another coworker recalled.

Intelligence sources said Paisley reached an upper level early in his CIA career, but then "leveled off" and reached a point where he was no longer considered for promotion. "He did his work and spent his time fighting the normal arcane bureaucratic wars," the source said. "He fit the stereotype of a GS-15."

ANOTHER AGENT who worked closely with Paisley and who knew him outside the agency as a friend said he spoke fluent Russian and had an excellent reading knowledge of technical Russian. He said he liked highly spiced foods, especially Ma i

can food, which he attributed to his having been raised in Phoenix, Ariz.

Paisley worked his way through the University of Chicago and graduated with a degree in electronic engineering. His friends said he was a ham radio operator who constantly tinkered with radios.

Shortly after the beginning of World War II he joined the Merchant Marines as a radio operator and served on several ships that carried supplies to American troops. He completed his college education after the war and joined the CIA in 1953.

At the age of 17 he voluntarily filed his fingerprints with the government for identification purposes, an incident that added a "strange twist to efforts to identify his body. Maryland State Police routinely asked the FBI and the CIA to forward copies of Paisley's fingerprints to the Maryland Medical Examiner's office to help in the identification of his body.

BUT WHEN THE CIA and the FBI searched their records they discovered that Paisley's prints had been purged from the files. An FBI spokesman said the purging of fingerprint files is a "routine procedure" and that the CIA did not send a second set of prints to the bureau when Paisley was retained as a consultant.

Last Wednesday FBI technicians, working with a copy of prints taken from Paisley's body, found the prints he had filed when he was 17. They had been filed under the name "Jack" Paisley, an FBI agent said.

One of Paisley's closest friends, who remains convinced he took his own life and was not involved in anything that would compromise U.S. intelligence, said he was a man "who was very dedicated to this agency. I honestly think that John killed himself, and I am sure that if he knew about the speculation his death has caused he would say, 'I blew it.'" he added.

ARTICLE APPEARED
ON PAGE A-1,16

THE WASHINGTON POST
10 October 1978

Paisley Friend Discounts Suicide, Cites 'Happiness'

By Blaine Harden

Washington Post Staff Writer

The woman closest to John A. Paisley over the past two years described the ex-CIA official yesterday as a quiet man who had passed through bouts of suicidal depression but who was, at the time of his death, "the happiest I'd seen."

In an interview, Betty R. Myers, 51, also disputed a Maryland State Police assumption concerning the pistol Paisley was known to have kept aboard his sailboat. Paisley disappeared while sailing on the boat Sept. 24 and a week later his body, with a bullet in the head, was found floating in the Chesapeake Bay.

Myers said yesterday that Paisley had sold the 9-mm automatic pistol this summer. "That gun was not on the boat. John kept it in my apartment this summer and took it away when he told me he had sold it to somebody," Myers said.

Myers' statement about the gun heightened the mystery surrounding Paisley's death in light of a Maryland State Police announcement yesterday of ballistic findings showing that Paisley was killed by a 9-mm bullet.

Police spokesman William E. Clark said the seven-man team investigating Paisley's death, which met yesterday in Pikesville, Md., to review the case, hasn't been able to confirm that Paisley did sell his pistol this summer.

Clark said that if Paisley had sold the pistol to a private individual, there wouldn't necessarily be any record of the sale.

"We have no significant leads that we are pursuing in the investigation," Clark said. "Unless something dramatic comes up, we just won't be able to tell whether Paisley's death was suicide or murder."

Betty Myers, who said she had been in a "close relationship" with Paisley for two years, frequently mentioned during the interview that the last few months before Paisley's death "were the happiest times for him that I'd seen."

But Myers, a psychiatric social worker who took a job in Cumberland, Md., the week before Paisley disappeared, said that Paisley was not a man who openly expressed his feelings.

"John was a private person. I sometimes wished for him to talk to me more about what moved him. When things were important to him it was difficult for him to talk about it with others," Myers said.

She said that Paisley, 55, who retired in 1974 from the CIA's Office of Strategic Research and who remained with the agency as a consultant, was deeply depressed two years ago and spoke of suicide.

"He realized he was growing older, he'd left his job, his kids were growing up and he was leaving a marriage that had once brought him great happiness," Myers said.

In the ensuing two years, Myers said, Paisley appeared happy and seemed to adjust to the changes in his life. He attended an encounter session called Lifespring last December and again in March. "Lifespring changed him considerably; he worked on being more open," Myers said.

The week before Paisley disappeared, Myers said, she spoke with him three times on the phone and they discussed her move to a new job in Cumberland.

"It was the first weekend we'd been apart for six months. He said he was going to do some sailing and try to finish a paper," Myers said. Paisley was writing a paper as part of his CIA consulting work about the recent problems of the B1 bomber project in getting congressional and presidential approval, according to Myers.

Paisley's sailboat, the Brillig, was found aground and unoccupied on Sept. 25 with its sails set. His body was spotted a week later near Solomons, Md., at the mouth of the Patuxent River.

Police spokesman Clark said yesterday investigators have had to "play catch up ball" while trying to find out how Paisley died because nearly all the evidence in the case has been "contaminated."

"What evidence might have been on the boat has been lost because the Coast Guard, the CIA and other people moved things around before we got there," Clark said.

The bloated, badly decomposed condition of Paisley's body "removed any evidence that might have been on the body," Clark said.

Because the bullet that killed Paisley fragmented upon impact with his skull, he said, ballistic technicians needed a week to piece together fragments and determine that the bullet came from a 9 mm cartridge.

Clark said that "several people" have told police Paisley kept a pistol

aboard his sloop. No one has said they are sure the gun was on board when Paisley disappeared, Clark said.

Retired Air Force Col. Norman Wilson, a close friend of Paisley's who rented him dock space near Solomons where he moored his boat, said he had last seen the gun last autumn. Both Wilson and Myers said the gun was partly disassembled and stored in a watertight plastic bag when they last saw it.

Clark said evidence "contaminated" in the investigation included Paisley's apartment at 1500 Massachusetts Ave., where Paisley moved this spring.

CIA officers and Maryann Paisley, "Things had been removed from the apartment. It had been cleaned out," Clark said. Paisley's estranged wife, entered the apartment before Maryland police got there, Clark said.

Clark said that one of the only "tangible things" police have found in their investigation is the two diving belts weighing 38 pounds taken from around Paisley's body. He said police are trying to trace ownership of the belts.

Paisley, according to family and friends, including Myers, owned only one weight belt for scuba diving. "He kept the one belt on the boat because it was too heavy to carry back and forth to his apartment," Myers said.

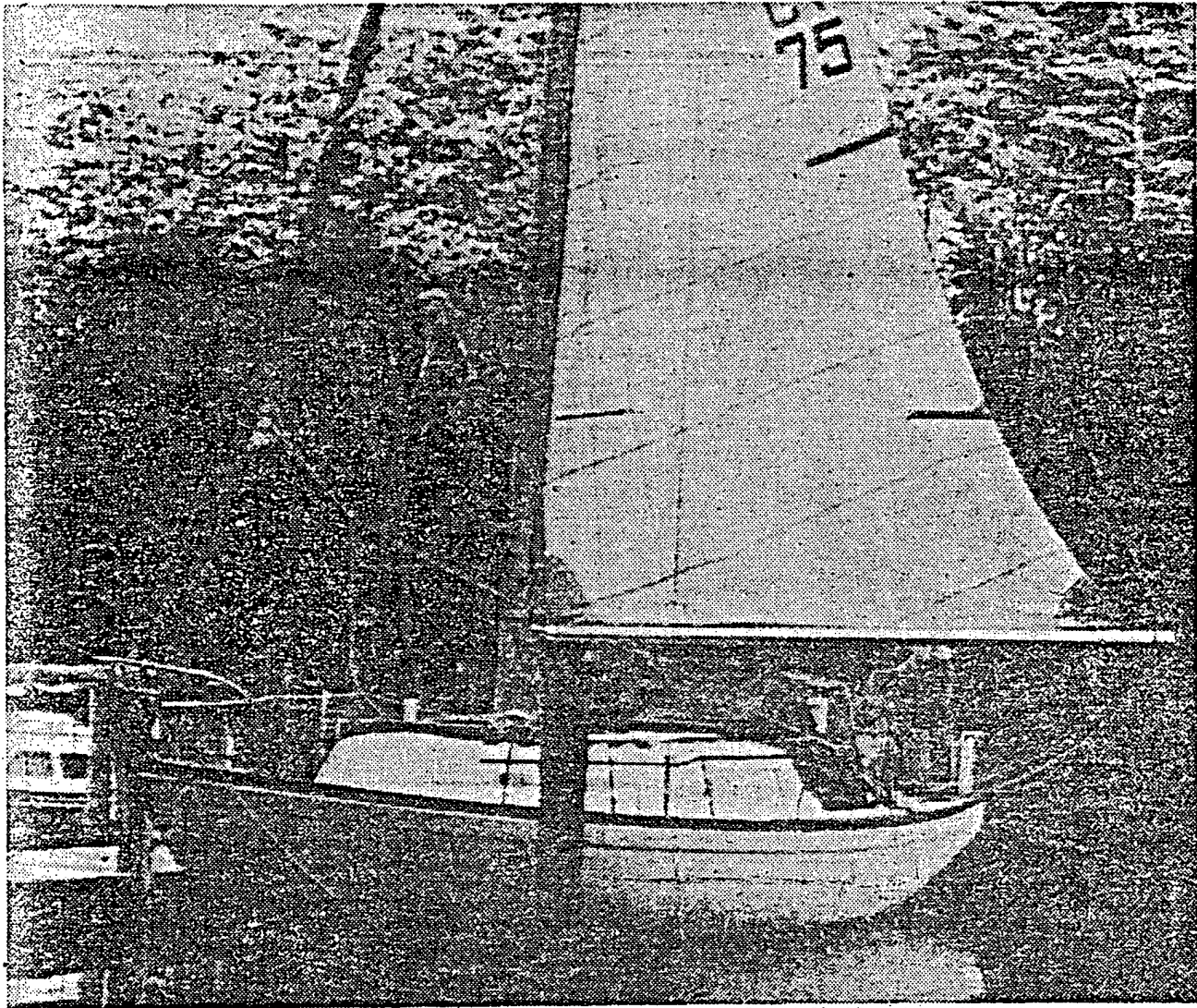
Myers said yesterday that as a psychiatric social worker, trained to sense people's moods, she finds it hard to believe that Paisley committed suicide.

"It would shock me to learn that his death was suicide because (that would mean) there were things he wasn't sharing with me."

THE WASHINGTON STAR (GREEN LINE)
10 October 1978

ARTICLE APPEARED
ON PAGE A-1, 6

FORMER CIA ANALYST'S BOAT



—Associated Press

Maryland State Police released this photograph of John Paisley's sailboat — Brillig — in the hope that it will lead to new information on the former CIA official's death. Authorities are looking for anyone who may have seen the 31-foot Columbia sloop between Sunday Sept. 24 and Monday morning, Sept. 25.

Bullet Reported Of Same Caliber As Paisley's Gun

By Michael D. Davis
Washington Star Staff Writer

John A. Paisley was shot to death by a bullet fired from a 9-millimeter automatic, the same caliber and type of pistol that the former CIA official was known to have kept aboard his sailboat, according to Maryland's medical examiner.

Dr. Russell Fisher said state ballistics experts had initially been unable to determine whether the slug removed from Paisley's head was a

9mm or .38-caliber bullet because it had fragmented and both bullets are similar in size and weight.

He said additional tests, completed yesterday, determined that the bullet was fired from a gun similar to the one that Paisley kept on his sailboat, the Brillig, for protection on several trips he took to the Florida Keys.

INVESTIGATORS do not yet have a bullet that was fired from Paisley's automatic which could be compared to the one removed from his body. Such a test would determine whether Paisley was shot or shot himself with that pistol.

Yesterday, police released a broadside picture of the 31-foot sloop in an effort to gain new information about the death of Paisley, a CIA official who continued to work for the agency as a consultant on Soviet military affairs after he retired in 1974.

"We're hoping a photo of the boat with full sails out will spark the memory of the boating public," Clark said. He added that police would like to talk to anyone who was out on the bay and saw Paisley's boat the weekend he was reported missing.

The boat was found aground in the Chesapeake Bay on Sept. 25. On the following Sunday, Paisley's body was found floating in the bay. He had been shot in the head and had 38 pounds of divers' weights wrapped around his body.

Clark said police would also like to talk to a citizens band radio operator who first reported that the ship had run aground. He said the Coast Guard received a report over an emergency channel that the boat was aground, but that the person who made that call never identified himself over the

CONTINUED

radio or came forward later to discuss the discovery with investigators.

A TEAM OF SEVEN investigators has been assigned to the case and is attempting to determine whether Paisley's death was suicide or murder. Paisley's friends inside and outside of the intelligence agency believe he took his own life and have ruled out the possibility he was killed because of his work with the CIA or because he was a double agent for a foreign power.

Fisher said the autopsy he conducted on Paisley's body did not reveal that the 55-year-old analyst had any kind of terminal illness, which he said is often a motive for suicide.

Capt. Paul Rappaport, who heads the Maryland State Police team investigating the death, said he has not ruled out the possibility that Paisley's

death was not a suicide. Clark, who said the CIA is not playing an active role in the probe, said investigators have been hampered by the fact that there is little physical evidence in the case.

"WE DIDN'T get into the case until after the body was discovered," he said. "After the boat was found a lot of people were on it and what might have been evidence might have been disturbed."

Two CIA employees searched the boat after it was returned to its home mooring in Lusby, Md., to inspect documents that a Coast Guard boarding party believed were classified. After determining that they were not classified documents, the papers were released to a family friend who also took custody of the boat.

CIA officials and investigators learned later that Paisley's estranged wife, Maryann, went to his Washington apartment shortly after he was reported missing and removed some of his personal effects.

When they went to her McLean home she gave them several CIA identification badges and four documents that had been marked "administrative use only." A CIA spokesman said the documents were not classified. They could give no reason for Mrs. Paisley removing the items from her husband's apartment before his body had been found.

BALTIMORE NEWS AMERICAN
4 October 1978

CIA Links Ex-Official's Death To Stolen Data

By JOE NAWROZKI

Staff Reporter

CIA officials are linking the mysterious death of John Paisley, the former high-ranking CIA official found shot to death in the Chesapeake Bay, with the disappearance of important papers dealing with the K-11 spy satellite system, according to published reports today.

At the same time, Paisley's family strongly disputed claims by the Maryland State Police that the victim was despondent shortly before he disappeared.

"He was in a good mood, happy and enjoying himself," said a son, Edward, 21, of McLean, Va.

A copyrighted story in the *Wilmington News-Journal* reported that CIA officials fear Paisley may have been murdered by the KGB, the Soviet secret police agency.

The newspaper said that although Paisley was listed as retired from the CIA, officials admitted he did consulting work for the agency.

Maryland State Police Cpt. John Murphy said police have not been directly contacted by the CIA, "but you can tell they have been working quietly around us. It really is very weird."

"The report saying he was depressed was definitely inaccurate," said young Paisley, a student at George Mason University. "He and mom, although they have been separated, were friends and went out socially together."

"Why, I visited and talked with him only a week before he was reported missing, and he was hardly what you'd call upset," he said.

Bill Clark, state police spokesman, said Tuesday that investigators found Paisley, 55, "was pretty despondent about his marriage difficulties."

"The family indicated to us he was in a better frame of mind," Clark said. "But some other people told us differently — friends of Mr. Paisley."

Clark added, however, police have not determined if the killing was a "suicide or an execution."

Paisley, who retired in 1974 as deputy director of the CIA's Office of Strategic Research in Langley, Va., was seen Sunday morning, Sept. 24, when he left his summer home at Laurel Cove, Calvert County, aboard his 31-foot motorized sloop, the Brillig.

He was seen near Hooper Light off the Eastern Shore about 2:30 p.m. and appeared to be working alone on the boat.

About 3½ hours later, Clark said Paisley, an excellent sailing hand,

"talked to friends on a ham radio, saying he was headed for Solomons at the mouth of the Patuxent River on the western shore and that he would put in by dark."

But the next day, Paisley's craft was found abandoned and aground near Point Lookout, St. Marys County, some 11 miles below the Patuxent River.

This past Sunday, Oct. 1, members aboard another pleasure craft radioed the Coast Guard and reported they had found a body floating near a buoy three miles east of the mouth of the Patuxent.

It was Paisley.

Investigators found Paisley had been shot once in the head with a high-caliber weapon, probably a handgun. He also was strapped with about 40 pounds of scuba diver's weights around his waist and chest.

Dr. Russell Fisher, Maryland's chief medical examiner, said Paisley was shot behind the left ear by a weapon that was touching his head when it discharged. Fisher said the bullet that allegedly killed Paisley was a semi-jacketed round, part of which was found lodged in the victim's skull.

Fisher added that Paisley was ambidextrous, a fact apparently gleaned from an interview with family members.

Meanwhile, Clark said no weapon was found on board the Brillig.

"We have information that Mr. Paisley carried a handgun aboard his craft for fear of being hijacked when he went on trips to Florida," he said.

"There was no gun on board his boat," said the victim's daughter, Diane, 20.

"If there was, he didn't tell us about it . . . and he didn't do things like that. The weighted belt they found was kept on the Brillig. Dad was an excellent swimmer, diver and sailor," she said.

A spokeswoman at CIA headquarters in Langley described the Office of Strategic Research from which Paisley retired as a "research group that produces analytical studies of foreign military programs and activities."

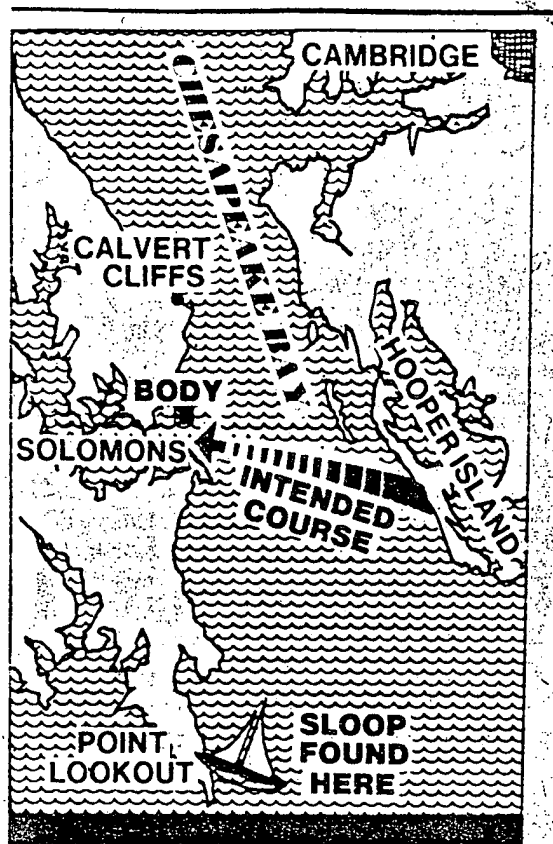
"Beyond that," she added, "all we can do is confirm he worked here and retired in 1974."

William E. Colby, the former CIA director who left the agency in 1976, said he knew Paisley "vaguely . . . professionally. He was not in the operations end, more into analysis . . . various forms of military strategy."

James Angleton, who for more than 20 years headed the CIA's counterintelligence division before he resigned under fire in 1974, said from his Virginia home, "the agency's description of OSR is accurate. The people who are there are not concerned with field work."

Edward Paisley said his father had been with

CONTINUED



MAP OF CRITICAL AREAS

... in Paisley's death.

—News American Map.

the CIA for 20 years and "the only time he went overseas was when he went to London for a year to attend the Imperial Defense College, kind of a British think tank.

"Dad was overt, above the table," he said.

"Although he carried a top security clearance, people kind of always knew the people he worked for. He never was in the spook business."

Young Paisley said his mother, Maryann, and father took a year-long cruise to Florida after his retirement.

5 OCTOBER 1978

Lack Of Clues Stymies Probe Of Paisley

By JOE NAWROZKI
And RICHARD IRWIN

Staff Reporters

State police, handcuffed by a lack of clues and an uncooperative Central Intelligence Agency, scheduled a high-level meeting at headquarters in Pikesville today to determine the next step in solving the shooting death of former high-ranking CIA official John Paisley.

Capt. Paul Rappaport, head of the Criminal Investigation Division, said he was considering assigning more detectives to the case because of its unusual nature and to speed its solution.

Paisley, 55, was found last Sunday floating near a buoy three miles east of the mouth of the Patuxent River. He had been shot once in the head. His body, weighted down by 40 pounds of diver's weights around his chest and waist, was discovered seven days after his 31-foot sloop, the Brillig, was found abandoned and aground near Point Lookout, St. Marys County, some 11 miles below the Patuxent.

"I don't know what I'll do until after the meeting," Rappaport said. "The people we have on it are able and energetic, but this one might dictate additional manpower."

Among those who will attend the meeting is Cpl. John Murphy, the chief field investigator assigned to the case.

"We will discuss the evidence we have and other aspects of the Paisley death," Murphy said. "We are not leaning either toward a suicide or a homicide... it's a death investigation."

Neither Murphy nor Rappaport would say if representatives from the CIA would be present, although it has been learned that agents from the government's Office of Security have been in on the case since Paisley's body was discovered.

CIA agents accompanied Paisley's widow, Maryanne, aboard his boat and checked out an attache case carrying unclassified agency documents, according to *The Sunpapers*.

The CIA confirmed a report published in *The News American* Wednesday that Paisley was under a consultant's contract with the agency to study "Soviet military expenditures and other economic affairs."

"I have spoken by telephone with CIA agents... I'm not saying we haven't had cooperation from them," Murphy said.

But other reliable sources are:

"Our probe is full steam ahead, but we are getting absolutely no cooperation from the CIA," one source said. "We are going back and forth. Telephone calls

don't get returned. They offered no help in areas where they could.

"One thing is for sure," the source said, "we are not writing the death off as a suicide. We are considering the theory that up to 30 percent of deaths labeled suicides are really unsolved homicides."

"Up until now," another source said, "this has been a case without any answers."

Paisley retired from the CIA in 1974 as deputy director of the CIA's Office of Strategic Research in Langley, Va. He continued to do analytical consulting work on contract basis for the agency after his retirement.

The *Wilmington News-Journal* quoted an unidentified CIA source as saying the agency believed the Russian secret police killed Paisley in connection with his intelligence work.

The newspaper suggested Paisley, whose work dealt in part with the important U.S. satellite surveillance system, was linked to the disappearance of classified documents.

The agency, in a prepared statement released through its office of public affairs, rebutted that published charge late Wednesday. The agency said:

"John Paisley worked part-time on a contract basis as a member of the Military Economic Advisory Panel, composed of outside experts, which advises the director of Central Intelligence on the CIA's assessments of Soviet military expenditures and other economic affairs.

"Its main function is to review and make recommendations regarding the CIA's analysis and reporting in these areas."

The CIA refused to discuss Paisley's security clearance, his contractual arrangement or how often he would meet with some of the leaders in America's intelligence community.

The spokesman also refused to confirm or deny if Paisley worked with satellites and information gathered by U.S. space surveillance.

Dr. K. Wayne Smith, managing partner at Coopers and Lybrand, said Wednesday night Paisley had worked at this Washington, D.C. accounting and international consulting firm since last May.

"We were in no way connected with John's work with the CIA," Smith said. "He had started a second career in an administrative capacity with us... he was intelligent and capable. He was working with us full-time, not part-time as some stories have suggested.

"He was content and happy," he said. "He hardly left the impression he was depressed.

"John was a friend who goes back a long period of time," Smith continued. "I am very saddened to have lost a good friend."

Paisley's family said that although he had been separated from his wife, Maryann, for two years, he was leading a full and happy life.

Police said earlier that Paisley was despondent over the breakup of his marriage.

Cpl. Murphy discounted rumors that Paisley had encountered serious financial difficulties and had recently withdrawn a loan to pay back taxes.

"Mr. Paisley had no abnormal financial difficulties," Murphy said. "If you don't have bills these days, then there might be something wrong."

Family members, police and even the CIA discounted Paisley's possible involvement with covert, or spy, activities.

One of the few clues available to police is a 9mm slug removed from Paisley's skull. No weapon has been recovered.

Sources said an unspent shell of the same caliber was found on board the Brillig; and several unfired 9mm rounds were later found in Paisley's Washington apartment at 1500 Massachusetts Ave. NW.

Police said Paisley, rated an expert sailor and swimmer, died of a gunshot wound behind the left ear. The gun barrel was held to the victim's head, police said.

But, police have not found any witnesses to the killing and members of Paisley's family insist he never kept a weapon aboard his boat.

WASHINGTON STAR (GREEN LINE)
11 OCTOBER 1978

ARTICLE APPEARED
ON PAGE A-1

Police Complain Paisley Evidence 'Contaminated'

By Michael D. Davis
Washington Star Staff Writer

The investigation into the death of former CIA analyst John A. Paisley has been impeded because physical evidence was disturbed before the Maryland State Police officially entered the probe, according to a spokesman.

"We've been playing catch-up ball ever since Paisley's body was discovered," said William Clark. "We did not have an opportunity to go over his sailboat or to go through his Washington apartment until several other people had removed items from the boat and the apartment," he added.

"Our investigators have found that most of the physical evidence in this case has been contaminated," he said.

Clark said the Maryland State Police did not enter the investigation until after Paisley's body was found floating in the Chesapeake Bay, one week after his 31-foot sloop, the *Brigg*, was found aground off Point Lookout in Calvert County, Md.

Clark said that a Coast Guard boarding party, agents from the CIA, and several of Paisley's friends went on the boat before it was inspected by state police.

CIA SPOKSMAN Herbert E. Hetu confirmed that the agency sent two employees to Olivet, Md., after Coast Guard officials reported that classified documents might have been on board the ship.

Clark said personal items that were on the boat were gathered together and placed below deck by the Coast Guard. "That is probably standard procedure in a standard case when a boat is found aground or adrift," he added. "But this is an exceptional case."

Clark said when investigators went to Paisley's Washington apartment they discovered that it had been "cleaned out" by his estranged wife, who lives in McLean, several days before his body was found.

Hetu said CIA employees went to the home of Maryann Paisley and recovered four CIA documents that had been marked "administrative use only" and several CIA identification badges. He could give no reason why Mrs. Paisley went to the apartment of her estranged husband before his body could be found.

Paisley, who retired in 1974 from his job as deputy director of strategic research, had been retained as a consultant to the agency on Soviet military spending. He was found in the bay with a gunshot wound in the head a week after his sailboat was found aground. He had 38 pounds of divers' weights around his waist.

CIA officials believe Paisley's death was suicide. Police said Monday that he was shot with a 9mm pistol, a weapon similar to the type of automatic pistol that he was known to have kept aboard his boat. But state police, who have assigned a team of seven investigators to the case, have not ruled out the possibility that he was murdered and that his death might have been related to his CIA employment.

"THE NORMAL TRAIL that we would have in a criminal investigation has been clouded because all of the evidence, all of the useful information, was disturbed or contaminated before we had an opportunity to examine it," Clark said. "The normal things that we would look for in an investigation of this nature have all been disturbed," he added.

"It's very frustrating and very difficult to want to conduct a thorough investigation, to want to do a good job and not have the evidence available," Clark said.

Clark said the CIA is aiding in the investigation by "giving us any information that we ask for." But he said the intelligence agency does not have agents assigned to the case.

Maryland state police investigators have been conducting a probe into Paisley's background and are interested in his activities during the last several months of his life.

Last year Paisley attended sessions held by Lifespring, a California-based organization that holds "life awareness" sessions for participants. Sally Ann Robbins, a spokesman for the group's Washington office, confirmed that Paisley had participated in the sessions and had graduated from a series of classes in March of last year.

Carol Fletcher, another spokesman for the group, which has a Washington office at 1054 31st St. NW, said Lifespring "helps people get more out of life."

"WE HELP PEOPLE take an in-depth look at their lives. We help them with their communications and their relationships with others. We get people more in touch with themselves," she said.

She said she would not discuss Paisley's experience with the group, but did confirm that he "completed our initial training and graduated from the course." She said Paisley's wife also started taking Lifespring courses, but added that she did not attend classes during the same time her husband did.

Lifespring charges \$250 for the initial course and has a second course called "interpersonal experience" that costs \$650.

"There are things that prevent people from being who they really are," Fletcher said. "Some people have a negative view of themselves and so we take people who have poor self-images and get them to reassess their lives."

She said more than 1,200 Washington area residents have participated in the program since Lifespring began holding sessions here two years ago. She said the average age of participants is 45 and that most have incomes in excess of \$20,000 a year, and have college degrees.

But James Siegelman, author of a recent book on encounter groups, said the kind of training that Paisley received from Lifespring could have affected his mental attitude.

"Groups like Lifespring, and similar organizations, help people develop a tremendous physical high without the use of drugs. They actually get participants very, very high on life. This will usually last for several months, and then there is the crash — a period that can throw a person into deep depression."

CLARK SAID investigators have talked to women who were recent friends of the former CIA analyst. Betty Myers, who recently moved from Washington to Cumberland, Md., told police Paisley kept his pistol at her Washington apartment, but picked it up and told her he was going to sell it to a friend. "That gun was not on the boat," Myers was quoted as telling police. "John kept it in my apartment and took it away this summer when he told me he had sold it to somebody." Police have not been able to confirm that Paisley sold the automatic.

Myers said Paisley had been "very, very happy" recently and that she doubts he had a motive for taking his own life.

Clark said police are also questioning a second woman who knew Paisley more recently. He would not identify the woman or characterize the relationship she had with him.

Capt. Paul Rappaport, who heads the investigative team, yesterday said that he hopes to make some "accurate assumptions" in the case by the end of the week.

"Basically, what we are doing is shaking a lot of trees right now," Rappaport said.

ARTICLE APPEARED
ON PAGE C-1

BALTIMORE SUN
11 OCTOBER 1978

Tests run on Paisley by FBI

Object is to learn if ex-CIA official had fired a gun

By JOSEPH J. CHALLMES

The FBI has conducted neutron activation tests on the hands of John Paisley to determine whether the former Central Intelligence Agency official fired a gun the day he died, investigators confirmed yesterday.

Results of those tests had not been forwarded to the State Police by yesterday.

The FBI's Washington laboratories did confirm yesterday, through fingerprint tests, that the person whose body was pulled from the Chesapeake Bay two miles east of the mouth of the Patuxent River was Mr. Paisley, retired deputy director of the CIA's office of strategic research, Col. Thomas S. Smith, head of the State Police, said.

Tentative identification had been made last week on the basis of a dental records comparison.

Fingerprint identification had been complicated because of the advanced decomposition of the body, which was removed from the water October 1, police said.

Dr. Russell S. Fisher, the state medical examiner, said that because of dental records there had never been any doubt in his mind about the identity.

No new evidence has been developed that would indicate whether Mr. Paisley, 55, of Washington, committed suicide or was murdered, said State Police Capt. Paul Rappaport.

Colonel Smith said yesterday that ballistics tests have confirmed that Mr. Paisley died of a shot from a 9-mm. pistol, the same type of gun the victim was believed to be carrying.

The identification of the slug was made by a police expert, Russell Wilhelm. One source said the identification of the victim was "the one bright spot" in the investigation, which has been hampered by a lack of witnesses, conflicting reports in the press and from friends of the victim and the badly decomposed state of the body.

Among the conflicting reports are statements on the dead man's state of mind. His wife, family and at least one woman friend have said he was very happy. Others have said the man was despondent over the break-up of his marriage.

Mr. Paisley, who retired from the CIA in 1974 but had been a consultant to the director of central intelligence since then, disappeared the night of September 24 while on a pleasure trip aboard his sloop, the Brillig.

Michael Yohn, a Foreign Service officer who is the last person known to have seen Mr. Paisley alive, said yesterday that he and the victim had sailed in proximity—about 400 yards—but that he had left about 2 P.M. to return to the dock. He said Mr. Paisley headed out to the bay to sail some more.

ARTICLE APPEARED
ON PAGE 13A

THE ATLANTA CONSTITUTION

8 October 1978

Bush Says Carter Will Probably Be 1980 Demo Choice

By JOE LEDLIE

Former Republican National Chairman George Bush says Jimmy Carter will probably be the Democratic nominee in 1980, but he's not so sure about who the Republican candidate will be.



GEORGE BUSH

The Texan says he will concentrate on campaigning for other Republicans, and if that serves his presidential plans, fine. "I will make an early determination on that in 1979," he said in an interview last week with The Atlanta Journal-Constitution.

Carter has pulled off a political coup with the Camp David agreement on the Middle East, says Bush, but still has failed to confront the nation's economic problems.

In that area, says Bush, the country should promote tax cuts, erase government jobs when they are vacated by retirement, and hold the line on spending.

Bush, a former director of the Central Intelligence Agency, said he knew John Paisley, the CIA employee found shot to death in a Maryland river last week.

Though expressing horror at the death, he said it was not yet determined that the death was related to Paisley's work at the agency.

EXCERPT:

Q. As CIA director, did you know John Paisley, the CIA consultant and former agent who was found shot to death and his body weighed down in a Maryland river last week?

A. I had met him, yeah.

Q. Did you work with him closely?

A. No, not really closely. He was doing some consulting on the analytical side.

Q. What was your reaction to hearing of this kind of thing happening on American shores?

A. Horror.

Q. Is it a unique case, or have there been others like it in this country?

A. It's unique as far as I know. My view is to withhold an assessment until they find out what's happened. I noticed his family said he had not been under any great tension. I really shouldn't speculate.

Q. Are the American people naive to think that this kind of thing might not be happening in the world today?

A. What kind of thing?

Q. An intelligence-related killing.

A. I'm not going to respond to that because I don't know that that's the case here. Without responding to the question, I would say . . . there is a fundamental underpinning of support for the concept of having an intelligence service that is second to none.

THE WASHINGTON POST

11 October 1978

ARTICLE APPEARED
ON PAGE C-1,6

'No Clues' to Suicide Given by Paisley

Psychiatrist Says Ex-CIA Official May Have Had Emotional Crisis

By Blaine Harden

Washington Post Staff Writer

Two days after he disappeared while sailing on Chesapeake Bay, John A. Paisley had been scheduled to bring his estranged wife to a group psychotherapy session in Chevy Chase to discuss why his marriage failed, according to Dr. Jack Baruch, Paisley's psychiatrist.

In an interview yesterday Baruch, who had been treating Paisley in individual and group therapy sessions since April, said the former CIA official had given "absolutely no clues" that he was contemplating suicide.

Baruch speculated, however, that Paisley might have had "feelings of loss and abandonment" because of recent developments in his personal life.

Paisley's body was found on Oct. 1 floating in Chesapeake Bay with a bullet wound in the head.

Maryland state police said yesterday they still lack the evidence needed to determine whether Paisley committed suicide or was murdered. The death remains classified as an "unusual occurrence."

The Senate Intelligence Committee, which began an inquiry into the death after a published report that Paisley was killed because of his CIA connections, also is continuing to look into the case, a spokesman said yesterday.

In a wide-ranging discussion yesterday of Paisley's mental state before his death, Baruch said that despite Paisley's outward happiness there is a possibility that he was undergoing an emotional crisis on the weekend he disappeared.

Although they had spent weekends together for the last six months, on the weekend of Sept. 23-24 Paisley did not see his friend, Betty R. Myers, 51, Myers has said. Myers, a psychiatric social worker, moved from Washington during the previous week to take a job in Cumberland, Md.

Baruch said Paisley, a man he described as preoccupied with his freedom from personal entanglements, probably was relieved by Myers' move because of his "unwillingness or inability to make a commitment."

The psychiatrist said, however, that one can "speculate that this separation unconsciously may have produced a feeling of loss and abandonment (Paisley) based on early childhood loss."

Baruch is a former assistant professor of clinical psychiatry at Georgetown University and a former member of the staff of the National Institute of Mental Health. He has been in private practice in Chevy Chase since 1972.

Baruch said that "maybe the pain (of separation from Myers) was something that at the last minute hit him that Sunday (he disappeared)."

As a psychiatrist in almost weekly contact with Paisley, Baruch said that he normally would be able to detect whether Paisley was contemplating suicide. But Baruch said that Paisley, who dealt with highly sensitive government secrets before he retired in 1974 from his position as deputy director of the CIA's Office of Strategic Research, could have been one of those "certain individuals that give absolutely no clues" of suicidal intentions.

Baruch said Paisley seemed happy during the week before his death and that the happiness was not a marked change in his personality—a change often noted among suicide victims. "Paisley showed nothing but progressive improvement over the last three months," Baruch said.

Based on what Paisley told him, Baruch said his patient "two or three years ago very well could have been a candidate for suicide." Myers has said Paisley was burdened two years ago with adjustment problems relating to his marriage, change of careers and grown-up children.

Paisley had overcome the adjustment problems, Baruch said, and it was Paisley's idea to invite his estranged wife Maryann, from whom he had been separated about two years, to group therapy "to give a brief overview of what it was like living with John for 28 years."

Baruch said Paisley showed no signs of being troubled over introducing his former wife to the seven people in his group, or airing their marital problems.

Baruch, who spent five one-hour individual sessions and six 1½-hour group sessions with Paisley, said he had learned that the former CIA official felt considerable loneliness as a child.

"His father left (the family) when Paisley was 2½ years old. His mother went to work as a practical nurse and he was taken care of by his grandparents," Baruch said.

"At an unconscious level, that his dear friend Betty Myers left to go to Cumberland may have recapitulated his feelings of loss. (This) could have triggered futility, hopelessness and perhaps despair," Baruch said.

Paisley, who spent a great deal of his time in the past three years alone on-board his 31-foot sailboat, the Brillig, "very deeply enjoyed his freedom and wasn't willing to give it up," Baruch said.

"Some people want freedom so much they pay a huge price for it. Freedom can envelop you. It becomes devastatingly lonely," Baruch said.

Paisley became interested in psychotherapy after his experience with an encounter group called Lifespring, a Washington-based organization conducting five-day seminars that encourage personal awareness. Paisley attended two of the seminars, one last December, the second in March.

Maryland State Police spokesman Cpl. Jerry Eiseman said yesterday the seven-man team investigating Paisley's death lacks solid evidence in the case and is "hoping someone will call in and say they saw the boat."

Eiseman said police are tracing the ownership of one of the two diving weight belts found strapped around Paisley's bloated body when it was pulled out of the bay near the mouth of the Patuxent River.

"One of those belts is Paisley's. The other is unfamiliar to people who sailed on the boat with him," Eiseman said.

ARTICLE APPEARED
ON PAGE 45NEWSWEEK
16 October 1978

THE CIA: Suicide or Murder?

Just as he was about to board his boat for a day's sail on Chesapeake Bay a fortnight ago, CIA consultant John A. Paisley accidentally dropped his briefcase into the water. He quickly fished it out. "It's a project I've been working on for six months," he explained to his friend Mike Yohn. "I've got to get the damn thing done." Paisley shoved off from shore and shortly before nightfall he radioed Yohn: "I'm just about to come back. . . Leave the lights on for me." He never made it. The Coast Guard found the boat aground the next morning. Paisley was missing and his papers were scattered about. Last week, a pleasure boat came across Paisley's bloated body—with 38 pounds of diver's weights around his torso and a fatal gunshot wound in his head.

Was it suicide or murder? Because Paisley was an expert on the Soviet military budget and had access to top-secret material, there were early fears that he might have been killed by the KGB, Moscow's spy service. And some even entertained the notion that he might have been a double-agent for the Russians. "If a guy kills himself and there's no apparent reason, you have to ask yourself, 'Has he been up to some dirty work?'" said one

veteran spook. But the KGB is not known ever to have killed a CIA staff official, and authorities speculate that Paisley probably killed himself for personal reasons.

The evidence seems to support them. Friends say Paisley, 55, was depressed two years ago when he broke up with his wife and, more recently, when his mother became ill. His girlfriend, Betty Myers, who is a psychiatric social worker, is not convinced that Paisley committed suicide, but concedes that "there were some painful things in John's life." Myers had recently taken a job in Cumberland, Md., about two hours from Washington, and Paisley was bothered about the separation. "I knew from little things that he minded," she says.

There were other upheavals as well. Paisley had retired early from the intelligence agency in 1974 because, as one colleague says, "he wanted to get away from it all for awhile." But retirement didn't work out quite the way Paisley thought it would—even with his consulting work for The Company. "Just living the life of the beachcomber and mariner was kind of disappointing to him," says Hank Knoche, Paisley's former CIA boss.

Speed Limit: Early this year, Paisley's family urged him to begin group therapy, and he later resumed full-time work with an accounting firm—because, Myers says, he needed the money. "He was falling behind a little bit," she says. "He needed a steadier income until the kids were well through school." When he turned 55 last summer, he told a friend that he was going to stay "within the speed limit." The friend thought at the time that Paisley meant he would slow down his pace of work, but in retrospect another friend thinks Paisley meant that he did not intend to live past 55.

Still, there are some unanswered questions. The small 9-mm handgun that Paisley kept aboard his boat is missing. If



Paisley on his boat: 'Leave the lights on'

he shot himself, of course, it might have fallen overboard with his body. But the Maryland police say that the bullet recovered from Paisley's head is "slightly heavier than would normally come from that type of gun." If tests show that the bullet could not have come from Paisley's gun, authorities might have to focus on the possibility of murder. And if any classified documents are missing, Paisley's death becomes more suspect. But the CIA says that it can account for all the classified documents available to Paisley.

To Betty Myers, the whole thing remains a painful enigma. And though suicide seems the most likely answer, it seems probable that no one will ever know for sure just what happened in the last hours of John Paisley's life.

—DENNIS A. WILLIAMS with DAVID MARTIN in Washington

ARTICLE APPEARED
ON PAGE **CI-C2**THE WASHINGTON POST
12 October 1978**RICHARD COHEN**

Tattling About the Dead Now a National Pastime

YEARS AGO, for the premier issue of a magazine, I was asked to write an article about how career conflicts were breaking up some rather famous marriages. Never mind that the magazine never went anywhere and never mind that most of the couples wouldn't talk to me. What matters is that I wound up interviewing a psychiatrist on the general subject of career conflicts. It was she who told me why one of my couples had split. Nothing to do with career conflicts, she said. It was sex. I smiled and felt instantly sick.

Now it may change matters a bit to tell you that the psychiatrist I was talking with was not the psychiatrist who was treating the couple she had been talking about. No, a colleague of hers was the shrink in question. It was he who told her. I still felt sick.

I get this way, actually, when ever someone tells me something I don't think I should know. I feel it when I watch the television program when people come out and tell experts like Soupy Sales what their sex problems are, and I get it when I'm at a dinner party and someone tells me something about themselves that I think they should keep private. It is like chalk on a blackboard—I get chills.

This, then, brings me to the story in yesterday's Washington Post in which a psychiatrist named Jack Baruch tells us more than we might want to know about a former patient of his, a retired CIA official named John A. Paisley who was either murdered or committed suicide on the Chesapeake Bay. About all you could say for sure about this bizarre case is that Paisley's body was found Oct. 1, with a bullet wound in the head. Now, thanks to Baruch, you can say a lot more.

You can say that Paisley might have felt a feeling of "loss and abandonment" because his "dear friend," a certain woman, "left to go to Cumberland." This "could have triggered futility, hopelessness and perhaps despair," although how this jives with Paisley's "unwillingness or inability to make a commitment" is beyond me.

I am not, however, taking into consideration Paisley's "feelings of loss and abandonment" that resulted from childhood experience. His father, the loquacious shrink tells us, left Paisley and his mother when Paisley was just 2½ and then his mother went to work as a practical nurse. I knew you wanted to know.

There is more of this sort of stuff, all of it making some of us feel a bit uneasy. It smacks of tattling about the dead—talking about those unable to talk back, the sort of thing we've been getting a heavy dose of lately.

There is, for instance, the confessions from Joan Crawford's daughter, her revelation that mommy was a bitch. Then there are all those people who claim to have slept with either John or Robert Kennedy—so many, it seems, that it was a miracle they had time for the Cuban missile crisis. And then there was Kay Summersby, every woman's idea of a jeep driver, who either had an affair or did not have an affair with Dwight Eisenhower, depending on what you call an affair. Anyway, he loved her. We have her word for it.

After a while, you want to yell "Enough." It goes on all the time—this constant vomiting of gossip and dirt and tattling under the guise of truth. You hear it on talk shows and read it in books and now you have this woman about to launch a whole career on the simple fact that she slept with a Russian defector at \$500 a sleep.

Now back to Paisley and his psychiatrist. As a rule, a psychiatrist or any physician should keep his mouth shut when it comes to discussing his patients. There are times, however, when speaking out may make some sense—clear the air or something. At the request of the family, for instance, psychiatrists might want to say something to alleviate guilt or sorrow.

He might, as I think a psychiatrist once did, reveal that a certain man had cancer, thus making suicide much more likely than murder, or he might, as someone pointed out to me, do what Marilyn Monroe's psychiatrist did and that was to deny that she had an affair with Robert Kennedy. There is nothing in that sort of statement that smacks of tattling.

With Baruch, though, it's hard to say exactly what he had in mind. He now says that he did not realize what his words would look like in the paper and he said something about being quoted out of context and he said he would say no more. Our conversation, to say the least, was brief and so I write this not knowing if he had a very good reason for doing what he did. I write it also knowing that there are ethical considerations here—chapter this and section that of some code of ethics. I could not care less about that.

What is at stake here has nothing to do with professional ethics—reportorial or psychiatric. Reporters and shrinks have different obligations—one to ask questions, the other not to answer them. We all know the rules.

What is at stake here is something else entirely and it goes back to the notion of children writing mean things about their dead parents and women turning tattle on their former lovers and whatever the case may be. The issue here is trust. The notion that you confide in certain people because you either trust them or you trust in their profession. In this sense at least it matters not at all whether Paisley committed suicide or was killed. Either way, he is dead.

And either way, he has been betrayed.

ARTICLE APPEARED
ON PAGE A-3WASHINGTON STAR (GREEN)
12 OCTOBER 1978Purchase Made Just Before Final Trip**Paisley Bought 2nd Set of Diver's Weights**By Michael D. Davis
Washington Star Staff Writer

Retired CIA analyst John A. Paisley purchased 28 pounds of diver's weights and a belt to hold them from a Northwest Washington sporting goods store the day before starting his final voyage on the Chesapeake Bay, according to a spokesman for the Maryland State Police.

William Clark, the spokesman, said yesterday that investigators have determined Paisley bought the extra set of weights Sept. 23. Paisley already had a set of weights which he used when skindiving.

Paisley's body was found Oct. 1 wrapped with the two sets of diving weights, but floating in the bay, with a bullet wound in the head.

Friends had told investigators Paisley was known to own only one set of weights. They said they had never seen the second set of weights.

Clark said the seven-man team investigating Paisley's death has talked to witnesses who saw the additional set of weights aboard Paisley's 31-foot sloop the day he sailed.

TOM COOPER, who manages the

National Dive Shop in the 4900 block of Wisconsin Avenue NW, said Paisley was a frequent customer.

"The day he bought the weights, he was in a hurry. He bought the weights, a belt and some lubricant for diving equipment. He paid \$42.72 in cash for his purchase," Cooper added. "He appeared to be very much in a hurry on that day."

Investigators and CIA officials, who have said unofficially they believe Paisley committed suicide, have been attempting to determine the significance of the second set of weights that were wrapped around his body.

Friends in Olivet, Md., where Paisley kept his sailboat, told investigators they did not remember Paisley's ever owning two sets of weights.

An FBI spokesman said yesterday that results of a chemical analysis on Paisley's hands were "inconclusive" and that the FBI laboratory technicians were unable to conclude

whether Paisley had fired a weapon immediately before he died.

"THE TRACE MATERIALS that we were looking for are water soluble, and because Paisley's body had been in the bay for more than a week the results of our examination were inconclusive," the report said.

Clark said Maryland investigators have been unable to substantiate the contention of a Cumberland, Md., woman who was a close friend of Paisley that he sold his 9mm automatic pistol last summer.

Ballistics experts said earlier this week that Paisley, who had continued to work for the agency as a consultant after his 1974 retirement, had been shot by a bullet fired from an automatic similar to the one he was thought to have kept aboard his boat.

Clark said investigators hope to conclude their investigation before the end of the week.

FBI tests find residue of gunpowder on hands of ex-CIA official Paisley

By JOSEPH J. CHALLMES

FBI laboratory tests found gunpowder residue on the hands of John Paisley, the former CIA official who was found dead in the Chesapeake Bay October 1 with a gunshot wound to the head and 40 pounds of diving weights strapped around his body.

"We now have a mounting body of evidence that points to the self-inflicted wound theory as a cause of death," Bill Clark, a State Police spokesman, said last night.

State Police also said last night that they have determined that a mysterious second set of diving weights found on Mr. Paisley's body was purchased by the victim September 8 from a diving store in Washington.

Mr. Clark confirmed last night that the FBI laboratory in Washington had found traces of barium antimony, the gunshot residue that investigators were seeking on Mr. Paisley's hands.

He said the traces were in insufficient amounts to provide conclusive proof that Mr. Paisley had fired a gun, but that police did not know any other means by which the victim could have picked up the substance.

Mr. Clark noted that the body had been in the Chesapeake Bay for a week when it was found and that much of any residue would have been washed away.

In addition to the physical evidence, sources have told *The Sun* that police have built a psychological profile of Mr. Paisley, onetime deputy director of the Central Intelligence Agency's office of strategic research, that strongly suggests a quiet man who had much to be despondent over.

Mr. Paisley disappeared September 24 while on a pleasure cruise on the Chesapeake Bay in his 31-foot sloop, the Brillig. The boat was found the next day at Point Look In, and the body was discovered October 1 about 15 miles north of the boat near the mouth of the Patuxent River.

Police were hampered from the beginning by a lack of witnesses, conflicting statements from Mr. Paisley's friends and relatives, inadvertent destruction of physical evidence aboard the boat by those people who boarded it before the body was found and the extreme decomposition of the corpse.

Because of the importance of the case and the national attention it was attracting, Col. Thomas S. Smith, chief of the State Police, assigned seven men to the investigation.

Starting on a cold trail—they were not called in until the body was found a week after Mr. Paisley, 55, of Washington, disappeared—police began basic detective work with an open mind toward either suicide or murder in the case.

"It's an investigator's dream," one police officer said, noting all the possibilities, including reports of hijackings and murder by a secret police agency of a foreign power.

The first big break in physical evidence came when Russell Wilhelm, a State Police ballistics expert, was able to prove that Mr. Paisley died of a shot fired by a 9-mm. pistol, a type of weapon the victim was known to carry.

One source early in the investigation said that Mr. Wilhelm's work was "the one bright spot in the whole thing so far."

For a while after that, though, more questions seemed to be raised than answered, with police wondering about the source of the second set of weight belts. Friends said they did not know Mr. Paisley owned a second set. Another confusing factor was a report of the sale of the 9-mm. gun during the summer by the former CIA official.

The mystery of the second set of weight belts was solved by straight police work—investigators checked diving stores throughout the area and yesterday struck pay dirt.

First, a few friends remembered seeing the second belt on the boat September 23, the day before the disappearance.

Then, investigators "in going to various diving shops found that the belt was purchased September 8 from the National Diving Center, 4932 Wisconsin avenue, N.W. Washington," Mr. Clark said, adding the owner remembered Mr. Paisley very well and had sold him the weights, belt and a lubricant for a diving suit.

"He paid in cash, \$47.72," Mr. Clark said.

The FBI tests, while inconclusive from an investigative standpoint, do suggest that Mr. Paisley fired a weapon the day he disappeared, sources said. That is one more piece of physical evidence developed "from a shot in the dark," as Mr. Clark called it.

In the meantime, police investigators were also building a psychological profile of the victim.

Although police would not discuss their findings, indications from sources and interviews published in *The Sun* and other newspapers indicate that Mr. Paisley was a very private man who became a public figure only because of the bizarre manner of his death.

A *Washington Star* reporter went to the neighborhood where Mr. Paisley had lived for about a year and learned mainly that his neighbors knew little about the man, who was described by a co-worker as a "conventional research type" in a non-cloak-and-dagger position in the CIA office responsible for looking into Soviet and Chinese military capabilities.

A *Sun* reporter spent most of yesterday at Solomon's and Lusby, where his boat was docked, and could find no one who knew him.

Hilda Woodburn, bartender at the Solomon's Pier Restaurant, a gathering place at the Southern Maryland community, said that in the last week many people had talked of Mr. Paisley's death, but no one claimed to have known him.

Even parking lot attendants at the apartment building where he lived, who said they knew most of the residents, could not remember Mr. Paisley or the color of his car.

His wife of 28 years, Maryann Paisley, and close acquaintances disagreed about his state of mind.

She maintained he was mentally fit and adjusting to their separation, which close friends of the man denied. Sources said she also told police he was a precise man who kept everything tidy and did not go shoeless at any time, statements that later were contradicted by close friends.

His psychiatrist, quoted yesterday in the *Washington Post*, said that Mr. Paisley gave no hints that he was about to commit suicide.

And a woman who said she had a "close personal relationship" with Mr. Paisley after he and his wife separated, said in published interviews that although he had been depressed a while back and shown suicidal tendencies, he had gotten over that recently.

From their profile, police also were able to determine possible motives for suicide as they delved into the man's psychological state.

The picture painted by friends is of a man who was a workaholic—putting in long days during more than 20 years with the CIA—who had lost contact with his family.

When he retired, he apparently wanted to drop out and live on his boat with his wife. But that did not work and apparently was a factor in the break-up. He was man whose dream of his retirement years had shattered.

As for the physical evidence, the 9-mm. gun remains missing.

Colonel Smith, head of the State Police, said it may never be found.

If he went overboard with the gun near where the corpse was discovered, Colonel Smith said, the water there is too deep for even divers to go.

"It is one of the deepest parts of the Chesapeake Bay—160 to 180 feet," he said. "We don't have the capability of diving that deep."

But, as one state trooper put it, "Everyone says if we get the gun, that's it. Well, what if we find the gun and test fire it and that shows that the slug that killed him was fired by that gun. What does that prove?"

That would not eliminate the possibility that someone came on board, disarmed him and shot him with his own gun, the policeman said.

Mr. Clark, the police spokesman, conceded that "we may never be 100 per cent sure as to whether Mr. Paisley took his own life or was murdered, but we can build a body of evidence that at this point points to a self-inflicted wound as the cause of death."

THE WASHINGTON POST
12 October 1978

ARTICLE APPEARED
ON PAGE C-1,6

Paisley Bought 2nd Diving Belt, Investigators Say

Investigators have determined that ex-CIA official John A. Paisley purchased a second set of diving weights about two weeks before his disappearance and death on the Chesapeake Bay. Maryland State Police said last night this lends credence to the theory that Paisley planned to commit suicide, although the investigation of his death is continuing.

Paisley disappeared sailing alone on the bay in his 31-foot sloop the Brillig, on Sept. 24. A week later, his bloated body surfaced despite being weighted down by two scuba diving belts that weighed a total of 38 pounds. He had been shot once in the head.

Maryland State Police spokesman William E. Clark said the theory that Paisley planned suicide is bolstered by the discovery that he purchased a second weight belt because "in normal diving operations there is no need for a second belt."

Evidence is still lacking to say whether Paisley committed suicide or was murdered, and Clark added,

"We'll never be able to have all the answers; we'll never be 100 percent sure of what happened out there on the Bay."

Paisley, 55, bought the second weight belt on Sept. 8 at the National Diving Center, 4932 Wisconsin Ave. NW, paying \$47.72 for the weights and a lubricant used on diving suits, according to Clark. He was remembered at the store because he had made purchases there before, Clark said.

In addition, Clark said, the second weight belt was seen aboard Paisley's boat by three persons, two of whom said they saw it on Sept. 23, the day before Paisley's disappearance.

In another development, the FBI reported yesterday its crime laboratory here has been unable to detect evidence indicating either that Paisley committed suicide or was murdered.

Tests completed yesterday were unable to find any chemical evidence on Paisley's hands to indicate that he might have fired a gun recently. Traces of the chemical—barium antimony—could have dissipated while Paisley's body was in the bay, police said.

Police have determined that Paisley was killed by a 9 mm bullet.

Paisley, who retired in 1974 from his post as deputy director of the CIA's Office of Strategic Research, had told several acquaintances that he was

planning to sell his own 9 mm pistol. But Clark said last night there is still no evidence whether Paisley still owned the weapon at the time of his death.

It is still reasonable to assume that Paisley could have been in possession of the pistol when he set sail from Hooper Island west across Chesapeake Bay toward Solomons, Md., on the day he disappeared, Clark said. No gun was found aboard the boat, which was found aground, its sails still set, the following day.

Clark added that so far no one has come forward to report having seen Paisley sailing on the bay the afternoon of Sept. 24 or of hearing gunshots, although it is valid to assume that the sound of gunshots over water would carry for a long distance.

Paisley, who lived at 1500 Massachusetts Ave. NW, was estranged from his wife, but had been scheduled to bring her to a group psychotherapy session in Chevy Chase on Sept. 26 to discuss why their marriage failed, according to Paisley's psychiatrist.

The Senate Intelligence Committee began an inquiry into Paisley's death after a published report that he was killed because of his CIA connections.

ARTICLE APPEARED
ON PAGE A-3WASHINGTON STAR (RED LINE)
12 OCTOBER 1978

Traces of Gunpowder On Paisley's Hands, But Test 'Inconclusive'

By Michael D. Davis

Washington Star Staff Writer

Traces of a gunpowder residue have been found on the hands of John A. Paisley, who was found dead with a bullet wound in the head 12 days ago, but FBI tests have not proved conclusively that the former CIA analyst fired a gun the day he died, a Maryland state police spokesman said today.

The spokesman, William E. Clark, said investigators have been told Paisley's hands contained traces of barium antimony, a gunpowder ingredient. Clark added that though the FBI tests are "inconclusive, there is probably no other way that the trace elements could have gotten on his hands" than by firing a gun.

Maryland medical examiner Dr. Russell Fischer had asked the FBI to perform neutron activation tests on Paisley's hands. The process was developed to determine whether a person has recently fired a weapon. Fischer and an FBI technician said these tests are often inconclusive when performed on bodies that have been in the water because the elements chemists look for are water soluble.

Paisley's body was recovered from Chesapeake Bay on Oct. 1. It has been determined that the body had been in the water for more than a week.

CLARK DISCLOSED earlier that Paisley purchased 28 pounds of diver's weights and a belt to hold them from a Northwest Washington sporting goods store the day before starting his final voyage on the bay.

Clark said investigators have learned that Paisley bought the extra set of weights Sept. 23. Paisley already had a set of weights which he used when skin diving.

Paisley's body was found wrapped with the two sets of diving weights, but floating in the bay.

Friends had told investigators Paisley was known to own only one set of weights. They said they had never seen the second set.

Clark said the seven-man team investigating Paisley's death has talked to witnesses who saw the additional set of weights aboard Paisley's 31-foot sloop the day he sailed.

Tom Cooper, who manages the National Dive Shop in the 4900 block of Wisconsin Avenue NW, said Paisley

was a frequent customer.

"The day he bought the weights, he was in a hurry. He bought the weights, a belt and some lubricant for diving equipment. He paid \$42.72 in cash for his purchase," Cooper said. "He appeared to be very much in a hurry on that day."

INVESTIGATORS AND CIA officials, who have said unofficially they believe Paisley committed suicide, have been attempting to determine the significance of the second set of weights that were wrapped around his body.

Friends in Olivet, Md., where Paisley kept his sailboat, told investigators they did not remember Paisley's ever owning two sets of weights.

Clark said Maryland investigators have been unable to substantiate the contention of a Cumberland, Md., woman who was a close friend of Paisley that he sold his 9 mm automatic pistol last summer.

Ballistics experts said earlier this week that Paisley, who had continued to work for the CIA as a consultant after his 1974 retirement, had been shot by a bullet fired from an automatic similar to the one he was thought to have kept aboard his boat.

Clark said investigators hope to conclude their investigation before the end of the week.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

THE WASHINGTON POST
11 October 1978

ARTICLE APPEARED
ON PAGE A-19

Panel Backs Making It a Crime to Identify U.S. Undercover Agents

By Susanna McBee

Washington Post Staff Writer

A Senate subcommittee recommended yesterday that Congress make it a crime to disclose the names of undercover intelligence agents.

But it warned against any "radical restructuring" of the nation's espionage laws, especially the creation of a measure similar to the British Official Secrets Act.

That law prohibits disclosure of any government secret, regardless of whether it affects national security, and permits closed trials of accused violators, including those who receive the information as well as those who leak it.

Such a law in this country would probably not have "an appreciable impact on leaks" and would face "countless practical, legal and political" problems, according to the Intelligence Secrecy and Disclosure Subcommittee.

"Any comprehensive law against leaks cannot be effective so long as it is impossible to distinguish between a criminal act and a widely accepted governmental practice," the subcommittee said in a new report on national security secrets and the administration of justice.

It said past presidential orders have "failed to protect the most important national security information by providing for the classification of much information that ought to be made public."

The subcommittee called President Carter's order on classification "an improvement over past practices" and urged the administration to interpret it "with an emphasis on decreasing the amount of unnecessary secrecy."

It said the intelligence community, including the intelligence committees of Congress, "should declassify as many as possible of their reports and studies on matters of public concern" to discourage leaking.

The subcommittee said a law penalizing the identification of a Central Intelligence Agency undercover operative in a way that jeopardized the employe's safety would deal with such disclosures as those made recently by former CIA officer Philip Agee. Agee, who lives abroad, has written or edited two books that name agents and expose covert CIA operations.

Subcommittee Chairman Joseph R. Biden Jr. (D-Del.) was asked if the

proposed law would cover a disclosure like that in The Washington Post last year saying that King Hussein of Jordan had received CIA money.

"That's not the primary thrust and focus of the recommendation," Biden replied. "The idea is to protect a CIA operative who clearly is a professional, full-time agent."

The subcommittee was also concerned about "graymail," in which a defense attorney—representing a defendant accused of, say, bribing government officials, spying for a foreign government, perjury or even murder—threatens to disclose classified information in the course of a trial. To alleviate the practice, the senators recommended:

- A law creating a special closed pretrial proceeding conducted by a judge in which the defendant would reveal what motions or arguments he or she planned to make that would require disclosure of intelligence information.

- A law creating a "secret of state" or national security, privilege to be determined by a judge, also in a closed hearing, in espionage trials.

The subcommittee also recommended that the attorney general issue guidelines under which intelligence agencies would report crimes to the Justice Department, that the FBI continue to have exclusive responsibility to investigate crimes involving the intelligence community, and that security violators who are not prosecuted be subject to administrative sanctions such as dismissal or loss of security clearance.

Sen. Malcolm Wallop (R-Wyo.) called the recommendations "only marginal improvements." He suggested separate judicial proceedings in espionage cases—one in public to determine if the defendant disclosed secrets and another in secret to determine if any harm was done to the nation. Biden questioned the constitutionality of that proposal.

WASHINGTON STAR (GREEN LINE)
11 OCTOBER 1978ARTICLE APPEARED
ON PAGE A-4

Panel Says Laws Hinder Security Leak Prosecutions

By Anthony Marro
Special to The Washington Star

The Senate Intelligence Committee has concluded that there has been a "major failure" by the government to take action in leaks of national security information, and that new laws and regulations are needed to permit future prosecution of both leaks and espionage cases.

According to a report released yesterday by the Subcommittee on Secrecy and Disclosure, the committee has been "unable to identify a single successful prosecution of an individual who leaked information to a publication," and has found cases where espionage prosecutions had been hampered.

The chief reason, according to the report, is that defendants in such cases often have engaged in "graymail" — which a committee spokesman described as "something just short of blackmail" — by threatening to disclose even more secrets in open court if a prosecution were attempted.

TERMING THIS practice "a shocking phenomenon which undermines the enforcement of all laws related to intelligence operations," Sen. Joseph R. Biden Jr., D-Del., the subcommittee chairman, said that unless steps are taken to correct this, it will not be possible to enforce laws now being drafted to govern the nation's intelligence agencies.

His point, he said both in a written statement and in a short news conference yesterday is that the same reasons cited by the government for not prosecuting many cases in which intelligence secrets have been compromised also could be cited to block prosecutions of intelligence agents who violate criminal laws.

The report, which is largely the work of three present and former committee staffers, Keith Raffel, Mark Gitenstein and David Bushong, shows that in addition to so-called "national security" leak cases, there have been investigations of bribery, drug dealing and murder — including the initial investigation of Korean influence buying — that have been abandoned for fear that prosecu-

tions would compromise intelligence "sources and methods."

IN ALL SUCH cases, the report says, the common thread has been that the government has pulled back from prosecution after intelligence officials warned that the benefits gained by a prosecution would be outweighed by the harm caused in submitting classified information for use in a public trial.

In fact, the report says, the government in the past has been least willing to prosecute when the leak was the most serious, because it did not want to confirm to other nations that the information was authentic or to disclose in court precisely why its release was considered harmful to national security.

"Indeed, the more sensitive the information compromised, the more difficult it becomes to enforce the laws that guard our national security," it says.

Biden said yesterday that the committee rejected proposals to re-write espionage laws along the lines of the British Official Secrets Act, which makes revelation of any official government information a crime, whether it is linked to the "national security" or not.

It did, however, recommend a series of administrative actions and laws that it says will afford more protection to undercover operatives of the CIA, reduce the impact of "graymail" and make it more feasible for the Justice Department to attempt prosecution of cases involving "national security" leaks.

INCLUDED AMONG the recommendations — which the report said could be taken "while the Congress determines the need for major revisions of the espionage statutes" — are the following:

- A new law to provide "limited further protection of intelligence sources, especially the identities of agents and employees under cover." The report said such a law is needed to protect the names of actual CIA officers and agents, such as were revealed by former CIA officer Philip Agøe. Biden, however, said he wasn't sure whether this also would apply to identification of persons such as King Hussein of Jordan, who was reported last year to have received considerable sums of money from the agency.

- Special omnibus pre-trial proceedings, in which defense lawyers would have to tell prosecutors in advance just what sorts of defenses they intend to raise that would result in public airing of classified material. This would allow judges to rule in advance whether the material was relevant or admissible, and thus put the government on notice as to just what it would and would not have to reveal in order to prosecute the case.

- A greater use of administrative sanctions against government employees for security breaches which do not constitute crimes. This could include withdrawal of pension rights of former employees who reveal classified information after they leave the government.

In addition, the committee said that the executive branch of the government should move quickly to decrease "the amount of unnecessary secrecy," and to declassify material which can legitimately be made public.

CONTINUED

BIDEN SAID that the recommendations, as drafted, would be aimed at the persons who leak information, not against reporters who receive it and publicize it. He also said that he, personally, considered unconstitutional a proposal by Sen. Malcolm Wallop, R-Wyo., that would create a sort of two-step trial for persons charged with revealing classified material.

The proposal by Wallop, which is contained in an appendix to the report, would have such persons tried in open court on the question of whether in fact they gave information to foreign agents. If the person was found to have violated the law, the trial jury would then meet *in camera* — that is, in secret — to hear evidence on the precise harm that the breach of security had caused.

According to Wallop, this would permit a jury to hear evidence, without having foreign powers made aware of the importance that the defense or intelligence agencies placed on it.

Biden, the subcommittee chairman, however, said that he didn't see how the two issues — whether classified information was transmitted, and whether it was important — could be separated, and thought it might violate constitutional rights to a public trial.

THE SUBCOMMITTEE itself said that the proposed remedies would not solve the problem, and that the only realistic way of solving the problem, a secret trial system for national security cases, was "not in our opinion a very desirable or likely development."

The proposal for special pre-trial hearings in these cases is one that was urged on the subcommittee by Philip Lacovara, a former member of the Watergate Special Prosecutor's office. His argument was that the government often needlessly abandons prosecutions of such cases because of a fear that it will have to reveal classified information that may, in fact, be wholly irrelevant to the case at hand, and ruled inadmissible by the judge.

This procedure, he argued and the committee agreed, would let a judge rule on such materials in advance, and thus would let the government know before going to trial just what sorts of classified information it would and would not have to supply a defendant, and precisely how much would have to be revealed in open court.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

TULSA WORLD
5 October 1978

CIA Link Denied in State Murder Hearing

By **ROB MARTINDALE**
Of the World Staff

GUTHRIE — Prosecution and defense attorneys differed sharply Wednesday on whether an accused killer of a Washington, D.C., scientist was an undercover operative for the Central Intelligence Agency.

James Francis Sheker, 45, is accused of slaying Michael Carl Speer, 42, who disappeared in November 1975 after boarding a plane at Dulles Airport in Washington for Tulsa.

A body identified as that of Speer was found in a makeshift grave last April five miles east of Guthrie. The body had two bullet wounds in the head.

The scientist was coming to Oklahoma to consider a \$50,000 foreign assignment in metal exploration, Janet Cox, assistant district attorney for Logan County, said.

The prosecutor claims the job offer was bogus.

The state rested its case Wednesday at a preliminary hearing after a Washington FBI ballistics expert testified that a slug recovered from the body identified as the scientist was fired from the same gun the defendant allegedly used at a Tecumseh target range.

The murder weapon hasn't been found.

Evan Hodge, the ballistics expert, testified that he "couldn't put it (the weapon) in anyone's hand" even if it were located.

In previous testimony, Charles Patrick O'Conner of West Palm Beach, Fla., wove a story of alleged CIA involvement and told of visiting a shallow grave near Guthrie on Nov. 18, 1975 — two days after Speer vanished.

O'Conner, a chemical engineer, said he had been summoned to

Guthrie by Sheker who led him to the grave site.

O'Conner said he was told that a CIA man had been scheduled to bring documents to Sheker in order for the defendant to change his identity and continue on a secret mission.

"But Sheker told me that the courier drew a weapon and fired at him. Sheker said he then killed the CIA courier," O'Conner testified.

Answering a reporter's question outside the courtroom Wednesday, defense attorney Bert Richard said it is his contention Sheker was a CIA operative. The woman prosecutor called the CIA story a hoax.

An intensive FBI investigation into the background of Sheker, a former Norman resident, revealed no CIA connections, she said.

The prosecutor believes Sheker made a bogus \$50,000 job offer to the scientist but she conceded she cannot prove that.

It also was disclosed Wednesday that the prosecution's file includes a letter from the parents of the scientist who said they checked with federal authorities and were told that neither their son nor Sheker was ever a CIA operative.

The victim's father told Guthrie authorities he has seen a copy of a letter his son wrote to Sheker. The father said he believes his son came to Oklahoma to discuss the \$50,000 job offer.

The defense contends the skeletal remains found here might not be those of the scientist.

Reporters were told Wednesday by defense sources that Sheker's "CIA superior" had authorized Sheker to assume the scientist's name.

There has been testimony that

Sheker claimed he was involved in a secret CIA project and needed to change his identity to protect his life.

Sheker was told, the defense contends, that Speer was in a foreign country and wouldn't return to the United States for several years.

A hearing is scheduled Oct. 12 on a defense motion to have the second-degree murder charge dismissed.

If the motion is overruled, Associate District Judge William Wheeler said the preliminary hearing will resume Oct. 26.

The defense attorney said he plans to call at least five witnesses, including a CIA official and two FBI agents if the hearing resumes.

He said he would issue a subpoena for his defendant's "CIA personnel records."

The defense attorney said he hopes to bring CIA Director Stansfield Turner to Guthrie to testify.

If the CIA director resists a subpoena, the defense attorney said he will consider a court hearing in Virginia to force Turner to show cause why he shouldn't testify.

Sheker is being held in the Logan County jail in lieu of \$100,000 bond.

At one point during the preliminary hearing, which has lasted seven days, a skull identified as the scientist's was displayed in the courtroom.

Sheker, according to the prosecution, was unemployed when arrested. The prosecution claims he took on fictitious job roles, including that of a chemical engineer and a CIA agent.

The husband of his first wife was in the CIA, according to the prosecution.

THE DAILY OKLAHOMAN
5 October 1978

FBI Ballistics Expert Testifies Slugs Match in Murder Trial

By Robert B. Allen
Staff Writer

GUTHRIE — An FBI ballistics expert testified Wednesday a slug found in the skull of a man identified as a missing scientist came from the same gun a murder suspect reportedly used on a target range a month earlier.

Evan Hodge of Washington D.C. was the last of 16 witnesses called by prosecutor Janet Cox as the state rested its case against former Norman resident James Francis Sheker.

Sheker, 45, whose preliminary hearing will not resume until Oct. 26, is charged with second-degree murder in the death of Michael Carr Speer, who disappeared in November 1975 after boarding a Washington plane for Oklahoma. A decomposed body, identified as that of the scientist, was recovered from a shallow grave here last April.

Hodge said testing in the FBI's Washington laboratory established beyond any doubt that a .308-caliber slug removed from the victim's skull and a shell casing found on a Tecumseh farm came from the same automatic pistol.

A friend of the defendant testified earlier that Sheker, a known gun collector, had visited his farm in October 1975, and that they took target practice on at least one occasion.

He said that Sheker was using one of his own weapons, which he described as a .308 automatic.

Three Oklahoma FBI agents testified earlier that they had retrieved a .308 slug from the rural home near Tecumseh and a shell casing at a grave site east of Guthrie.

Much of the testimony during the first seven days of the hearing sounded as if it came from a James Bond suspense novel, weaving a tale of alleged CIA undercover activities, death threats and impersonations.

Associate District Judge William W. Wheeler granted a three-week delay in the preliminary hearing at the request of de-

fense lawyer Bert Richard, Guthrie, who said he needs time to get subpoenas for CIA officials and also his client's personnel records.

Richard said he may fly to Virginia, where Sheker was charged earlier this year, and appear in court in an effort to bring security leaders to Oklahoma to testify about Sheker's connection with the Central Intelligence Agency.

Prosecutor Cox, however, told reporters outside the courtroom that an intensive investigation by the FBI had failed to uncover any evidence to indicate that Sheker ever worked for the CIA.

Richard said although he is not optimistic about his efforts, he will continue to try to bring CIA Director Stansfield Turner to Oklahoma to furnish testimony in the Logan County case.

At least one witness testified during the hearing that Sheker told him that he was forced to kill another CIA man in self-defense at a time when the defendant was preparing to assume the identity of the 43-year-old Speer, who had been employed by the National Academy of Sciences. Speer reportedly was en route to Oklahoma to discuss a foreign assignment on a exploration project when he disappeared.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

WASHINGTON STAR
8 OCTOBER 1978ARTICLE APPEARED
ON PAGE A-1

Espionage Trial May Show if There's a 'Mole' at CIA

By Anthony Marro

Special to The Washington Star

On March 2, 1978, according to a federal indictment, a young American named William P. Kampiles met in Athens, Greece, with a Soviet agent and turned over a document titled "KH-11 System Technical Manual." It carried a "TOP SECRET" label.

Kampiles has said through his attorney that he did not have the document in question, and that he never turned it over to the Russians.

"He's not a traitor," Michael Monico, the attorney, said recently. "Right now he's living in a terrible, terrible nightmare."

More specifically, the former CIA "watch officer," who is only 23, is now at the Metropolitan Corrections Center in Chicago, where he is being held for lack of \$100,000 cash bail while awaiting prosecution on an espionage charge.

WHETHER HE ACTUALLY turned over the document — "with intent and reason to believe that it was to be used to the injury of the United States" — is something that is likely to be debated at length at his trial, which is now scheduled to begin Oct. 31.

But the matter already has caused a major stir in the defense and intelligence communities, raised questions about the security of CIA files, complicated the future of Strategic Arms Limitations Talks, fed speculation about a possible "mole" (foreign spy) in the agency, and prompted some intelligence officers to conclude that the Soviets have scored a significant intelligence coup.

One intelligence officer said recently he sees a lot of useless material stamped TOP SECRET, "but this one was real. I only considered that I knew two real secrets, and this was one of them."

In addition, the case is likely to test again whether it is possible to prosecute an espionage case where an important secret is alleged to have been compromised without

causing additional damage to "national security" by revealing and verifying the secret publicly in a trial.

"A lot of the so-called espionage cases they've brought (in recent years) have involved only minor secrets or outright junk," said one intelligence officer, who did not want to be identified by name. "But here you've got a legitimate secret, and even if the Russians have it, that's no reason to think that the Chinese or any of the others do. So you have to ask just how much of this you can afford to put into evidence."

The manual that young Kampiles is alleged to have given to the Soviets is said to have contained details of the operating capabilities of the KH-11 spy satellite, which is a major source of information about Soviet missile placements. The KH-11 — which was mistakenly identified in earlier press reports as the so-called "Big Bird" satellite — is said to be able to penetrate some forms of darkness and cloud cover, and to be so sensitive that it can distinguish between civilians and military personnel from several hundred miles up.

IN ADDITION, IT has a major advantage over the "Big Bird" because, while that satellite has to drop its pictures back to earth in re-entry capsules, the KH-11 reportedly can

transmit them instantly in digital code form.

Most persons in the intelligence and defense agencies are said to consider the loss of the manual to be quite serious, and at least one has claimed that it has caused "irreparable harm."

"Now the Soviets know the parameters of its performance," says one intelligence official. "They know what sort of haze it can see through. They know what it can and can't see at night. And once they know this, they can try to 'blind' it by using more effective camouflage."

Other present and former intelligence officers, however, take a less pessimistic view.

"It's important, but it's not all that important," said one former CIA officer. "It's a good breakthrough because they can build both ways — they can go back and fill in some of the blanks and can extrapolate for the future. But it probably just confirms that we have a capability that they were pretty sure we had anyway."

One defense systems expert goes even further and suggests that it might even be something of a plus for the United States because, rather than making it more difficult for us to monitor Soviet compliance with SALT limitations, it might make the Soviets realize that the satellite system would spot most forms of cheating.

"There's not that much that you can do to camouflage missile systems or make them more mobile, so this could be a deterrent to some forms of cheating," he said.

According to a number of sources, the case began when Kampiles, who had been recruited into the CIA from the campus of Indiana University in 1975, was serving as a so-called "watch officer" at the agency's headquarters in Langley, Va.

Although called an "officer," he actually was little more than a clerk. He carried a rank of GS-7, was paid less than \$15,000 a year, and worked there only eight months.

KAMPILES LEFT THE agency in November 1977, reportedly after being told that he didn't have the aptitude or ability to become a regular CIA officer and wouldn't be accepted into the training program. Less than four months later, according to the indictment, he met in Athens with a Soviet agent code-named "Michael" and, for only \$3,100, turned over a major portion of copy No. 155 of the KH-11 manual.

Subsequently Kampiles allegedly wrote to a former CIA colleague that he had been in contact with Soviet agents and had received money from them and offered to spread "disinformation." The reference to money caused great consternation at Langley, because the usual pattern is for the Soviets to pay money only after they have received something of value. As a result the CIA called in the FBI.

CONTINUED

Although Kampiles, through his lawyer, now denies that he had the documents in question or that he sold them to the Soviets, several Justice Department sources have said that prior to his indictment he had admitted to the FBI that he had done so.

Aside from possible damage to national security, the case has caused the agency a great deal of embarrassment because of the fact that such a low-level employee could walk away with a top secret manual and that it could be missing for nearly a year before the loss was discovered.

Actually, according to a number of former CIA officers, the "watch office," which is an operations center, traditionally has been staffed by young, inexperienced employees, many of whom were still attending college part time, or moonlighting at other jobs.

"It always amazed me that those kids had access to the sort of information they did," one former officer said. "It was only a matter of time" until one made off with something valuable.

EVEN GIVEN THE easy access many "watch officers" have to sensitive material, a number of intelligence officers argue that the manual never should have been there in the first place. And there are other as yet unanswered questions:

- Why, if the material was so important, would Kampiles sell it for only \$3,100? "That's an important question," says his attorney, Monico. "Why would he do this for so little money?"

- Precisely when did the agency become aware the manual was missing and could the Soviets in fact have known much of the information before the alleged meeting in March 1978 between Kampiles and "Michael?"

One government source has said that the CIA and FBI had found some reason to suspect prior to Kampiles' arrest that the KH-11 satellite had been compromised. (And Michael Ledeen, in a recent article in New York magazine, reported that security experts began noting Russian ground movements that "seemed designed to thwart specific KH-11 capabilities.")

More importantly, the source reported that by March 1978 the agency already was searching for the source of the leak, which would suggest — if the date is right — that either Kampiles had turned over the material earlier than March 2 or that the Soviets already had received it from someone else.

HERBERT HETU, a spokesman for the agency, said he didn't know for certain if there had been such a search, and that "we wouldn't say so if there was." But a number of other present and former intelligence officers have said that the case raises the question of whether in fact there is a "mole" — an officer within the government who has been recruited by a foreign intelligence service — and whether Kampiles might somehow have been "burned" in order to protect him.

"The interesting thing is that by prosecuting the case they're going to raise the question (of whether there's a 'mole'), but because the whole case will be aimed at one guy — Kampiles — it won't answer it," says one official.

For the record, David T. Ready, the U.S. attorney for the northern district of Indiana, and the man who will actually prosecute the case, says that nothing in the indictment or the case file suggests that the Russians already had the material before Kampiles allegedly gave it to them. "Our assumption is that they didn't have it," he said. "The (espionage) law requires that there had been some harm (to the national defense), and we intend to prove that (the alleged transfer of the manual) was harmful."

In the process, he and other Justice Department officials agree, unusual care will have to be taken to insure that the sort of information that must be made public in a trial doesn't cause even more damage than the alleged transfer already has done.

This is a concern that has grown in recent years, as it has become almost routine for defense lawyers in cases involving intelligence agents or leaks of secret materials to demand access to other classified material, in hopes of persuading the Justice Department to abandon prosecution rather than make the material public.

THE MATTER IS being handled through the investigative stage by the Internal Security Section of the Justice Department's criminal division, which will turn it over to the local U.S. attorney for actual prosecution. Because the alleged crime took place on foreign soil, the case will be prosecuted in the jurisdiction which includes the town where Kampiles actually was arrested, Hammond, Ind.

In the past it was common for the Justice Department to abandon prosecution of many cases because the CIA was reluctant to introduce classified material into evidence. Attorney General Griffin B. Bell, however, reportedly has become increasingly concerned about the ability of defense lawyers, as he puts it, to "blackmail" the government by threatening to put large amounts of classified material on the record, and has ordered his department to push ahead and prosecute such cases wherever feasible.

There are a number of things the prosecutors can try to do in such cases, such as introducing only portions of classified documents and asking that some of the material be introduced into evidence in secret.

A number of Justice Department officials agree, however, that if the Kampiles case involves the sort of secrets that the CIA claims, this would be the toughest test of the new policy.

ARTICLE APPEARED
ON PAGE A-1WASHINGTON STAR
8 OCTOBER 1978Justice Dept. Probing Case

CIA Coached Witnesses For ITT Testimony on Hill

By Leonard Curry

Washington Star Staff Writer

The CIA counseled two International Telephone and Telegraph Co. executives about their testimony before a Senate subcommittee in which they denied ITT had any links with the CIA, according to sources close to a Justice Department perjury investigation.

The sources also said former Sen. J. William Fulbright, who chaired the panel's parent Foreign Relations Committee at the time, knew at least a year — and probably three years — before the hearings began that the CIA maintained close ties with ITT.

ITT executives Edward J. Gerrity Jr. and Robert Berrellez have been accused of perjury for allegedly lying to the subcommittee about ITT's financial role in the Chilean presidential campaign of 1970.

The evidence may prove troublesome for a jury considering conviction of either Gerrity or Berrellez. "Can the government convict anybody who was carrying out instructions of the government?" was the rhetorical question of one source familiar with the investigation.

BERRELLEZ'S TRIAL is scheduled to begin Oct. 23 in U.S. District

Court. Gerrity's trial is on the calendar for Dec. 4.

There is also a potential conflict if Fulbright had knowledge that he did not convey to one of his subcommittees conducting an investigation, the sources say.

Fulbright declined to discuss the ITT matter before his potential appearance as a trial witness.

Sources said the Justice Department has documents that indicate the CIA was in communication with ITT before and during the controversial hearings. The documents are part of the department's case against two ITT officers.

Gerrity is ITT's senior vice president for public relations. Berrellez, a former journalist, has worked under Gerrity as corporate relations director for South America since 1970.

GERRITY AND BERRELLEZ denied to the subcommittee any knowledge of an alleged \$1 million payment from ITT, with CIA concurrence, to political rivals of the late Salvador Allende, a socialist who was elected president of Chile on Oct. 24, 1970.

Allende died in a September 1973 coup that replaced his government

with a military junta, which later outlawed Allende's Marxist party. The junta reported Allende committed suicide, but Allende's widow claimed he was murdered.

Gerrity testified at the Senate hearings that ITT was concerned that Allende's anti-business and anti-U.S. platform in 1970 would lead to a Chilean government takeover of ITT assets in the South American nation.

But Gerrity said he had "no knowledge of money being offered" to anti-Allende forces "and it is not my understanding that any money was offered to the CIA."

ITT is the world's largest manufacturer of telecommunications equipment with operations in more than 80 countries. ITT's investment in Chile included a \$153 million interest in the national telephone company, which was only two-thirds protected by U.S. government guarantees against expropriation.

The 1973 subcommittee hearings, chaired by Sen. Frank Church, D-Idaho, and the Senate Intelligence Committee in an investigation two years later produced evidence that the CIA channeled some \$8 million to candidates opposing Allende, and that the CIA and ITT coordinated their activities.

RICHARD HELMS, who was the CIA director at the time of the Allende campaign, pleaded no contest last year to two charges of lying under oath to Congress about CIA involvement in the Chilean election.

Sources said the Justice Department's evidence shows the CIA was in continuous contact with ITT during the Church subcommittee's prehearing investigation that began in the spring of 1972 and may even have orchestrated crucial parts of the actual public testimony of Gerrity and Berrellez in March and April 1973.

The sources said the CIA connection with ITT was also known to Fulbright and Pat M. Holt, a senior consultant of the Foreign Relations Committee, more than a year before the subcommittee hearings. Holt, now retired, could not be reached for comment.

According to the sources, Fulbright — or an assistant or assistants — leaked documents to columnist Jack Anderson whose newspaper articles in March 21 and 22, 1972, precipitated creation of the subcommittee and its subsequent inquiries.

Fulbright, an Arkansas Democrat with a distinguished, 30-year career in the Senate, is now in private law practice with Hogan & Hartson in the District. A woman at Fulbright's law office said Friday he was on an out-of-town speaking engagement.

"The senator is unavailable until Oct. 17," the woman said.

BUT FULBRIGHT PERSONALLY answered the telephone at his Northwest home. He declined to discuss any aspects of the ITT matter. When asked if he knew of the CIA connection with ITT before the subcommittee hearings, Fulbright replied:

"I think we'd better not talk about it until the trial. That's in a few weeks."

When asked if he had provided any information to columnist Anderson about ITT and the CIA, Fulbright said gruffly, "I said I don't care to talk about it right now."

Anderson said, "No, Fulbright did not give me the documents."

But a source familiar with material Anderson received said it seemed apparent that Fulbright knew of the CIA-ITT connection in 1972 and probably as early as 1970 when the anti-Allende campaign was at its peak.

CONTINUED

Anderson said he would not identify his source of information nor the contents of the material other than to state it originated from ITT files and implied that ITT dominated the CIA in Chile rather than the agency controlling the corporation.

THE STICKY ISSUE involving one arm of the government prosecuting ITT executives for allegedly follow-

ing the advice of another federal agency is only the first of many for a Justice Department task force probing corporate overseas corruption.

The department created a nationwide task force of staff attorneys in Washington and U.S. attorneys in cities throughout the country in the fall of 1976. In the summer of 1977 the task force was expanded through the addition of two attorneys from the Securities and Exchange Commission, which pioneered the corporate bribery probes in 1974.

By the time the task force was set up, the SEC had linked 400 major corporations with more than \$500 million in questionable payments including bribes and illegal campaign contributions to members of Congress.

The task force won a racketeering conviction against J. Ray McDermott & Co., a New Orleans-based producer of oil drilling equipment, and the Minneapolis computer firm Control Data.

But it has run into trouble with two giant airplane manufacturers, Lockheed Corp. of Los Angeles and The Boeing Co. of Seattle. Dresser Industries, a Dallas supplier of oil drilling and coal mining equipment, compounded the task force problems.

The basis of the task force difficulties involves the extent of government involvement in Lockheed and Boeing financial dealings with foreign officials.

Lockheed's former international

sales chief, A. Carl Kotchian, was subpoenaed to testify before a federal grand jury investigating criminal violations including false statements to government agencies, conspiracy to defraud, mail and wire fraud, customs violations and interstate transportation of money obtained by fraud.

Kotchian stiffened when it became apparent that the task force was seeking a criminal indictment against him for activities that he alleged were carried out frequently with CIA compliance.

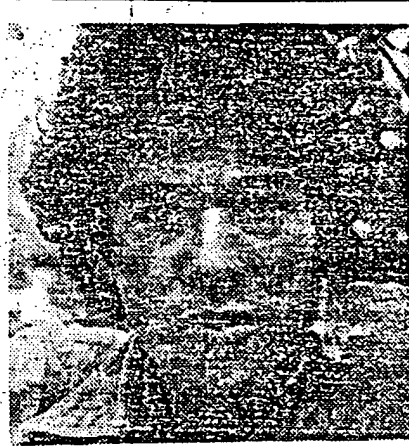
Boeing's attorneys argued with the task force staff that the world's largest manufacturer of commercial aircraft was acting in the best interests of the United States and, sometimes, under U.S. guidance in paying sales commissions to foreign government officials that mount to the tens of millions of dollars.

Meanwhile, Dresser chairman John V. James resisted testifying before the grand jury on grounds that he was exonerated by a prior agreement with another government agency in regard to a \$1.4 million payment to a foreign official to consummate a \$40 million deal.

Despite his arguments, James appeared before the grand jury last May 31 and produced documents pertaining to the alleged criminal activity.

ARTICLE APPEARED
ON PAGE A-2WASHINGTON STAR
9 OCTOBER 1978Q and A**Making Bomb
'Easy, Scary,'
Says Author**

John Aristotle Phillips, 22, who designed an atomic bomb two years ago as a project in physics during his junior year at Princeton University, has recently written a book, "Mushroom," with David Michaelis, a former college roommate, chronicling their years at Princeton. He was interviewed by Washington Star Staff Writer Sue Mullin.



—Margaret W. Azzori

JOHN A. PHILLIPS

A bootleg bomb — not if, but when

EXCERPT:

Q: You were approached by representatives of foreign governments for the design?

A: Yes, I was approached by a representative of the Pakistani government, for one. This was at a time when France was attempting to sell nuclear technology for plutonium re-processing to Pakistan. Pakistan had promised the French and promised skeptical U.S. officials they had no intention of using this technology for bomb-building. Just at that moment I was contacted by Pakistani officials who wanted my bomb design.

Q: After you were approached by the Pakistani, you called Sen. Proxmire and he put the FBI and CIA in touch with you. What measures did the FBI take to prevent your documents from falling into the wrong hands?

A: Even before they got involved to protect me, parts of my report were deleted at the suggestion of my professors. I don't even have a copy of it now. It's all locked up. I don't care to have a copy of it. The FBI and CIA weren't investigating me in any way, however. They did arrange for a guard, but I've been asked, and I think wisely so, not to discuss the security arrangements.

ARTICLE APPEARED
ON PAGE 6CHICAGO TRIBUNE
12 OCTOBER 1978James Coates

Is life happier for the new, open CIA?

No comment

[James Coates is a member of The Tribune's Washington bureau.]

WASHINGTON—There used to be a fellow over at the CIA named Angus Thurmer. Angus was always good for a "no comment," he was a Washington institution. A public relations man with nothing to say.

Those were simpler times. The CIA was busy behind the scenes raising Russian submarines with Howard Hughes' help, scheming to dust Fidel Castro's skindiving suit with poisoned talcum powder, plotting to overthrow the government of Chile, opening American citizens' mail.

"Angus," a reporter might ask, "Is it true that the CIA and Howard Hughes just raised a Russian submarine and confiscated several atom bombs?"

Angus would reply, "No comment."

"Come on, Angus," a reporter might persist. "That story is in Parade magazine, for Pete's sake. They quote the director himself."

Angus might answer, "You want to talk, we'll talk about the Chicago Bears. That I can talk about."

But while Angus was fencing with reporters seeking on-the-record comments the agency was leaking badly. Daily on Capitol Hill there were ever more outrageous disclosures about the spy about the spy agency's clandestine goofs and domestic spying.

The fact was Angus' "no comment" was an integral part of any CIA story in those not so far removed days. Here was the formula:

"Washington—CIA agents tried to kill the King of Siam by giving him a bottle of shampoo laced with deadly shellfish poison, according to informed sources.

"Asked to confirm or deny the clandestine operation, CIA spokesman Angus Thurmer said, "No comment!"

You could have set Angus Thurmer's necktie on fire and he would refuse to confirm or deny whether he smelled smoke.

Of course, the CIA is reformed now. To prevent new abuses, President Carter and a Senate committee now receive daily reports on every clandestine move the CIA makes.

And Angus Thurmer is no longer answering the phone at the CIA press office. He has been replaced by Herbert Hetu, Dale Peterson, and Suzanne Black.

As part of the agency's carefully-monitored drive to be more open, Hetu and associates are under Director Stansfield Turner's orders to try to offer reporters comments whenever possible.

The resulting access to knowledgeable CIA officials has been undeniably helpful to journalists in many instances. Further, one must suspect that the public now is spared the occasional ridiculous story that found its way into print because of a rigid "no comment" policy.

But, in the last couple of weeks, one must wonder whether the CIA isn't getting a bit nostalgic for Angus Thurmer.

Hetu and his staff have been wrestling with two headline-grabbing cases—the mysterious death of one-time top CIA analyst John Paisley, and the sybaritic antics of the agency's juiciest defector, Arkady Shevchenko.

In the Paisley case, the CIA has handled press inquiries death about as effectively as Rep. Wayne Hays handled questions about Liz Ray.

Paisley's body was found in Chesapeake Bay. He was either a suicide or murder victim. There were press reports of a CIA probe to determine if the Russian KGB killed him.

Hetu said the reports were "ridiculous," and explained Paisley had been retired from the CIA since 1974. There was no investigation, he told reporters. Next day, Hetu, changed the story.

Paisley, he admitted, had been working as a CIA consultant preparing a report for Director Turner when he died. He added that the Maryland state police were conducting the investigation with CIA "cooperation."

The next day Ms. Black was asked how many CIA agents were "cooperating" full time. "More than one," she acknowledged. The next day it was disclosed that the CIA was now "cooperating" with a Senat investigation to learn whether Paisley was connected with the leak to the KGB of key U.S. spy satellite data.

That leak charge, insists Hetu to this day, is "ridiculous." Hetu's statement about that charge is practically the only open CIA declaration in the Paisley case which has remained consistent.

While wrestling with inquiries about Paisley, Hetu and associates were handed a real beaut: A \$500 a night female "escort" went on television to describe her nights with defector Shevchenko.

The woman said, Shevchenko had spent between \$35,000 and \$40,000 in CIA funds romancing her, taking her on Caribbean jaunts, and buying gifts.

This time the CIA spokesmen were not quite as talkative to reporters. They confirmed that the defector—the highest ranking Russian ever to come over—was getting a stipend. And, one spokesman added, "We are aware of what he is doing. What he does with his money is his business."

You got the impression he would have rather talked about the Chicago Bears.

ST. LOUIS GLOBE-DEMOCRAT
27 SEPTEMBER 1978

THE BATTLE AGAINST TERRORISM

Although the news media report worldwide terrorism with distressing frequency, a study by the Central Intelligence Agency has found that such violent incidents actually declined in 1977.

A total of 270 terrorist acts were committed last year — 134 fewer than the 413 which occurred in 1976. The 1977 total is the lowest since 1973.

The CIA report states that "this decline was probably in large part due to increased security measures taken by previously victimized governments," along with a wait-and-see attitude by terrorists and the growing reluctance of some countries to offer a safe haven to the international outlaws.

The success of stepped-up police activity has been noticeable this month in West Germany and Italy. On Sept. 13 Italian police captured 30-year-old Corrado Alumni, who is suspected of being the mastermind of the Red Brigades. The arrest is considered a major breakthrough in the efforts to round up Red Brigade terrorists who kidnapped and killed former Premier Aldo Moro last spring.

On that same day a special anti-terrorist squad recovered art treasure valued at more than \$750,000 and later arrested five men in the thefts. A week earlier Willy Peter Stoll, 28, was slain by police in Dusseldorf as he pulled a gun as police approached in a Chinese restaurant. Stoll, who was listed as one of the country's 20 most wanted top terrorists, was being sought in the killings of three prominent Germans last year.

The brazen contempt for society was displayed last weekend by three suspected terrorists as they conducted target practice with sub-machine guns in the woods on the outskirts of Dortmund. Residents who heard the firing called police, captured two of the suspects, including Angelika Speitel. The 28-year-old woman is one of 14 suspected Red Army Faction terrorists sought for the 1978

slayings of Siegfried Buback, federal chief prosecutor; Juergen Ponto, banker; and industrialist Hans-Martin Schleyer. One West German policeman was killed and another wounded in the woodland shootout.

It may appear that Americans are a long, safe distance from international terrorism. But such is not the case. Of the 2,690 terrorist activities throughout the world during the decade ending in 1977, almost half of such incidents (1,148) were directed against citizens of the United States or American businesses abroad. Most of this violence includes incendiary and explosive bombings or kidnappings. In the 10-year period Latin America led with 455 terrorist actions aimed at Americans and their properties. Western Europe with 298 incidents was second, followed by the Mideast with 194.

The CIA report warned, "The decline in the frequency of international terrorist attacks is expected to level off and may even be reversed." It also pointed out that worldwide terrorism moves up and down in cycles, with the violence ebbing at present. The study also predicted the locations and targets of terrorists will remain unchanged: American citizens and their properties in Latin America, Western Europe and Mideast.

Although terrorists in other parts of the world receive most of the publicity, the CIA warned the United States also has violence-prone groups: Cubans opposed to Castro and Croats in-exile opposed to the Yugoslav regime.

Alertness against terrorism is being emphasized in the U.S. This point has been underscored by FBI Director William Webster, who announced the bureau is increasing its anti-terrorist program. That is the only way the international criminals can be fought effectively in a cooperative effort by all the civilized nations of the world.

Page Denied

Next 1 Page(s) In Document Denied

THE WASHINGTON POST
20 October 1978

ARTICLE APPEARED
ON PAGE B-1

Virginian Planned to Build Sex, Gambling Empire

By Robert Meyers

Washington Post Staff Writer

Federal authorities investigating Michael Louis Parrish, the Northern Virginia massage parlor owner, have been told that he intended to expand his \$1 million-a-year operation into a Washington area pleasure empire serving diplomats, lobbyists and high-stakes gamblers.

Parrish, who owned 11 sexual massage outlets, was to add a Victorian-style gambling casino in Alexandria, another casino in Northwest Washington, bingo games in Alexandria, and a sex-oriented travel service. FBI agents and federal prosecutors have been told by two former Parrish employees.

The two men, Clyde Ballard (Skip) Stovall, and Gary Marion Van Ryzin, have each pleaded guilty to one count of interstate racketeering in connection with their employment by Parrish. Stovall was sentenced last week to four months in prison, and Van Ryzin is scheduled to be sentenced next week. Stovall and Van Ryzin spoke with a reporter in separate interviews recently.

Parrish managed to bank \$206,000 in cash for himself from his massage parlor and outcall massage service, which grossed as much as \$30,000 each week, the two witnesses have told federal investigators. Included in the funds was \$50,000 in a secret "getaway account" to be used if Parrish ever got in trouble with the law, they said.

The federal investigators also have discovered that Judy Chavez, the woman who said she was paid as much as \$40,000 in CIA funds for her companionship by Soviet defector Arkady Schevchenko, was an employe of Foxy Lady, a Parrish outcall massage service.

Parrish attempted to gather more money for his empire as the secret sponsor of bingo games in Alexandria, federal authorities were told. Parrish believed he could make more money at bingo than through the massage business, Stovall said.

Parrish rented two \$400-a-month apartments at the Oakwood Apartments in Alexandria for "outcall massage" visits, placed \$8,000 in an escrow account to obtain electronic bingo equipment, and launched a male homosexual outcall service called Lambda in the District of Columbia, according to Stovall and Van Ryzin.

Parrish also intended to launch a travel service that would provide package tours including \$1,000-a-night rooms in a refurbished Alexandria massage parlor called Bunny's, female escorts, and limousine, boat, and airplane rentals for wealthy clients, the two men said.

Sources familiar with the probe said that the information Stovall and Van Ryzin gave to a reporter is either identical to that given to federal investigators and a federal grand jury, or is consistent with other information investigators have obtained.

The interviews provide the first public look at specifics of the testimony investigators have received since they began their inquiry in mid-1977. Stovall has been characterized by federal officials as the fourth-ranked member of Parrish's operation, and Van Ryzin as a key management figure.

An FBI affidavit filed in May described the Parrish operation as the "largest, most sophisticated commercialized prostitution operation" in the Washington area, grossing more than \$1 million annually.

Neither Parrish nor his attorney, Jacob Stein, could be reached for comment yesterday.

The massage parlors and outcall massage services were Parrish's base of operations, Stovall said. The enterprises were successful enough for Parrish to spend \$1,000 a month for ads in The Washington Star, \$800 a month for ads in the Yellow Pages, and thousands of dollars each month for the 21 telephone lines on which customers could make appointments for traveling masseuses, according to Stovall.

The clientele included men who paid as little as \$55 an hour for a "mutual nude massage," and those who paid hundreds of dollars for time with one or more women, Stovall said. Several Arab businessmen, visiting Washington in connection with their country's oil interests, paid \$1,000 each for evenings with women, he said.

Other clients Stovall said he personally observed included a leading politician and a professional football player. Van Ryzin said he once saw a Master Charge card form signed by a famous musician.

Parrish's expansion plans were diagrammed on a large piece of heavy white cardboard that rested on an ea-

sel in Parrish's home at 1700 Mason Hill Dr., south of Alexandria, according to Van Ryzin, who said he drew it up. FBI agents seized the organizational chart when they raided Parrish's home earlier this year, sources confirmed.

Van Ryzin said Parrish told his senior management employees not to worry about harassment from officials, asserting that he would take care of such matters. In addition to alleged interstate racketeering and prostitution violations, federal officials are known to be interested in the possibility of official corruption in connection with the Parrish operation.

Van Ryzin said he was delegated by Parrish last year to find small black churches in Alexandria in whose name bingo games could be held. At the same time Parrish tried to obtain several large pieces of bingo equipment by placing \$8,000 in an escrow account, Van Ryzin and Stovall said.

A District of Columbia attorney provided Parrish with a handwritten list of 25 undercover Washington police officers, which was photocopied and posted at all outcall massage parlors, Stovall and Van Ryzin said. The list was for the protection of masseuses, who were instructed not to go out on calls initiated by men using those names, they said.

Judy Chavez, an employe of the Foxy Lady outcall service in Washington, was puzzled by the large amounts of money she was receiving from Schevchenko and twice asked other women to pick the money up for her, Stovall and Van Ryzin said.

Both men also said Parrish was a recluse who always slept with an Ithaca Featherweight 12-gauge shotgun in his bed. Van Ryzin said the gun was loaded with a combination of buckshot and shotgun pellets.

A stolen 9-millimeter handgun, which once was fired at robbers at an Alexandria massage parlor, was later melted down and thrown into the Potomac, they said.

PHILADELPHIA BULLETIN
13 October 1978

The Shev and Judy show

Truth imitates fiction in spying as in anything else. It just takes longer for us to find that out.

Take Arkady Shevchenko. The top-ranking Soviet official in the United Nations defected to the United States last spring. At first he and everyone else denied any politics or espionage were involved. But rumors emerged of marital problems, heavy drinking, and even a report the diplomat was hiding in the Poconos.

Then came the juicy one. An attractive young lady, Judy Chavez, charged that the diplomat paid her \$5,000 a month for companionship. What's more, she claimed the money came from the CIA. Her story also included a \$9,000 sports

car and a vacation to the Virgin Islands. If her volunteering these confessions seems a little strange, she had a good reason. A book she's writing will tell even more.

The CIA is still issuing denials, though not as many as before. Now it admits it is paying Mr. Shevchenko, but not all his entertainment bills. The U.S. intelligence agency contends that he has other sources of income including an advance for his own book.

Graham Greene and John LeCarre could have told us so. They knew that few defectors jump countries purely for principles. More often their reasons include a penchant for the finer — or lesser — things in life. And just as often, foreign

intelligence agencies provide these things in exchange for information.

Like secrecy, these kind of dirty tricks are necessary rules of the intelligence game. It seems that any country that enters has to play by them.

With so many uncertain points in the whole story, we like President Carter's approach best. When asked about Mr. Shevchenko's alleged payments for companionship, he joked, "If the figures the woman quoted are accurate, which they aren't, it would be highly inflationary."

In the end whether the figures are accurate or not, they could make a great book. That's something else Mssrs. Greene and LeCarre knew all along.

ARTICLE APPEARED
ON PAGE B-1

THE WASHINGTON POST
19 October 1978

Come Over and Play

By Art Buchwald

As the conscience of America, I have been giving a lot of time and thought to recent events surrounding Soviet defector Arkady Shevchenko and his paramour Judy Chavez.

While all the facts in the case have not been disclosed (we have to wait for Judy's and Arkady's books to get the rest of them), this much is agreed upon by everybody.

Shevchenko had a high position in the UN when he came over to our

Capitol Punishment

side. He met, or was given, as a reward, Miss Chavez, who worked for an "escort" service in Washington. He paid Miss Chavez \$500 a night for her friendship, and spent between \$35,000 and \$40,000 on her for gifts and a trip to the Virgin Islands. He was known in the CIA as "The Spy Who Was Never Cold."

The facts that are in dispute are whether Mr. Shevchenko paid for Miss Chavez' services out of his own pocket or whether they were paid for by the CIA to keep him happy and talking. If Arkady spent his own money, he was taken advantage of for being a foreigner. But if the CIA paid for the undercover operation, then the taxpayers have a right to ask some questions.

The first is: Why on earth was the CIA paying Miss Chavez \$500 a night when the going rate in the intelligence business for this sort of thing is \$100? If Arkady was paying for it, why didn't someone in the FBI or CIA warn him that he was being overcharged for Miss Chavez' nightly companionship?

If the CIA is footing the bill, as Miss Chavez claims, it means there is a serious lack of cost control in the agency when it comes to providing escorts for Soviet defectors.

No loyal American would take issue with the fact that a high-ranking

Soviet official, who wants to come over, should get anything he wants from the CIA in exchange for intelligence secrets.

But when you start paying outrageous prices for close encounters of this kind, you are not only contributing, as President Carter said at his press conference, to inflation but you are setting a precedent for other Soviet defectors, which the United States can ill afford.

The next defector will also expect a \$500-a-night female companion, and if she is paid less he will feel that the CIA is not treating him with the same respect they did Arkady. How many "escorts" can our intelligence agency supply at these rates before it starts shortchanging our other spy operations?

Even if the CIA can afford it, other friendly intelligence organizations are furious about the publicity given to the Shevchenko-Chavez affairs.

"We've never paid our girls more than \$50 a night," a French intelligence agent told me. "This puts every Western intelligence agency on the spot. The CIA has made the price of sex so high, we may not be able to use it any more as the ultimate weapon."

An Israeli agent thought Arkady was a KGB plant. "What better way to break the CIA budget than to have a defector demand a woman with expensive tastes, a yen for beautiful cars and a desire to make love in beautiful resorts. We could have put up a spy satellite for what it cost the Americans to keep Arkady talking."

Because of all the publicity, the CIA must now give Shevchenko a new cover and move him to a safer city than Washington.

I suggest Cleveland. It is not only a nice place to live, but the going rate there for an "escort" is \$35 a night including taxi fare. Making Arkady live in Cleveland while they debriefed him would certainly save the CIA a lot of money.

© 1978, Los Angeles Times

ARTICLE APPEARED
ON PAGE A-16

THE WASHINGTON POST
17 October 1978

LETTERS TO THE EDITOR

Hype

How can Joseph Kraft ["Defector Detection: Not by the Media," op-ed, Oct. 12] accuse NBC of "entrepreneurial self-promotion"? What those guys did with Judy Chavez was nothing.

What we need to do now is rush the smash hit paperback account of Chavez's relationship with Shevchenko into print. We can hype it with a Style-section interview with Judy Chavez—call it "Judy Chavez: The Woman Behind the Cover"... write a few meaningless news items to keep the names in the public's eye.

We'll have to follow with the TV docudrama, pronto. We can't wait too long. Otherwise the public will forget the significance of this event.

Finally, what can we do in the way of T-shirts? How about an iron-on of Judy Chavez, dressed real slinky, taking money from CIA agents?

That should hold us over until we can get the bulldog reporter on the lecture circuit hawking his tale of how he uncovered the "story."

LARRY SCHMIDT

RADIO TV REPORTS, INC.

4435 WISCONSIN AVENUE, N.W. WASHINGTON, D.C.

244-3540

FOR PUBLIC AFFAIRS STAFF

PROGRAM The Today Show STATION WRC-TV
NBC Network

DATE October 10, 1978 7:00 AM CITY Washington, D.C.

SUBJECT Interview with Judy Chavez

TOM BROKAW: A remarkable story out of Washington in the last 36 hours, or so. And the Federal Government has been greatly embarrassed by the testimony of a woman who says that the FBI and the CIA kept a high-ranked Soviet defector happy by supplying him with money, a lot of money, that he then paid her to be his companion, both in this country and in the Caribbean. The Russian defector is Arkady Shevchenko, and he was a Soviet Undersecretary General until last April at the United Nations.

The woman is Judy Chavez, who, accompanied by her attorney, was interviewed yesterday in Washington by NBC's Jim Polk.

JIM POLK: How did you meet Arkady?

JUDY CHAVEZ: At that time, I was working with an escort service, and they contacted me and...

POLK: Who, the escort service?

CHAVEZ: Uh-huh.

POLK: Did they give you an indication who called them?

CHAVEZ: No, they didn't.

POLK: What did they tell you when they contacted you?

CHAVEZ: They told me to visit such-and-such a person in such-and-such a hotel.

OFFICES IN: NEW YORK • LOS ANGELES • CHICAGO • DETROIT • AND OTHER PRINCIPAL CITIES

Material supplied by Radio TV Reports, Inc. may be used for file and reference purposes only. It may not be reproduced, sold or publicly demonstrated or exhibited.

POLK: And you first met the man as Ringling (?) at the hotel.

CHAVEZ: Right. I didn't know his identity at that time. He's living in an apartment now.

POLK: Since?

CHAVEZ: Since the middle of July.

POLK: Who arranged for him to have the apartment?

CHAVEZ: The same people that arranged for his security.

POLK: Which is?

CHAVEZ: The CIA and the FBI.

POLK: Is he being kept in any particular secure atmosphere, or have the two of you gone out to restaurants, nightclubs, etcetera?

CHAVEZ: Yes, we have, but we've always been accompanied with either the Federal Bureau of Investigation or the Central Intelligence Agency.

POLK: Have you ever taken trips outside Washington with him?

CHAVEZ: One.

POLK: Tell me about it.

CHAVEZ: We were escorted by the FBI to St. Thomas in the Virgin Islands for 10 days.

POLK: The two of you.

CHAVEZ: Uh-huh.

POLK: Who paid for it?

CHAVEZ: I don't know.

POLK: Has he given you money?

CHAVEZ: Yes, he has given me money and gifts and a car.

POLK: How much -- how much money has he been giving you?

CHAVEZ: Approximately \$5000 a month.

POLK: In checks?

CHAVEZ: Part checks, part cash.

POLK: How much has Shevchenko given you all together?
In cash and checks?

CHAVEZ: Between 35 and 40 thousand dollars.

At one point, the FBI called me at home. They wanted an emergency meeting with me to try and find out exactly how much money I was receiving, because the CIA had asked them to question me. What they told me was that Arkady goes to a high official in the CIA; he, in turn, gives the money to Arkady; who, in turn, gives the money to me.

POLK: And you're breaking off the relationship now?

CHAVEZ: I was very fond of Arkady, but I don't see any other way out. I was constantly being harassed, always followed. And every time I came home from Arkady's, I was getting a call from the FBI checking up on his mental stability, whether he was drinking too much, how he felt about the CIA, who he preferred, the FBI or the CIA; and the pressure was just too much.

ARTICLE APPEARED
ON PAGE A16THE WASHINGTON POST
14 October 1978

Mr. Shevchenko's Spree

THE EASY THING is to read the story of Soviet defector Arkady Shevchenko's spending spree as a modern day "Ninotchka." And, in fact, it is always good for a belly laugh whenever a prominent public figure takes a fling, especially a Russian going wild in the West. The CIA inadvertently added to the comedy by giving Mr. Shevchenko a stipend "to help him along until he becomes established in his own identity." Since one of the ways Mr. Shevchenko chose to seek his identity was to tour the Virgin Islands with a well-paid female escort, one may ask what sort of identity the agency had in mind for him.

But the comedy really ends there. The original stories had the CIA looking like a sugar daddy at one remove, but it is doubtful that the agency paid Mr. Shevchenko the sums of money if took to fly off to the Caribbean or to buy this woman a car. Mr. Shevchenko had a good deal of his own money. And it is less interesting that some of the CIA stipend went to fund his spree than that he chose the form of a spree in which his "own identity" was to be found.

On the whole, Mr. Shevchenko's spree has but two sides, neither of which is funny at all. The first has to

do with the nature of a defector generally, who is by definition a walking identity crisis. Not only is a defector despised by the country he disowns, but he is also distrusted by the country he adopts, which inevitably regards him—despite the jubilation of his crossover—as a traitor in character and, possibly, a double agent. This was true of Yuri Nosenko, who claimed to have known Lee Harvey Oswald before the assassination of President Kennedy and who for nearly three years was grilled and virtually held a prisoner by the CIA. Mr. Shevchenko's comparative freedom is undoubtedly a comment on the unimportance of his information, his reliability, or both.

The second side of Mr. Shevchenko's spree is purely personal. And there we may only guess why the man who six months ago was U.N. undersecretary general for political and security affairs—he's the highest ranking Soviet defector ever—chose to "establish" the kind of new identity that makes him out a fool. It may be that Mr. Shevchenko is having an identity crisis, or whatever term we choose for a breakdown of control. Such things are only funny to those who have never been there.

ARTICLE APPEARED
ON PAGE 2LOS ANGELES TIMES
13 OCTOBER 1978**Newsmakers - - - -****Defector and His Date Have Their CIA**

Soviet defector Arkady Shevchenko charged through a Washington D.C. law firm that Russian agents and the U.S. news media were exploiting his "close personal relationship" with a woman from a Washington escort service. But Shevchenko denied Judy Taylor Chavez' charges that the \$40,000 he paid for what he called a "squalid little episode" came from CIA funds, although the CIA has admitted it pays him a living allowance. He said the money and gifts he gave her came from the \$78,000 he got in severance pay when he defected from his high ranking post at the United Nations and sought asylum in the United States last April. But Miss Chavez, 22, of Alabama again asserted the charge she first made on NBC television that Shevchenko used CIA money. And she is writing a book to prove it, she said at her own news conference, arranged by her publishers, in New York City. Miss Chavez also chided President Carter for using "locker room humor" in discussing the issue at his Tuesday news conference. "If the figures the woman quoted were accurate, it would be highly inflationary," Carter said amid laughter. The two principals now say they will cool it for awhile. Miss Chavez said she was going "underground" until the book comes out in the spring when, presumably, she will hit the talk show circuit. As for Shevchenko, now wary of dating, "He has said that he is going to lie low," a CIA spokesman said.

ARTICLE APPEARED
ON PAGE 53-54NEWSWEEK
23 October 1978**THE CIA:
The Defector's Lady**

It was a coup for American intelligence when Soviet diplomat Arkady Shevchenko defected to the U.S. last April. Shevchenko was a United Nations Under Secretary-General, a protégé of Andrei Gromyko and a Kremlin insider who knew much about the Soviet position on arms limitation and the workings of the KGB, the Soviet Secret Police. Because of the valuable information he could deliver, the CIA treated the 48-year-old Shevchenko to the best of everything. He was provided with a plush Washington apartment and put on the CIA payroll as a consultant. "There is a great urge to give [defectors] whatever they want to make them happy," says one former intelligence official. "They threaten to clam up unless they get what they want."

Favors: What Shevchenko apparently wanted was female companionship, and, according to a comely professional escort named Judy Taylor Chavez, the CIA provided that, too. Chavez, 22, told a reporter for NBC last week that she has spent the past six months in sybaritic splendor with Shevchenko. In exchange for her favors, she claimed that she received \$40,000, a new Corvette and a vacation in the Virgin Islands. At a press conference, Chavez also said FBI agents had told her she was paid by the CIA. "Arkady goes to a high official in the CIA, he gives the money to Arkady who in turn gives the money to me," she had explained earlier. Chavez said that she plans to write a book about her experience.

Shevchenko confirmed that Chavez has been his well-paid companion. "I supported her generously," he said, but claimed the money came out of the \$78,000 settlement he was paid by the U.N. when he left. The CIA, while it admitted paying Shevchenko a con-

sultant fee, denied that CIA funds had been funneled to Chavez. "The implication is falsely made that the CIA is paying for a whore," said CIA spokesman Herb Hetu. At his press conference last week, President Carter drew laughs when he issued his own denial: "If the figures the woman quoted were accurate, which they aren't, it would be highly inflationary and contrary to my policy."

Some veteran intelligence officials were angered at the furor. "You've got to find the device that will lead the fellow to talk most coherently, most sensibly," said one old CIA hand. "The only extraordinary thing is that they let that little chippy get so far out of hand." Still, the Chavez affair raises the question of just how far the CIA ought to go in catering to Soviet defectors.

ARTICLE APPEARED
ON PAGE 36TIME
23 October 1978

Nation



"Maybe we're a bit late for the \$500-a-night ladies, but I don't want to miss out on the Corvette sports cars."

Saga of a Decadent Defector

A Soviet playboy embarrasses the CIA

Vacation in the Caribbean. A high-priced girlfriend. A luxury Washington apartment. Onetime senior Soviet Diplomat and U.N. Under Secretary-General Arkadi Shevchenko, 48, has hardly maintained a classless society's life-style since he defected to the U.S. last spring. After being debriefed by the CIA, he has not only enjoyed freedom of movement, but also savored the fruits of capitalism. Using at least four aliases and always trailed in public by a CIA or FBI bodyguard, the Ukrainian has been frequenting Washington's bars and discos and relaxing at resorts in the Caribbean and Pennsylvania's Pocono Mountains. For companionship (his wife Lengina died in Moscow of an overdose of pills after his defection), Shevchenko has been leasing the close attentions of an expensive woman who was located through an escort service listed in the Washington Yellow Pages.

Last week the cover was suddenly blown off Shevchenko's pot-of-gold existence. Judy Chavez, 22, told NBC-TV that the Ukrainian was paying her \$5,000 a month for her favors, had given her \$14,000 for a Corvette sports car and taken her on a whirlwind vacation in the Virgin Islands. In all, claimed the kiss-and-tell brunette, she had received between \$35,000 and \$40,000, which Shevchenko had been given by "a high official in the CIA." Later, at a Manhattan press conference, she added that Shevchenko had paid her in sequentially numbered \$100 bills. She plans to write a paperback book, to be published this spring, detailing her experiences with the defector and the kind of security arrangements the U.S. provided him.

At the U.N., diplomats began telling jokes about Chavez's tale, saying it was a CIA propaganda ploy to induce more Russians to defect. Another diplomat quipped that perhaps there should be a new bumper sticker proclaiming: DEFECTORS HAVE MORE FUN. In Washington, the CIA saw

less to be amused about. Director Stansfield Turner explained that while Shevchenko "is receiving compensation from the CIA commensurate with his services and value to the U.S.," he is getting nothing for a "female companion." Jimmy Carter got into the act by observing at his press conference that sums such as those reported by Chavez "would be highly inflationary—contrary to my [anti-inflation] policy." Indeed, Shevchenko may have been able to finance his affairs himself: he received \$78,000 in severance when he quit his U.N. post and could have saved a substantial amount from his \$87,000 annual U.N. salary.

Shevchenko's easy exposure has embarrassed the CIA. One of its former top officials complained that the agency handled the case "like a bunch of Keystone Kops." It is also quite possible that the CIA has been relatively lax with Shevchenko because he has been far less valuable as an intelligence source than had been anticipated. Although one of the



Judy Chavez holding press conference

Was she "highly inflationary?"

highest-ranking Soviets ever to defect, he had little knowledge of the inner workings of current Soviet policies or intelligence operations. His reputation at the U.N. for heavy drinking and a weakness for shapely women may have led the Kremlin to cut his access to sensitive information long ago. It is even possible that he decided to defect because he feared that he was about to be recalled to Moscow, where he no longer would be able to pursue the self-indulgent life to which he had become accustomed. Chavez's revelations, however, will certainly require Shevchenko to abandon some of his breezy ways. He said last week that he was going underground to continue some "very serious work."

Whatever Shevchenko's current value to the U.S., the CIA must continue protecting him, if only to keep from discouraging other would-be defectors. The first step is for the CIA once again to cloak him in anonymity. Shevchenko thus has gone back into hiding to await his new identity and ponder the fact that even in the U.S. you have got to be careful about whom you trust.

In comparison with what some Far Eastern countries pay defectors, Uncle Sam is a piker. Early this month, when a lowly antitank gunner, Corporal Kwon Chong Hun, 20, defected to Seoul from North Korea, he was celebrated as an "anti-Communist gladiator" and given the equivalent of \$20,000. Seoul also provided him with free housing and his choice of a college scholarship or free farm land. He received several job offers. An association of Seoul businessmen whose ancestors came from Kwon's home province is trying to find him a bride. Observes Kwon, understandably: "My decision to defect has not been a mistake."

Inspired by its success with Kwon, the South Korean government has issued a price list for defectors from the North: from \$10,300 for a private to \$103,000 for a general. Those who bring military hardware along with them qualify for huge bonuses: Seoul offers \$5.7 million for a North Korean warship and \$1 million for an aircraft, but only \$60 for a carbine. On top of the bonuses, Seoul promises to take care of defectors for the rest of their lives.

Meanwhile, North Korea recently awarded \$70,000 each to two defecting civilian employees of the South Korean army and gave them a heroes' welcome.

China and Taiwan employ the same system in competing for defectors. Prices in Taiwan for Communist pilots range from 6,000 taels of gold (worth about \$900,000) for a defector flying a late-model TU-16 bomber to 500 taels (about \$75,000) for a pilot with an obsolete cargo aircraft. So far, four pilots have qualified for rewards, the latest in July 1977. Mainland China offers higher prices—up to 7,000 taels (about \$1,050,000) for a Nationalist pilot in a Phantom fighter—but so far there have been no takers.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

CHARLESTON GAZETTE (W. VA.)
22 September 1978

Editorials

ITT's Chile Caper Goes Under the Rug

First, there were six criminal charges against a top official of the International Telephone and Telegraph Corp. Then there were three. In dropping half the charges against the ITT executive, the Justice Department has helped sweep under the rug a little more of the debris of America's intervention in the 1970 presidential election in Chile.

There was no intervention, the CIA said at the time: The spy agency had no interest in preserving American business enterprise in Chile, its spokesmen said, but sought only to show the truth about the Marxist candidate, Salvador Allende. But a Senate committee later developed information showing that the CIA and ITT worked in concert to convey money to opponents of Allende, who was elected but died in 1973 in a coup the CIA helped engineer.

Early this year, Edward Gerrity, an ITT senior vice president, was indicted for lying to a Senate subcommittee and to an arbitration body of the Overseas Private Investment Corp. in connection with ITT's role in the Chilean affair. There were six counts. Three counts

now have been dropped on the ground that a trial might bring out material damaging to "national security."

That's right — the all-purpose excuse. It was used when former CIA Director Richard Helms was allowed to escape a perjury prosecution by pleading no contest to misdemeanor charges for lying to the Senate about the same Chilean adventure. And a former U. S. ambassador to Chile, Edward Korry, insists that Harold Geneen, ITT board chairman, escaped prosecution because "he knows too much" about the CIA's arrangements with multinational U. S. corporations.

While the big shots are being allowed to escape, we may be reasonably sure that an underling, as so often is the case, will be given the business. It appears that Robert Berrellez, an ITT public relations man, will stand trial on charges similar to those against Gerrity. The more highly placed you are, the greater the protection of the "national security" blanket, apparently. In any event, the public well may be prevented from ever learning the facts about the ITT-CIA connection.

ITT Battle for Secrecy Nears Showdown

By Leonard Curry
Washington Star Staff Writer

International Telephone & Telegraph Corp.'s three-year legal battle to protect the secrecy of foreign government officials the company allegedly bribed is winding to a conclusion that could rock governments in Europe and Asia as much as the Lockheed scandal did two years ago.

In its final maneuver to avert disclosure, ITT asked Supreme Court Chief Justice Warren Burger to seal the names forever in federal court archives.

It is believed that Burger reviewed the ITT appeal and the federal government's answering arguments Friday in a conference with the associate justices.

If the review took place — there is no way of knowing, because the court deliberates in private — a decision on ITT is possible as early as today.

The issue revolves around some \$8 million in alleged bribes that ITT and its subsidiaries paid foreign officials in positions to influence their government's telecommunications purchases between 1970 and 1975.

The Securities and Exchange Commission, which supervises corporations that sell stock to the public, has already prepared a complaint against ITT charging that the secret payments defrauded stockholders.

IN ATTEMPTING to prove its case, the SEC has identified foreign government officials and the amounts they purportedly received from ITT.

But ITT, through legal actions that have now reached Burger's chambers at the Supreme Court, has blocked the filing of the complaint and the disclosure of alleged bribe recipients since May 3.

ITT claims the SEC complaint is a grandstand play for the press. As a consequence, ITT has asked three courts to shield the identities of the foreign officials the SEC plans to uncover. They failed in the District and appellate courts.

The case started in February 1976 when the SEC was in the middle of its management fraud investigations of corporations that made illegal campaign contributions to American politicians and bribes to foreign officials.

Because of publicity surrounding ITT's alleged \$1 million payment to the Central Intelligence Agency to influence the Chilean presidential election of 1970, the SEC opened an investigation into ITT.

THE SEC SERVED a subpoena on ITT Chairman Harold S. Geneen in the winter of 1976, requesting documents pertaining to questionable payments. ITT refused to honor the legal document, which is the primary investigating tool of law enforcement agencies.

The SEC turned to the U.S. District Court to require ITT to respect the subpoena. ITT argued the SEC had no evidence of wrongdoing, but was engaged in a fishing expedition for publicity purposes.

The court ruled against ITT, directing the company to yield documents to the SEC. But Judge George Hart, frequently expressing alarm about the serious international implications of the investigation, prohibited the SEC from receiving ITT documents outside the U.S. Courthouse.

Hart's order enabled ITT to protect its files from the public while allowing the SEC to proceed with an investigation. By the summer of 1976, the SEC had gathered sufficient evidence to bring charges of securities violations against ITT.

But in a swift new motion, ITT agreed to make a public confession of its questionable payments to head off the SEC. After a year of internal investigation and report writing, ITT published a brief, carefully worded document that said the company paid some \$8 million under unusual circumstances between 1970 and 1975.

BUT THE CORPORATION did not identify the recipients of its funds, nor identify their countries. In addition, ITT said four subsidiaries in Europe refused to disclose any details of their alleged bribery that later court proceedings showed were especially sensitive.

SEC enforcement director Stanley Sporkin was annoyed with the ITT response and directed his division to renew its efforts to bring a complaint against ITT.

Based on material that was locked in the U.S. District Court, the SEC drew up a complaint that gave specifics of payments and identities of foreign government officials.

The SEC then showed a copy of its complaint to the company. ITT's attorneys, led by John H. Schafer and Coleman S. Hicks, objected strongly to the SEC disclosures and the negotiations to settle the case collapsed last spring.

ITT then charged back to Hart asking for a temporary restraining order that would prevent the SEC from carrying out its duties as a law enforcement agency.

"Rarely does one have an opportunity to know in advance what is going to be alleged and to seek action to protect itself against the harm, but in this case we have that opportunity," Hicks told the court.

ITT PRESIDENT Lyman C. Hamilton Jr. said the SEC complaint, if it became public, would cause "irreparable" damage to ITT's overseas business. "In some instances," Hamilton said,

CONTINUED

"even the physical safety of employes of the ITT system or employes of foreign governments would be endangered."

Hicks fleshed out his appeal to the court by declaring SEC charges against ITT would weaken the U.S. balance of payments and the dollar and have serious impact on foreign relations.

But SEC attorney Richard Kraut scoffed at Hicks' arguments. Noting that the State Department intervened to protect Lockheed Aircraft Corp. under similar circumstances in 1976, Kraut said the U.S. diplomatic agency showed no interest in ITT.

"There is no indication in the record whatsoever that the foreign interests or foreign relations of the United States could be adversely affected," Kraut said.

Hicks fell back to a new line of defense: The disclosures would reveal ITT trade secrets.

"Bribery is not a trade secret," replied Kraut.

HART WAS SWAYED by the SEC arguments and refused to issue an order to block the SEC from filing its complaint against ITT. But Hart ordered the complaint, larded with the names of foreign officials and cash payments they allegedly received, kept under seal until ITT could carry its case to a higher court.

ITT asked the U.S. Court of Appeals to reverse Hart's order and block the SEC from filing its complaint. The court supported Hart's position, but told ITT that it was arguing on weak ground. The three-judge panel suggested ITT ask for the complaint to be permanently sealed instead of being restrained.

ITT trotted up to the Supreme Court last week to ask Burger for help. Burger asked the SEC for its arguments, which were delivered to him Thursday night.

Solicitor General Wade H. McCree Jr., who presents all government arguments to the Supreme Court, asked Burger to permit the SEC to file its complaint and disclose the recipients of ITT's alleged illegal largesse.

"There is a strong public interest in open judicial proceedings," McCree said.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED
ON PAGE A-6

THE WASHINGTON POST
19 October 1978

U.N. Dismisses Convicted Spies

NEWARK (AP)—Two United Nations employes convicted last week of spying for the Soviet Union are being dismissed from their jobs, a U.N. spokesman said yesterday.

The two, Rudolf P. Chernyayev and Valdik Enger, had been suspended with pay since they were indicted by a Newark federal grand jury May 30. They were arrested by FBI agents 10 days earlier in Woodbridge, N.J., where authorities said the two were retrieving filmed U.S. military secrets.

A U.N. spokesman said the two Soviets had been earning about \$25,000 a year each. He said the "procedure to terminate the contracts of Mr. Enger and Mr. Chernyayev has begun," estimating it would take two to three weeks for the dismissal to be completed.

The two, scheduled to be sentenced Oct. 30 on their espionage convictions, face up to life imprisonment.

ARTICLE APPEARED
ON PAGE A-4WASHINGTON STAR (GREEN LINE)
17 OCTOBER 1978

Diplomacy Keeps 2 Soviets Out of Jail Until Sentencing

By Phil Wechsler

Special to The Washington Star

NEWARK, N.J. — Foreign policy considerations have spared, at least temporarily, the imprisonment of two Soviet officials convicted of espionage.

The State Department, at the urging of Soviet Ambassador Anatoly Dobrynin, intervened with the Justice Department in seeking the continued freedom of the defendants, according to informed sources. Dobrynin personally asked Secretary of State Cyrus R. Vance last week before the espionage trial in federal court here ended, to have the defendants placed in his, Dobrynin's, custody until their sentencing Oct. 30.

Vance is scheduled to fly to Moscow on Sunday for another series of SALT talks with Soviet Foreign Minister Andrei Gromyko.

AT A SPECIAL bail hearing yesterday, prosecutor Robert Del Tufo said that "highly placed officials have concluded that it is in the best interests of U.S. foreign policy to accept the personal assurances of Ambassador Dobrynin."

The defendants, Valdik Enger and Rudolf P. Chernyayev, who both have worked for the United Nations Secretariat since 1974, were found guilty Friday of espionage and conspiracy.

They were convicted of having paid \$20,000 to an American naval officer for military secrets. The officer, however, was a double agent of the FBI, which had described the defendants at the time of their arrest

May 20 as "high ranking KGB agents."

Chernyayev and Enger spent three weeks in jail after the arrests in lieu of a \$2 million dollar bond set for each suspect by U.S. District Judge Frederick Lacey.

But in June, Dobrynin sent a letter to the judge giving his "personal assurances" that Chernyayev and Enger would appear at all legal proceedings. Lacey, who later presided at the two-week trial, suspended the bail.

WHEN THE JURY returned its verdict Friday, Lacey chastised the defendants as a "grave threat" to the United States. Defense attorneys then produced a second letter from Dobrynin asking for the continued freedom of the defendants, who face a maximum of life imprisonment.

At the hearing yesterday, Del Tufo, who said he had been in constant telephone contact with Attorney General Griffin Bell over the weekend, told Lacey that "discussions have taken place at the highest levels of the two governments" about the status of the defendants. The prosecutor said talks were "initiated by the Soviets."

Lacey, acceding to the diplomatic requests, warned that "this is not any indication of what this court will do Oct. 30."

Previously, the Soviet newspaper Izvestia had denounced the trial as a frame-up and said its purpose was "to discredit the idea of good relations between the U.S.S.R. and the U.S.A. by whipping up anti-Soviet hysteria."

ARTICLE APPEARED
ON PAGE A-1WASHINGTON STAR
14 OCTOBER 1978

Two Soviets Convicted of Spying in U.S.

By Phil Wechsler
Special to The Washington Star

NEWARK, N.J. — Two Soviets employed at the United Nations were convicted last night of espionage, ending a trial that the Kremlin has denounced as a hindrance to better relations between the United States and the Soviet Union.

The defendants, Rudolf P. Chernyayev, 43, a personnel officer at the U.N. Secretariat, and Valdik A. Enger, 39, a political affairs specialist at the Secretariat, were convicted of conspiring to pay \$20,000 to an American naval officer for military secrets.

The defendants, who could be imprisoned for life on the espionage conviction, were allowed to remain free until 1 p.m. Monday when U.S. District Judge Frederick Lacey is to decide whether to imprison them during their expected appeal. Sentencing is set for Oct. 30.

Chernyayev and Enger have been free since their arrest last spring, and Soviet Ambassador Anatoly

Dobrynin told the judge in a letter he has his "personal assurances" that the defendants would appear for all legal proceedings.

CHERNYAYEV AND Enger are believed to be the first Soviet officials convicted in this country of espionage. Previously, there have been Soviet citizens found guilty of spying, but the Soviet government never acknowledged their official standing.

Last week the Russian newspaper Izvestia denounced the trial as a frameup and the denial of diplomatic immunity to the two defendants.

Chernyayev and Enger, once described by the FBI as "high-ranking KGB (Soviet secret service) agents," showed no apparent emotion when the jury returned its verdict at 9 p.m., after eight hours of deliberations.

Afterwards the two defendants shook hands with the five American lawyers who were retained by the Soviet government to defend them. Then, in clear, crisp English they told waiting newsmen, "No comment, no comment, no comment."

A spokesman for the Soviet consulate said after the verdict, "We expected a negative outcome. This (trial) was a staged performance."

THE GOVERNMENT'S key witness in the trial, which began Sept. 27, was Lt. Cmdr. Robert Lindberg, who posed as a traitor to infiltrate the suspected Soviet spy network based in New York City.

Lindberg, a supply officer assigned to the Lakehurst Naval Air Station in New Jersey, carried out his double-agent role from the summer of 1977 until the arrest of the defendants last May 20.

In testimony that sounded like a scenario from a spy thriller, Lindberg told how he concealed microfilms in orange juice cans, peanut butter jars, milk cartons and other seemingly discarded pieces of trash. He delivered the documents at so-called "drop" sites in various locations in New Jersey.

In return, he said, his cash payments, always in \$20 bills, were made to him in other food cans and jars disguised as trash.

A third Russian official, Vladimir Zinyakin, a former attache to the Soviet mission to the United States, was arrested with the defendants but avoided prosecution because of diplomatic immunity. All three men came to the United States in 1974.

ZINYAKIN, who left this country at the request of the State Department, was quoted in Izvestia last week from Moscow charging that the trial was an effort to shore up the image of the FBI and to "whip up anti-Soviet feelings."

The Russian newspaper, which is used to announce Kremlin policy, said the trial is to "try to discredit the idea of good relations between the USSR and the USA."

The last Russian citizen convicted of spying in this country was Igor Ivanov, a chauffeur for the Soviet trade organization Amtorg. In 1964, one year after his arrest in a New Jersey railroad station, Ivanov was convicted of stealing American Air Force secrets. He served only 53 days in jail during 10 years of appeals, which ended with the U.S. Supreme Court upholding the conviction. However, he was allowed to go back to Russia.

Ivanov's trial also was held in the same federal court here.

ARTICLE APPEARED
ON PAGE A 15THE WASHINGTON POST
14 October 1978

N.J. Jury Finds Soviet U.N. Duo Guilty as Spies

By Judi Hasson

United Press International

NEWARK, N.J.—Two Soviet citizens employed by the United Nations were convicted yesterday of buying American defense secrets from a U.S. Navy officer who posed as a traitor.

After more than eight hours' deliberation, a jury of eight men and four women found Valdik Enger, 39, and Rudolph Chernyayev, 43, guilty of espionage.

The two men, charged with paying Navy Lt. Cmdr. Arthur E. Lindberg more than 20,000 for defense secrets he deposited along New Jersey toll roads, remained impassive as the jury verdict was read by U.S. District Court Judge Frederick B. Lacey.

Lacey said he would let them remain free in the custody of the Soviet ambassador until Monday while he considers whether to order them jailed immediately.

He set Oct. 30 as a sentencing date. They could receive life in prison.

"I have never as a judge presided over a trial where guilt was so overwhelming," Lacey said. He voiced concern that the defendants could pose a threat to American security if allowed to remain free.

Enger and Chernyayev declined to comment on the verdict as they left the courtroom. "No comment, no comment," they said smiling. Defense lawyers said they would appeal.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

THE WASHINGTON POST
18 October 1978

ARTICLE APPEARED
ON PAGE A-12

Some Letelier Witnesses Given Federal Protection

By Lawrence Meyer

Washington Post Staff Writer

A "substantial number" of witnesses for the prosecution against eight men charged in the bombing death of former Chilean ambassador Orlando Letelier have told the government they fear "physical retaliation," according to court documents filed here.

Some witnesses already have been placed under protection of United States marshals, although federal prosecutors declined yesterday to say exactly how many. Two of the witnesses known to be under protection of marshals are Michael V. Townley, who has admitted planting the bomb that killed Letelier and an aide in September 1976, and Townley's wife, Mariana Callejas de Townley.

The documents, filed in response to motions made by defense lawyers, provide some new details on a case where prosecutors, acting under court order not to discuss the case, have been relatively silent.

In the course of arguing against defense requests for evidence gathered by the government, prosecutors asserted that "there is no evidence whatsoever that the Central Intelligence Agency had either knowledge of or participated in the Letelier assassination." While it may be a popular pastime and interesting cocktail party conversation to level unfounded charges at the Central Intelligence Agency, one document states, "there is not the slightest scintilla of evidence to indicate CIA involvement or knowledge of this matter."

According to the prosecution memorandum, Townley had two brief "unrelated" contacts with the CIA in 1970 or 1971 and again in 1973—both initiated by Townley. "These two incidents represent the sum total of contacts between the CIA and Mr. Townley," the memo says.

The government memos offer additional information about the nature of the relationship between Townley and

the other defendants. Townley did not, one of the government memos states, simply contact four of the defendants "out of the blue" on Sept. 10, 1976—11 days before Letelier and an aide, Ronni Moffitt, were blown up in an auto on Sheridan Circle. Townley had a "pre-existing relationship" with five of the defendants, according to the memo.

Of the eight defendants charged in connection with the bombing, three are in custody, two are being sought by the FBI and the remaining three are Chileans whose extradition is being sought by the United States.

The United States formally requested extradition of Gen. Juan Manuel Contreras Sepulveda, former head of Chile's old secret police force, known as DINA; Pedro Espinoza Bravo, who was DINA's director of operations when Letelier was killed; and Armando Fernandez Larios, a DINA agent who allegedly helped arrange the assassination. All three are under military arrest while the president of the Chilean Supreme Court decides whether to extradite the three.

The trial is scheduled to begin in January. Assistant United States Attorney Eugene M. Propper said yesterday that the trial would proceed on schedule, whether or not the three men are extradited and whether or not they are extradited "on time."

Propper declined to say whether any of the prosecution witnesses have actually been threatened or whether they simply have expressed general concern and anxiety about their safety.

The government also is opposing an effort by the defense to change the locale of the trial from Washington on the grounds of excessive pretrial publicity. Comparing the publicity in the Watergate trial to this case, the government argued, is "in sheer terms of weight, like comparing a whale to a minnow"—and yet no change of location was granted for the Watergate trials.

ARTICLE APPEARED
ON PAGE A-1

WASHINGTON STAR (GREEN LINE)
18 OCTOBER 1978

Chileans Inject CIA Into Letelier Slaying Probe

By Jeremiah O'Leary
Washington Star Staff Writer

Officials of the government of Chile and defense attorneys in the Letelier murder case have raised the issue of CIA involvement in the assassination. But the Justice Department calls the suggestions "ridiculous and untrue."

Chilean government officials twice have mentioned the former CIA deputy director, Gen. Vernon A. Walters, in connection with the case, though not specifically charging any connection between him and the bomb-murder in Washington of Orlando Letelier, an exiled Chilean leftist.

And, in response to charges by attorneys for three of the five Cuban exiles indicted in the case, the United States admitted in court papers yesterday that Michael V. Townley made "two unrelated contacts" with the CIA in Florida "a number of years ago." Townley has been convicted of conspiracy in the case and is cooperating with the prosecutors.

The first mention of Walters was made in March in Santiago, Chile, when Assistant U.S. Attorney Eugene M. Propper and two FBI agents, Carter Cornick and Robert Scherrer, were questioning two Chilean army officers about their role in the Letelier case.

THE SECOND mention was last week when Chilean Ambassador Jose Miguel Barros hinted that it might be interesting to find out why Walters went to Paraguay early in July 1976.

Walter's departure from the CIA was announced in April 1976.

The two Chilean army captains, whose real names were not disclosed by sources here, were the ones presented to Propper and his investigative team by the Chilean government as "Juan Williams Rose" and "Alejandro Romeral."

These were the names used, the U.S. government said, by the Ameri-

can, Townley, then a member of the Chilean secret police, and a Chilean army captain, Armando Fernandez Larios, in Asuncion, Paraguay, where they used Paraguayan passports to obtain U.S. visas.

Since Propper and Cornick had passed photos of Townley and Fernandez, they are sure the use of the two Chilean captains was an attempt to hide the identities of those accused of plotting and carrying out the Sept. 21, 1976, murder of Letelier and a colleague, Ronni Moffitt.

PROPPER AND Cornick refused to comment on the new twist in the case, but it was learned that one of the two captains with false names said under questioning March 24 that their mission in August 1976 to the United States was to see Walters. The other said they had come to deliver documents to the Chilean Embassy here.

Walters is traveling and could not be reached for comment.

However, in June he gave FBI agents here a deposition saying he knew nothing about the Letelier case and had had no contact with the Chilean officers.

In his statement, which was taken by the FBI at the request of the Chilean government, Walters denied any knowledge or contact with the officers. And he said that suggestions of some suspicious purpose to his trip to the Paraguayan capital were "ridiculous."

WALTERS' TRIP to Paraguay was a private visit, government sources said. They said the timing of Walters' arrival there — just a few weeks before Townley and Fernandez obtained the U.S. visas with falsified Paraguayan passports on July 27, 1976 — was unrelated to the Letelier case. But one official acknowledged that the timing was an unfortunate coincidence.

The Walters statement, it was learned, is part of a massive documentation sent to the Chilean Supreme Court last month by Propper as part of a request for extradition of the three Army officers accused in the Letelier murder: Gen. Manuel Contreras Sepulveda, retired chief of the DINA secret police; Col. Pedro Espinoza, operations chief of DINA; and Fernandez, who came to the United States, the U.S. government alleges, to shadow Letelier in order to chart his movements a few days before a bomb killed him in his car.

In his statement Walters told the FBI that the purpose of his journey to Paraguay was "totally unrelated to the Letelier case and completely apart from either Chile or Letelier."

JUSTICE DEPARTMENT officials said yesterday, in response to questions, "The Department of Justice has become aware that certain elements in Chile are attempting to raise smokescreens that Townley is CIA and therefore that there has to be CIA involvement."

Chilean officials have had Walters' statement since July 1978, well before the arrival there of the extradition documents, and know there is no truth to allegations about him, Justice Department officials said.

Two Townley-CIA connections, hitherto unreported, came to light yesterday in court documents filed by Propper and Assistant U.S. Attorney E. Lawrence Barcella.

In their reply to motions filed by attorneys for the three Cuban exiles awaiting trial in the Letelier case, the prosecutors acknowledged that Townley had two contacts with the CIA in Florida that they said were unrelated to the Letelier affair.

A footnote to the prosecutors' reply said: "The defendants state in their motion that 'the prosecutor has admitted that Townley had contact with the CIA at Langley.' This is simply not true. In response to a question by counsel for the defendants regarding Michael Townley's contacts with the CIA, the prosecutors informed counsel that a number of years ago, Townley had two unrelated contacts with the CIA in Florida.

"ON ONE OCCASION in 1970 or 1971, Mr. Townley contacted the CIA to ask if they were interested in the fact that he would be traveling to Chile

CONTINUED

in the near future. While a (CIA) representative took some general background information from Mr. Townley, no further action or contact occurred.

"Subsequently, in 1973, Mr. Townley contacted a representative of the CIA in Florida to state that he had just returned from Chile and asked if anyone would be interested in talking to him. Neither party got back in touch with the other. These two incidents represent the sum total of contacts between the CIA and Mr. Townley."

The CIA declined to comment on any aspect of the Townley-CIA contacts or the Walters trip to Paraguay.

The documents filed with U.S. District Judge Barrington D. Parker by the prosecutors were in response to motions by New York attorneys Paul A. Goldberger, Jerry Feldman and Lawrence A. Dubin who represent Guillermo Novo Sampol, Ignacio Novo Sampol and Alvin Ross Diaz.

TWO OTHER anti-Castro Cuban exiles, Jose Dioniso Suarez and Virgilio Paz, are charged with the Letelier murder and are fugitives from the FBI.

The attorneys, preparing for the trial scheduled to begin Jan. 8, made motions for discovery of the government's evidence, for a change of venue of the trial, for a bill of particulars claiming that the indictments are vague and for severance of the Ignacio Novo trial from the trial of the others. Parker will hear arguments on these motions Oct. 30.

The prosecutors said the government will provide extensive discovery, but, "We firmly reject the notion promoted by the defense that discovery is to be equated with total access to government files."

In response to defense attorneys' request for CIA documents and files, the prosecutors said, "There is absolutely no evidence whatsoever that the Central Intelligence Agency had either advance knowledge of or participated in the Letelier assassination. While it might be a popular pastime and interesting cocktail party conversation to level unfounded charges at the CIA, there is not the slightest scintilla of evidence to indicate CIA involvement or knowledge of this matter."

THE PROSECUTORS also said that the law provides no support for the defense attorneys' demand that the government reveal the identity of all informers in the Letelier case.

The Chilean Supreme Court has the evidence for extradition of Contreras, Espinoza and Fernandez under study but has refused to make the evidence public. Described by some sources as "explosive," the evidence may not by law be disclosed by U.S. officials until the trial begins. Chile is expected to keep a lid on the evidence at least until the trial begins of the three defendants in U.S. custody.

The three Chilean officers accused of complicity in the murder are in technical custody in Chile.

?

11

ARTICLE APPEARED
ON PAGE 4

NORTHERN VIRGINIA SUN
18 October 1978



THE ATLANTA CONSTITUTION
20 October 1978

ARTICLE APPEARED
ON PAGE 26-A

Sen. Hart Says U.S. Can Tell If Reds Bother Spy Satellites

PALO ALTO, Calif. (UPI) — Sen. Gary Hart, D-Colo., revealed Wednesday that the United States could tell if the Soviet Union tried to meddle with U.S. spy satellites, and therefore an arms-control treaty does not depend on trusting the Russians.

Hart is a congressional adviser to the Strategic Arms Limitation Talks in Geneva, as well as a member of the Senate Armed Services Committee and the Intelligence Committee.

In a speech prepared for Stanford University students but released in Washington, Hart discussed the SALT treaty that administration officials say may be concluded soon. He said the treaty will prevent tampering with spy satellites and prohibit "killer satellites"—the first time this provision was revealed.

"The treaty will expressly preclude interference with national technical means of monitoring compliance," said Hart, using the treaty language for spy satellites.

"Therefore, the treaty would preclude any Soviet use of their killer satellites against our space-based intelligence equipment. This, too, is verifiable, because we could tell whether these systems had been destroyed by a hostile attack."

The Soviet Union has tested "killer" satellites, which could destroy a U.S. spy-in-the-sky system. These, plus the revelation that Soviet spies tried to buy plans to the K-11 satellite system from a former CIA agent, led SALT opponents to say a treaty could not be positively "verified" and therefore should not be concluded because the Russians might cheat.

"All the provisions of the package on which our national security depends can be verified with high confidence," Hart said. "The provisions have been carefully enough drafted that we can readily distinguish between compliance and noncompliance."

WASHINGTON STAR (RED LINE)
20 OCTOBER 1978ARTICLE APPEARED
ON PAGE A-1

Paisley Death Was a Suicide, Md. Police Say

PIKESVILLE, Md. (AP) — Evidence indicates that former CIA official John A. Paisley committed suicide, the Maryland State Police superintendent said today.

"I think the facts are leaning that way," Col. Thomas S. Smith, the superintendent, told a press conference here.

Paisley's bloated, decomposed body was found floating in Chesapeake Bay Oct. 1, six days after his abandoned sailboat had been found nearby.

Authorities said he died of a single gunshot wound just behind the left ear that had been fired at close range. Police also said there were 40 pounds of diving weights strapped around his waist.

For the last two weeks state police have been saying that the death appeared to be suicide, although murder had not been ruled out because of a lack of hard evidence, including a weapon.

Evidence uncovered in recent days, however, has led investigators to believe more strongly than ever that the retired deputy director of the CIA's Office of Strategic Research took his own life, according to Smith and William Clark, a police spokesman.

BUT EVEN with today's scheduled presentation, it may never be known for sure who fired the bullet that killed Paisley, Clark added.

The evidence presented at the news conference included a report from an FBI laboratory team that conducted tests on Paisley's hands in an effort to determine if he fired a gun on the day he died, the spokesman continued.

State police reported that no bloodstains or brain fragments were found aboard the sloop to indicate that Paisley had been shot there. The possibility remained, however, that the victim leaned over the side of the boat and shot himself or had been in the water when he pulled the trigger, they added.

Conflicting explanations and cloak-and-dagger possibilities arising from Paisley's CIA connections have fueled speculation surrounding the case.

At the time of his death, Paisley — an expert on Soviet and Chinese military spending — was doing part-time consulting work for the CIA. The agency said his work was not covert.

Investigators interviewed and re-interviewed people who knew Paisley to try to learn of his mental state and retrace his steps up to the time of his death.

Although his estranged wife said he had been in good spirits, friends described him as somewhat despondent.

THE WASHINGTON POST (Early Edition)
18 October 1978

ARTICLE APPEARED
ON PAGE A-12

FBI Break-Ins Case

Spy Agencies Balk At Releasing Files

By Ronald J. Ostrow

Los Angeles Times

The refusal of U.S. intelligence agencies to release sensitive documents in the FBI break-in case has raised major new problems for the already-delayed trial of three former high FBI officials, it was learned yesterday.

The agencies, led by the Central Intelligence Agency, contend that releasing the information would force both U.S. and foreign agencies to disclose sources and methods of their foreign counter-intelligence operations.

"That, as you and your clients are of course well aware, is understandably viewed by the international intelligence community as a problem, with a capital P," Barnet D. Skolnik, the special prosecutor in the case, said in a letter to lawyers for the three defendants.

A judge issued an Aug. 17, order by chief U.S. District Court Judge William B. Bryant requiring prosecutors to give defendants documentary evidence of contacts between the Weatherman terrorist organization and foreign powers.

Two of the defendants — W. Mark Felt, formerly No. 2 man in the bureau, and Edward S. Miller, former assistant FBI director for domestic intelligence — are seeking the evidence in an effort to show that they relied reasonably on higher authority in ordering break-ins during the Weatherman investigations.

Former Acting FBI Director L. Patrick Gray III, the other defendant, contends he did not authorize the "surreptitious entries" at homes of friends and relatives of fugitive Weatherman members.

Surrendering the documents would violate the so-called "third agency rule," Skolnik said. That rule provides that when one intelligence agency shares information with another the material will not be disseminated outside the recipient agency.

As an alternative, Skolnik has proposed that the defense lawyers settle for a summary of what is in the documents on the number of known Weatherman contacts with foreign powers hostile to this country or their agents, plus an identification of the nations involved.

In an Oct. 11 letter to Skolnik, Thomas A. Kennelly, Miller's lawyer, reacted icily to the proposal.

Citing a government estimate that as many as 500 documents may be at stake, Kennelly said they could be "essential to refresh recollection in preparing for examination and cross-examination of witnesses."

"You know as well as I that very often it is seeing the document, or noting the source of the information in it, which triggers a person's recollection," Kennelly said.

Drawing from a 1983 Supreme Court ruling, Kennelly added that allowing the government to compile the information "casts the prosecutor in the role of an architect of a proceeding that does not comport with standards of justice."

The issue is likely to come to a head within a month. If the two sides cannot agree on an alternative and Judge Bryant sticks with his ruling that the documents must be surrendered, the government may be forced to drop the prosecutions.

The trial of Gray, Felt and Miller on charges of conspiring to violate citizens' civil rights by authorizing the break-ins was postponed last week from Oct. 23 to Jan. 18. Defense attorneys said they needed the extra time to interview as many as 300 individuals about their knowledge of the break-ins.

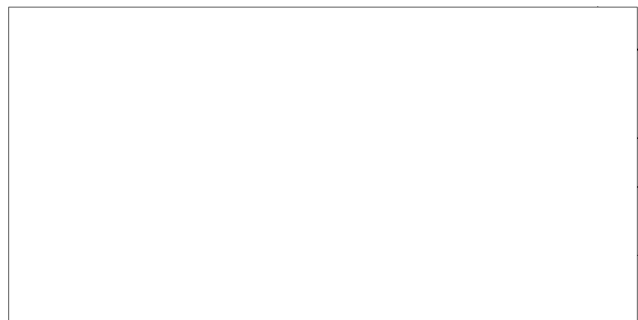
Brian P. Gettings, Felt's lawyer, said a team of 14 retired FBI agents is assisting the defense in examining documents and interviewing witnesses, but the task still amounted to "a mammoth undertaking."

Kennelly said in his letter to Skolnik that other serious problems must be faced.

For one thing, Miller will contend in his defense that he performed intelligence work similar to the break-ins during his career with the FBI and was commended and promoted for it.

"Those activities were known and acquiesced in by high government officials and, in some cases, were apparently done at the request of other government agencies," Kennelly said.

"There is little, if any, distinction between those activities and the ones for which he (Miller) now stands indicted," he added, implying that the earlier operations would have to be revealed as the defense presented its case.



ARTICLE APPEARED
ON PAGE A-5

THE WASHINGTON STAR (GREEN LINE)
19 October 1978

The Nation

Ex-FBI Director Is Refused Documents

U.S. intelligence agencies are refusing to release national security documents to defense lawyers in the wiretap case against former FBI Director L. Patrick Gray and two of his top aides, it was disclosed in a letter from chief prosecutor Barnet Skolnik placed on the record at the U.S. Courthouse here.

The CIA and other agencies contend that releasing the documents would reveal "sources and methods" of counter-intelligence operations.

ARTICLE APPEARED
ON PAGE 8NEW TIMES
30 OCTOBER 1978*Invisible ink***Agencies Agree
On Loophole**

A new "Memorandum of Understanding" between the Justice Department and CIA was recently presented to the House Subcommittee on Government Information and Individual Rights as an assurance that the guise of "national security" could not be used to cloak unlawful activity. The memo evolved out of testimony, given to the committee last September by top Justice and CIA officials, regarding procedures for investigating and prosecuting CIA misconduct.

However, upon closer reading of the agreement, Rep. Paul McCloskey (R.-Ca.) revealed a glaring loophole toward the end of the document. Whenever the CIA director "believes security or other circumstances warrant . . .", the agreement read, he could deal directly with the Attorney General, on a confidential basis.

Foiled by McCloskey's eagle eye, the Justice Department and CIA have been ordered back to the drawing boards. Their revised proposal, *The Insider* has learned, will suggest that the Attorney General and CIA director put the "circumstances" in writing. —*Dorothy J. Samuels and James A. Goodman*

ARTICLE APPEARED
ON PAGE 14NEW TIMES
30 OCTOBER 1978

The Insider

The Insider
Special Report

IVY PRESIDENT SERVES CIA

THE SPY WHO CAME
IN FROM THE CAMPUS

When Brown University's trustees named Barnaby Conrad Keeney the school's 12th president in 1955, he seemed the perfect choice—a prominent historian with a graduate degree from Harvard, who had rapidly moved up the administrative hierarchy of the Providence, Rhode Island college. What few people at the ivy league school knew, however, was that Keeney had secretly maintained a professional relationship with the Central Intelligence Agency.

In a recent interview at his retirement home in Little Compton, Rhode Island, Keeney further admitted that his association with the CIA had continued during the 11 years of his presidency. While refusing to provide details, he revealed sufficient information to allow his intelligence career to be at least partially reconstructed.

The services Keeney performed for the CIA, according to Morton Halperin, a former Kissinger aide turned CIA critic, were generally representative of the way in

which the Agency secretly used academics at more than 100 American colleges and universities. "There was a revolving door between the ivy league schools, particularly Harvard, and the CIA," recalls a distinguished historian who attended Harvard shortly after Keeney. "The same people controlled staffing for history departments and for the analysis division of the intelligence services. Barney Keeney was roped into that network."

Keeney was dean of Brown's graduate school when he first took a leave of absence to work for the CIA in 1951. He spent the next year helping top Agency officials design a training program for new recruits, according to Lyman Kirkpatrick, a former CIA executive director and a Brown political science professor since 1965.

Campus sources have confirmed that this was the only time Keeney formally notified the university of his CIA ties. There is no indication that anyone at the school knew the content of his

classified work. "I was aware Barnaby worked for the CIA in 1951," says John McIntyre, special assistant to five presidents at Brown since World War II, "but I never knew what he did, or that he continued to work for them. I don't know that anyone did."

Keeney's colleagues at Brown may have known nothing of his intelligence work, but his Agency associates kept a close eye on the progress of his academic career. "Naturally," wrote then CIA Inspector General Kirkpatrick after learning of Keeney's presidential appointment, "I hope that the best of Brown will be encouraged to make intelligence a career." And Brown faculty members recall CIA requests to provide references for students who were unaware that they were under scrutiny.

Keeney admitted only to having advised the Agency on ways of setting up covert funding operations, and refused to discuss the specific advice he had given. The Insider, however, has learned, that in 1962 Keeney began serving as chairman of one such cover organization—the Human Ecology Fund—a front for perhaps the most controversial domestic program in the CIA's history. The fund was one of several dummy foundations which, over a twenty-year period, the Agency secretly used to channel millions of dollars into mind-control research, including LSD testing on human subjects, as part of a project code-named MKULTRA.

Keeney said he was told by CIA officials that MKULTRA was designed to counter Soviet and Chinese brainwashing techniques, developed through the use of psych chemicals and hypnosis. But internal CIA documents indicate the Agency had long before turned to offensive uses for behavior control. It sought to break down the mental defenses of enemy agents and, according to one memo, "to get control of an individual to the point where he will do our bidding against his will and even against such

nature as self-preservation."

While Keeney indicates that covert funding was necessary to hide the CIA's involvement from enemy nations, a 1957 inspector general's report, drafted by Kirkpatrick and critical of MKULTRA, suggests other reasons for secrecy. The CIA wished to protect its researchers from the opprobrium of colleagues who would have considered the experiments "unethical and . . . [bordering] on the illegal." Furthermore, many of the scholars, whose research was financed by the fund, never knew that it was a CIA conduit.

Last fall, the CIA confidentially notified 80 institutions, including 44 colleges and universities, that their campuses had played host to MKULTRA research. The Agency never informed Brown officials of Keeney's function at the Human Ecology Fund or any other aspect of his intelligence work. "I know that some of my colleagues at other ivy league schools are tearing their hair out trying to find out more from the CIA about what kind of work was done on their campuses," said Brown's current president, Howard Swearer, when told of his predecessor's involvement. "and they aren't having any luck. Given the fragmentary nature of the information which the CIA provides, it probably doesn't matter much that we weren't informed." He declined to comment further.

Keeney's CIA career remains partially enshrouded in mystery. It has not been possible to determine whether Keeney maintained his relationship with the CIA after leaving Brown in 1966 to head another prestigious organization: the National Endowment for the Humanities. When questioned as to whether the NEH was ever used to cloak CIA operations, he asked incredulously, "Do you know what would happen to an agent who used the NEH as a cover?" After a dramatic pause he answered, "He would be killed." He would not elaborate on this peculiar assertion. —Andrew Sommer



Keeney: Working for another master

SACRAMENTO BEE
19 September 1978

The CIA And The Professors

It's hardly a secret that, for more than a generation, the Central Intelligence Agency has maintained more than a casual relationship with hundreds of teachers and researchers on scores of university campuses throughout the United States. In some instances, faculty members have been employed as consultants or researchers; in others, they have been commissioned to gather intelligence in foreign countries during the course of their academically supported travel. In still others, professors have been employed to identify and recruit American and foreign students on U.S. campuses.

The Senate Select Committee on Intelligence is now considering legislation that would, among other things, restrict the CIA's campus activities by preventing the use of American citizens for covert operational assistance abroad if their travel is supported or sponsored by an academic institution. It would also prevent the agency from covertly placing its employees in colleges and universities. The bill would not, however, restrict the agency from covertly recruiting agents from students on U.S. campuses, a practice which the agency acknowledged is continuing.

The CIA has criticized the bill as too restrictive. More recently, representatives of the academic community, including the general secretary of the American Association of University Professors, and Derek Bok, the president of Harvard, have attacked it as too permissive. Among other things, Bok wants the CIA to agree to make all contracts with universities public and to stop all covert operations involving academics.

The reasons for that concern are clear. If

there is a suspicion that there are covert agents on campus, the trust that is the very foundation of an academic community — trust in the objectivity of teaching and research — is undermined. Yet there are limits on the extent to which those restrictions can be effectively put into law. Prohibiting covert operations may be as difficult as outlawing impure thoughts.

There is no question that the government should make every effort to restrict covert CIA activities not only on campuses, but among the press and in other areas of domestic life. At the same time, the academic community shares that responsibility. Universities can make it clear that faculty members who engage in covert activity for any outside agency — government or private — violate their academic commitments and the ethics of their profession. Similarly, the AAUP, which is the leading professional association of university teachers, can make it clear that it will support the censure and, in cases of flagrant abuse, the dismissal of any faculty member who uses his academic post as a cover for secret intelligence work or other covert activities.

The CIA has a legitimate mandate to gather and analyze foreign intelligence; the very breadth of that mandate requires restraint: self-restraint on the part of the agency, legislative restraint where it can be effectively imposed; and restraint on the part of academics or others in positions of trust. If the academic community made its position clear on those matters, all parties would better understand the limits of potentially compromising relationships and the academic community would find it far easier to trust itself.

19 October 1978

Warren Report Ignored Soviet Defector's Claims

By George Lardner Jr.
Washington Post Staff Writer

The Warren Commission ignored the claims of Russian defector Yuri Nosenko in its report on President Kennedy's assassination despite an explicit decision several months earlier to take Nosenko's story into account.

According to a top-secret transcript made public Tuesday by the Justice Department, the commission decided in executive session June 23, 1964, that it could not properly suppress Nosenko's reports about Lee Harvey Oswald's activities in the Soviet Union even if it distrusted Nosenko.

"... [F]or us to ignore the fact that an agency of our government [the Central Intelligence Agency] has a man who says he knows something about Oswald's life in the Soviet Union... for us to just ignore the fact... would be unfortunate," commission member Gerald R. Ford, then House minority leader, observed at the time.

The commission chairman, Chief Justice Earl Warren, agreed. He said the report should simply make clear "that we cannot vouch for the testimony of Mr. Nosenko."

The day after that meeting, according to published reports, the CIA's then deputy director for plans, Richard M. Helms, requested and obtained a private audience with Warren concerning Nosenko. The subject never came up again at a commission meeting, and the Warren report in September 1964 made no mention of Nosenko's story.

Helms has said he merely told Warren that the CIA could not vouch for Nosenko's credibility. But the transcript shows that the commission was fully aware of this the day before, at its June 23 executive session.

Warren, for instance, said he was "allergic to defectors." Of Nosenko he

said that "we cannot corroborate this man at all." Ford said he had been told "by people who I believe know, that there is a grave question about the reliability of Mr. Nosenko being a bona fide defector."

It thus appears doubtful that Helms would have sought a private session with the chief justice the next day simply to tell the commission what it already knew.

A high-ranking KGB official, Nosenko defected to the United States in January 1964, two months after Kennedy's assassination. He told the FBI that he had supervised Oswald's KGB files and he insisted that the Soviet intelligence agency had no interest in Oswald and had not even bothered to debrief him. Nosenko also told the FBI that the Soviets suspected Oswald might have been "an American sleeper agent" when Oswald defected to the Soviet Union in 1959. (The Warren Commission found that Oswald acted alone in killing Kennedy.)

FBI Director J. Edgar Hoover told the commission in the spring of 1964 that he had arranged for Nosenko to testify before the panel if it wanted to hear what he had to say. Before Nosenko could be called, however, the CIA put him in solitary confinement and subjected him to "hostile interrogation" that lasted for more than three years. The FBI never questioned him again.

The transcript of the June 23, 1964, meeting was declassified in response to a freedom-of-information lawsuit filed three years ago by commission critic Harold Weisberg. The litigation is now before the U.S. Circuit Court of Appeals here.

Of the documents made available, Weisberg said: "The Warren Commission was supposed to investigate. The one thing this proves is a determination not to investigate."

ARTICLE APPEARED
ON PAGE A-15WASHINGTON POST
15 OCTOBER 1978

House Halts Derwinski Investigation

By Charles R. Babcock
Washington Post Staff Writers

Fear of disclosing intelligence sources and methods has quashed a House investigation into charges that Rep. Edward J. Derwinski (R-Ill.) warned the South Korean government last year that one of its intelligence agents planned to defect.

Rep. Lee Hamilton (D-Ind.), who headed the inquiry for the House Committee on Standards of Official Conduct, said yesterday that "publication of the evidence (held by the intelligence community) would jeopardize intelligence sources and methods."

A federal grand jury also investigated the case last year without returning an indictment. The Washington Post reported then that a U.S. intelligence intercept of a phone call to the Korean embassy apparently implicated Derwinski.

Attorney General Griffin B. Bell then referred the case to the House for possible action.

The official committee announcement yesterday by Chairman John J. Flynt Jr. (D-Ga.) said only that "insufficient evidence" prevented the ethics unit from taking action. His statement did not mention Derwinski.

Derwinski has denied that he told the Koreans last fall about the imminent defection of Sohn Ho-Young after the Korean CIA officer contacted a House International Relations subcommittee on which the congressman served.

Derwinski said yesterday that he has never been questioned by House investigators about the allegations. Rep. James H. Quillen (R-Tenn.), another ethics committee member, told Associated Press yesterday that Derwinski was "completely cleared" by a Hamilton investigation.

But another source close to the investigation said the unusable intelligence information definitely pointed to Derwinski as the leak.

FBI agents rescued Sohn last fall about half an hour before alerted KCIA officials arrived at Sohn's home to stop the planned defection. Sohn later testified about a 1976 KCIA plan to buy influence in the United States.

U.S. intelligence agencies commonly resist attempts to use information gathered by their supersecret intercepts of embassy cable traffic, or by double agents, as a basis for prosecuting alleged criminal conduct. They argue their sensitive techniques must be safeguarded.

Investigators complain, however, that foreign governments already know their messages are likely to be intercepted, even by allies, and that the fear of disclosing "sources and methods" prevents the punishment of guilty individuals.

THE WASHINGTON POST
20 October 1978

ARTICLE APPEARED
ON PAGE A-17

Rowland Evans and Robert Novak

A \$2-Billion Boost For Civil Defense

Repudiating the Arms Control and Disarmament Agency and Paul Warnke, its ousted director, President Carter on Sept. 29 quietly signed Presidential Directive 41, ending 15 years of dangerous inattention to the role of civil defense as part of the strategic balance of power.

Carter's approval of the secret directive is given political importance by the White House beyond its pledge for a sizable boost to civil defense. Lobbied hard by Zbigniew Brzezinski, Carter's national security aide, the new plan is also perceived as a vehicle to soften Senate opposition to SALT II, the new strategic arms limitation treaty expected to be signed later this year.

"What is imperative in selling SALT II," one administration official told us, "is to dispel suspicions among Senate skeptics that it points to future weakening of the U.S. strategic position across the board."

Questions about Carter administration defense policies in the post-SALT II period will figure heavily in the Senate treaty debate, certain to be prolonged and bitter. For example, Henry Kissinger—whose views on SALT II could critically influence its fate in the Senate—has confided to key senators that his own position may depend on whether Carter can make a credible case for a strong strategic U.S. posture, including nuclear arms, in the post-SALT era.

Behind PD 41 may be Carter's hope of smoothing the way for SALT II. But considering the long months of study in the Pentagon and National Security Council that preceded its adoption, PD 41 seems less aimed at SALT II than at correcting a grave deficiency in the U.S. strategic posture by raising annual civil-defense spending from less than \$100 million to almost \$400 million. The SALT II palliatives are far more obvious:

First, the ouster of Paul Warnke, controversial ACDA director and chief U.S. negotiator for SALT II. Clearing Warnke out of ACDA before the Senate gets the new treaty was essential. With Warnke as SALT II salesman, the prospect of the treaty being bought by the two-thirds majority needed for approval would have been negative.

Second, the surreptitious courtship by administration officials of Paul Nitze, probably the most rigorous proponent of U.S. strategic strength. The White House is desperately eager to win Nitze's nod of approval for Warnke's successor. The first serious White House effort to recruit a new ACDA boss who might meet the Nitze test failed when Brent Scowcroft, Brzezinski's predecessor as national security chief under Gerald Ford, turned it down. Retired Army Lt. Gen. George Seignious Jr. is now under consideration.

Third, the president's highly publicized but ambiguous announcement Wednesday that he may be moving toward production of the neutron warhead.

The new civil-defense directive stands on its own feet even though the administration hopes it will have marginal significance in the SALT II debate. Its real importance lies in Carter's recognition that civil defense—population safeguards for survivability against a Soviet nuclear strike—must be counted as a factor in the strategic balance. That policy decision buries dreamlike arguments of the arms-control lobby that nuclear war is unthinkable because both sides know they are mutually vulnerable to attack under what is called Mutual Assured Destruction (MAD).

The MAD theorists have now collided with hard facts made known to Carter by reliable Central Intelligence Agency studies last summer. Annual civil-defense spending in the Soviet Union is at a rate of at least \$2 billion, and more than 100,000 full-time personnel are engaged in civil-defense efforts to minimize the loss of human and industrial resources in case of attack. In the words of the CIA's July analysis of Soviet civil defense, the Soviet government remains convinced that "civil defense contributes to war-fighting and war-survival capabilities."

The president's decision to set up the new Federal Emergency Management Agency (FEMA) for civil defense and to give it nearly \$2 billion over the next seven years is a commendable step, in no small part due to the bulldog deter-

mination of ex-McGovernite Democrat Bardyl Tirana. With FEMA's birth, Tirana worked himself out of his job as the Defense Department's civil-defense expert, but the legacy he left sets the United States on a new track from which there should be no retreat, whatever happens to SALT II.

ARTICLE APPEARED
ON PAGE Pt. II/6LOS ANGELES TIMES
9 October 1978

Russia's Ink Is Red, Too

The Central Intelligence Agency reported the other day that, despite an unusually good year in agriculture, the Soviet economy is in trouble and may be headed for worse. In the CIA's opinion, the Kremlin will find it "increasingly difficult" to maintain even the present unsatisfactory rate of economic growth.

Some Washington experts speculate that the slowdown in Soviet economic growth has whetted Moscow's appetite for Western trade and technology, and thus may help account for the Soviet Union's slightly more conciliatory posture toward Washington of late.

The more friendly vibrations from Moscow are too new and too nebulous to know whether this speculation is true. The CIA report does cast an interesting light, though, on a study issued by the Brookings Institution.

The Brookings report points out that the Soviet Union and other Communist-bloc nations face increasingly serious problems in financing imports from the West.

Because of their chronic inability to export as much as they import from the advanced industrial nations of the West, the Communist countries have relied heavily on credits in recent years. Just since 1973, their hard-currency debts have soared from \$13 billion to \$46 billion—almost two-thirds of it owed to Western commercial banks.

Interest payments have reached the point where every country in Eastern Europe, including the Soviet Union, now has a ratio of debt service-to-exports in excess of the 25% considered prudent by bankers.

The Soviet Union, whose foreign-currency debt

accounts for \$12 billion of the total, is in better shape than any of its partners in Comecon, the East-bloc version of the Common Market. But the Russians are nonetheless expected to encounter a growing reluctance by commercial bankers to make loans on the scale of the past.

A massive default is considered unlikely—which is fortunate, considering the threat that would pose to the entire banking system. But the Brookings report concludes that the Communist countries may need help in rescheduling their debts before too long. And, as commercial credit becomes less available, they will seek more easy-term loans from Western governments.

As the study points out, it is extremely important that the United States and its allies develop a common response and not fall further into the "collective foolishness," as the Brookings study put it, of providing credits on terms that amount to subsidy. Unfortunately, such efforts have always collapsed, up to now, under the weight of European commercial opportunism.

More fundamentally, Washington faces a policy decision as to whether special credits should be made available to Russia—which is a rich nation, relatively speaking—when the same funds could be put to good use by Third World nations that need them more.

This, in turn, involves a still more basic consideration: Would Moscow respond to American help on credits with an easing of East-West political and military tensions? Or would the Kremlin merely be saved from the necessity of reordering its priorities by cutting back on its huge and disturbing military expenditures?

STAT



ENERGY USER NEWS WEEKLY
9 October 1978

CIA Oil Study Sees More Reliance On Extant Fields

LOS ANGELES — Additions to the world's oil supply are likely to come from increased recovery from existing fields rather than from new oil fields, a Rand Corporation analyst concluded in a recent report.

Richard Nehring, a researcher employed by the non-profit Rand Corp., reported only two potential "supergiant" oil fields — those with over five billion barrels — were discovered in the early 1970s, compared with 13 fields in the early 1960s.

According to Behring, it's likely only three to eight supergiant fields remain to be found, most probably in the Mideast, Mexico, the Soviet Union or the Gulf of Venezuela.

This means that most future additions to the world's oil supply will be from increased recovery from already discovered fields — an expensive process.

But Nehring cautions his report does not deal with the potential of extracting oil from oil shale ore and deposits — which could add "hundreds of billions of barrels" to the world oil supply.

The Rand Corp. report, "Giant Oil Fields and World Oil Resources," is the result of two years of research sponsored by the Central Intelligence Agency's Office of Economic Research. Its purpose is to provide a description of known recoverable crude oil resources throughout the world, along with estimates of world oil resources.

Nehring calculates the world has a 60 to 90 year supply of petroleum based on current consumption rates. Remaining oil supplies were estimated at between 1,700 and 2,300 billion barrels.

He also states for every barrel of oil already consumed, between four and six barrels of oil recoverable for less than \$30 per barrel remain in the ground.

Currently 33 supergiant oil fields hold more than half of the world's known recoverable oil reserves, and 25 of those fields are in the Mideast. The largest field is the Ghawar field of Saudi Arabia, with reserves of 70 billion barrels. The U.S. only has two supergiant fields, Prudhoe Bay and East Texas.

STAT



BLOOMINGTON DAILY PANTAGRAPH (ILL.)

2 October 1978

Too much energy debate emphasizes now, not later

THE ISSUE — Will the whole world just stand around waiting to curse the darkness?

Well, one thing about running out of oil, gas and even coal — the world will be a lot cleaner place. And perhaps even a lot less crowded.

The inclination to look on the bright side of our energy future is irresistible, just as it is impossible to pitch in and do something about it.

Every new study, including the newest one by the Rand Corporation under CIA auspices, essentially agrees with others that the world supply of petroleum will last for a century, give or take a decade or two, if oil consumption continues at its present rate. That isn't very long in the human race's scheme of things.

But it must strike those now living as forever and forever, and nothing to tear one's hair out about.

And perhaps the energy grasshopper may turn out to be more right than the conservative, store-it-up energy ant. If necessity is the mother of invention, the quicker we burn up oil, gas and coal the sooner alternative energy sources will be put in place.

The solar people, some of whom talk from the fringes of fantasy,

need only be half right about the energy capability of the sun to put us all at ease about the fossil fuels we now exploit.

The nuclear people, who think the solar people are better seers than scientists, are convincing, too. Convincing, even, about the developments in fusion and possible other energy processes that will greatly reduce the hazard of nuclear power sources and nuclear wastes.

How solar and nuclear power, delivered as heat or electricity, will be adapted to running a vehicle or plane or making fertilizer isn't clear and neatly wrapped.

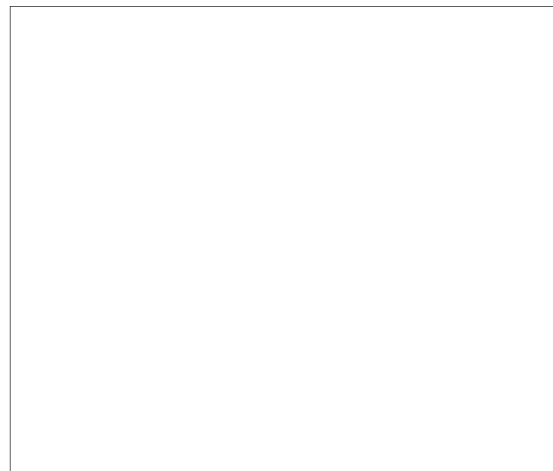
Energy, in the form of electricity or something like it, may one-day be transmitted, by selected frequency, directly, without transmission lines. Some way would have to be found to keep people from glowing in the dark or being forced to communicate by beeps.

But it is not good public policy to joke about energy, shrug off the doomsdayers and label the avant-garde in the energy search premature products of science fiction.

If the various groups who agree on one thing — that fossil fuels will be used up sometime — can agree on what we should be doing, what a fine world this would be!

Things we should be doing go beyond fighting about the price of natural gas, and whether it should be decontrolled. We don't mean that an area of sharp disagreement on such a current energy topic could or should be avoided. It's just that all of us, particularly those who have asked to lead us, look ahead at the same time.

None of us should be forced to hock the family jewels to keep warm and run out of energy at the same time.



ST. LOUIS POST-DISPATCH
6 October 1978

Spies In The Sky

President Carter's official admission that we have been employing photo-reconnaissance satellites to keep tabs on the Soviets seems to be a clear signal that we are close to a new Strategic Arms Limitation Treaty with Moscow. If so, that is good news.

But obviously one of the major obstacles that the president anticipates he will have to clear before he can obtain Senate approval of a SALT accord will be an attack from the paranoid right belittling our technical capacity to verify Soviet compliance with the treaty's provisions. Evidently Mr. Carter has decided to scotch that red herring before it enjoys any level of acceptance. And a red herring it surely is, the Association of Former Intelligence Officers to the contrary notwithstanding. Even now, they are raising "questions" about the effectiveness of photo reconnaissance.

The fact is that since the early 1960s both the U.S. and the U.S.S.R. have been using satellites for early warning of attack, for communications, for navigation and for reconnaissance. That is how the SALT I agreement negotiated by President Nixon has been monitored. It is how the Soviets monitored their massive airlift of military hardware to Ethiopia earlier this year as a prelude to the defeat of the Somali invasion of Ethiopia's Ogaden desert. It is why we have quietly abandoned our last military foothold in Africa, the communications facility and listening post at Kenitra in Morocco; why our need of facilities in Turkey and other countries on the Soviet periphery has so significantly declined, and why we ought to resist Pentagon efforts to fly U-2 spy planes provocatively close to the East-West frontier.

Satellite reconnaissance is far more effective than other methods and it is accepted by both the U.S. and the Russians as a nonprovocative "national technical means" of compliance with strategic arms agreements. Neither side would rely on it if there were any question of its utility. Indeed, our satellites take pictures of the United States in order to test their capability and presumably the Russians do the same over the Soviet heartland. The

proven effectiveness of satellite reconnaissance is why Russian development of a crude "hunter-killer" satellite—which we are frantically working to duplicate, as no doubt we will—is so threatening and why it is imperative that the East-West confrontation be banned in outer space.

All of which suggests that the big news in the president's report on spy satellites is that he is confident of finally being able to button up a SALT II limitation on the number, kinds and subvarieties of nuclear delivery vehicles; and if so, that will be a supremely important achievement. For one thing, it would enable Mr. Carter to justify an outright refusal to build the neutron bomb, an extremely dangerous weapon on which only the other day, the Senate by a vote of 68 to 1 authorized \$612 million to produce. The president has been prudently holding off a decision on whether to develop the weapon while waiting to see what the Soviets might do if we decided not to go ahead. Surely SALT II would be a clear sign that they were serious about arms control and provide reason enough to leave the neutron bomb on the drawing board. And for another, it would enable him to resist the Pentagon's silly plan to spend \$30 billion on a system of mobile missiles moved about in an enormous shell game over the western U.S.

Beyond that, however, the self-evident case for SALT II rests on the simple fact that the two superpowers already possess sufficient strategic capacity to destroy each other as functioning societies and perhaps end all life in the Northern Hemisphere as well. The power of their arsenals is staggering. Every one of our 9,000 or so nuclear warheads and every one of the 4,000 the Soviets have deployed against us is several times larger than the ones that destroyed Hiroshima and Nagasaki. Absent a new SALT agreement, the size, power and technological sophistication of the nuclear arsenals on both sides will continue to grow without restraint—and so will the danger to mankind.

ARTICLE APPEARED
ON PAGE 3

CHICAGO SUN TIMES
17 OCTOBER 1978

CIA more active than ever: Turner

By Bob Olmstead

Admiral Stansfield Turner, head of the Central Intelligence Agency, said Monday the nation's biggest spy unit has come through the post-Watergate reaction against it undiminished in size and more active than ever.

Turner said the CIA is "more aggressive" today recruiting agents in unfriendly nations, despite the increasing reliance in recent years on spy satellites and other technological spy systems.

The trouble with a technological device, Turner said in a press conference with Sun-Times editors and writers, is that it "only tells you what happened yesterday."

"When I tell someone what the device reported, they say, 'But Stan, why did it happen and what's going to happen tomorrow?'"

As the head of the nation's intelligence system, Turner reports once a week personally to President Carter.

TURNER WOULDNT SAY whether the CIA is growing despite its recent siege of unpopularity—which he says is ending. But he added:

"The number of agents is not going down. We are more aggressive—no, that has connotations of being unfriendly—more active today than ever before."

Asked if the CIA is also recruiting actively in friendly nations, Turner said, "You recruit agents wherever you can't recruit them."

Among newsmen too?

"I would do the same thing. Newsmen volunteer," he answered, adding that the number who volunteer is "not many."

Turner was in Chicago to speak at a luncheon of the American Society of Civil Engineers at the Pick-Congress Hotel as part of his continuing effort to sell the CIA's merits to the public.

"As I've gone around the country I'm encouraged to hear people say they need and want good intelligence. But they have doubts about whether we're covering too much," he said.

Turner said that the CIA was in the public's disfavor from 1974 to last winter when, he said, there was "a turnaround."

Instead of criticizing the CIA today, he said, "people are spending a lot more time saying how do we get the job done."

ALL ISN'T ROSY, however, in the CIA's public relations picture.

Turner and aides bristled at mention of former agent Philip Agee, who wrote a book telling of the agency's activities and who still spills CIA secrets from his base in Europe.

"I wonder how a man like this gets the financing to put out a smooth publication and to keep on operating over the years," said Turner.

Turner was asked if he knows where Agee gets his money.

"No, I really don't," said the head of the manmoth intelligence organization.



STANSFIELD TURNER: CIA is "more aggressive" today in recruiting agents in unfriendly nations, despite the increasing technological gains. (Sun-Times Photo)

ARTICLE APPEARED
ON PAGE C-7WASHINGTON POST
15 OCTOBER 1978*Joseph Kraft*

Oil Embargo, Plus Five

The Arab oil embargo imposed five years ago this week signified a seminal change that has had staggering consequences for the whole world. But not in the ways imagined at the time.

Luck has combined with coping to avert the economic disasters and supply shortages so widely predicted. Instead, there have materialized around the Persian Gulf acute cultural, political and strategic problems. To be sure, the fourfold increase in prices associated with the oil embargo has had a decided economic impact. Higher energy costs have been a factor generating steep inflation all over the world.

The diversion of money from oil importers to oil exporters has impinged adversely on world economic growth. Annual expansion in the industrial countries has dropped from a 5 percent average before 1973 to less than 4 percent. Growth in the developing countries without oil has moved down from roughly 6 percent to less than 5 percent.

But the financial panics supposed to follow from the accumulation of vast surpluses by countries that couldn't spend the money have been avoided. Inflation has raised the price of goods

the oil exporters buy. The decline in the dollar has cut their revenues.

The net surplus of the oil exporting, or OPEC, countries this year is expected to be only about \$20 billion. That is less than the total surplus of Japan and Germany, which now replaces the oil exporters as financial problem No. 1.

As to supply, what was supposed to be an acute shortage of oil has in fact turned out to be a glut. Part of the reason for excess is that three major producing areas—the North Sea, the North Slope in Alaska and the Mexican fields—have come on stream.

Equally important, though far less noted, has been the conservation effort undertaken in the industrial countries, including the United States. Higher prices and environmental regulations have caused industrial and individual users to come off the galloping pace of oil consumption under way before 1973.

In the United States, a unit of economic growth used to require an almost exact equivalent growth in the use of energy. Now economic growth takes place with less than a 70 percent energy increment.

Accordingly, projected energy consumption is down, and the expected time for development of shortages has been put off until after 1985. Even that fateful rendezvous can be avoided if the right things are done to develop alternate fuel sources.

But the unexpected good news is more than matched by the unexpected bad news. The sudden access of unearned wealth in the oil-exporting countries has yielded terrible social problems. In the Moslem world, from Indonesia through the Persian Gulf to North Africa, social dislocation has engendered a revival of Islamic fundamentalism.

In that climate there has been bred an anti-development mystique—an urge to put the brakes on material progress. Virtually all the oil producers, as a result, have been obliged to curtail development programs.

The victims of development, especially religious leaders and young people, have united in potent opposition movements. A front of that kind has already shaken the throne of the Shah of Iran. For all the piety of some of its members, the Saudi family in Arabia is also vulnerable.

Threats to the regimes governing the two leading oil-exporting countries engage international security. But this country, the chief bulwark of international security, seems peculiarly disqualified from helping its friends in the Persian Gulf.

Military force can only suppress instability—not promote enduring civil peace. The kind of reforms dear to Americans—ending corruption and easing repression—are irrelevant if not counterproductive. So in dealing with the unanticipated aftermath of the oil embargo, as in dealing with what was predicted, we will probably have to look mainly to luck and coping. Which suggests that, while the problems may change, the need of this country to end dependence on the Persian Gulf only intensifies.

Correction: In a recent column I asserted that the CIA withheld information supplied by a Soviet defector from the Warren Commission investigating the assassination of President Kennedy. That is incorrect, and I regret the error.

© 1978, Field Enterprises, Inc.

See: Joseph Kraft
Washington Post
12 Oct. 1978

ESCANABA DAILY PRESS (MICHIGAN)
8 October 1978

Is CIA polishing the image?



Bob Diehl

EDITOR'S NOTE — Sunday Times editor Robert Diehl was among Panax Newspapers editors recently attending a national defense seminar in Washington, D.C. This is the second in a series of impressions. Today — The CIA.

WASHINGTON, D.C. — The small, green and white road sign loiters inconspicuously among markers along Virginia's forest-shrouded State Route 123.

Only its message, "CIA," encourages drivers to do a double-take.

Even the sign — which indicates the rural northern Virginia location of the United States' revered but also maligned super-secret "spy" organization, the Central Intelligence Agency — has been subject of controversy.

The first sign went up at the order of President Dwight D. Eisenhower after his driver couldn't find the site when he went to lay the cornerstone of the new CIA headquarters building in November, 1959.

Two years later, President John F. Kennedy paid a visit as CIA personnel were moving into the just-completed headquarters on the secluded 219-acre compound. He had no taste for road-signs pointing to the government's secret intelligence agency, and ordered them removed.

For the next 12 years, there were no signs except those indicating a nearby highway research facility. Then, in 1973, the signs went up again at the direction of then director James R. Schlesinger. They have remained.

A PAVED DRIVE cuts from the highway into the trees and gullies finally opening onto the compound guarded by sentry posts and a high, metal security fence.

The headquarters building, although about eight stories high, appears squatty in its sprawl.

The greeting at the building entrance is friendly, almost casual belying the fact most guests undergo a thorough security investigation before being authorized entry...before arriving in Washington.

The reception area is as cavernous and barren as an indoor parking facility. Only a couple desks interrupt the glistening floor.

Guests are hustled to their destinations without extraneous excursions.

A conference room high in the building is carpeted and warm. Editors line the long, rounded table and the walls surrounding it awaiting Director of Central Intelligence (DCI) Adm. Stansfield Turner. Two CIA agents — a man and women — sit near the door smiling, nodding and chatting. Their eyes continually pan the group.

ADMIRAL TURNER became the 12th DCI March 9, 1977 — a position responsible not only for the CIA but all foreign intelligence agencies of the United States.

The former commander in chief, Allied Forces Southern Europe, is soft-spoken, evasive about detailed CIA activities but candid about the agency's importance to national security and the bad press it has received in the 1970s.

Although apparently confident the CIA will erase the stigma attached to it and survive any internal morale problems, he admits there is evidence the agency did abuse secrecy in some past instances but insists there were more allegations than facts.

Attacks against the CIA stemming from intelligence hearings in the post-Watergate era have forced the agency to maintain a "fishbowl" operation, a handicap no other security organizations in the world carries, Turner explained.

Russia's KGB would feel hamstrung by the restrictions under which the CIA operates, he said. Even the intelligence agencies of America allies — Britain, France and West Germany — are given more latitude.

Turner said the next Congress will be asked to approve a charter for the intelligence community defining clear guidelines for espionage and covert activities, protecting American secrets and yet avoiding trampling of citizens'

rights.

Currently, the CIA has "oversight mechanisms," safeguards against activities which might be counter to government policy or infringe upon civil rights, and methods of evaluating classified material.

They include weekly meetings with the President, an intelligence oversight board of three persons which reports to the President on Turner and the CIA and committees in each house of Congress to which Turner must report.

Contrary to some public and press opinion, the CIA does have close supervision.

Turner said, in his view, the CIA has lost, to some extent, the trust and faith of the American people and now faces the task of winning it back.

"We are forced into being a little more open," he said. "The CIA is operating a new model of intelligence, for the first time in the world."

The CIA is not a sinister organization operating without restraints, he stressed.

"We have to obey the law and the spirit of it. We can't give away what we're trying to defend — freedom and individual rights," he said.

ADM. TURNER, who describes the agency as a highly efficient one which is mindful of its public image, admits the American press has an obligation to be alert to wrongdoing.

"Your job is to oversee us," he said. "That's good but within limits."

Leaks are a real problem, he said. And, "there is too much of a tendency of people to look on a whistle blower as a hero. I don't feel you should automatically look at the whistle blower as hero."

"Don't get me wrong. I'm all for Woodard and Bernstein... and I would respect the whistle blowers if they went through the oversight mechanism first (before revealing secrets)."

"There is a difficult borderline area between the rights of citizens and the obligation of the government to protect its secrets," he said.

Citizens' rights should be defended, he added, but in doing so the government should not cripple the institutions charged with protecting those very rights from foreign interference.

Turner conceded intelligence agents and newsmen have a distinct adversary relationship. Agents collect and protect secrets. It is the newsmen's duty to find out as much as he can about what is going on.

CONTINUED

Accepting the relationship, Turner smiled and said, "We really do have a problem with you newsmen when it comes to leaks. I'm taking a lot of steps around here to cut you off. There is no way, however, you can legislate to close all the cracks — whether in regard to espionage or news leaks."

Turner said the "fishbowl" approach to intelligence, especially when unauthorized leaks occur, has drawn a negative foreign reaction.

"We're hoping to turn the tide and improve our liaison with foreign countries," he said.

THE CIA IS involved in both domestic and foreign operations.

It is loosely a progeny of the Office of Strategic Services (OSS) which was established in June, 1942. Although the OSS was disbanded in 1945, Central Intelligence Group (CIG) — a direct forebear of today's CIA — was established by President Harry S. Truman. In 1947, the CIG became the CIA.

Basically, within the United States it assists the FBI in counter intelligence activities and is charged with the security of information.

In foreign operations, the CIA is obviously involved in spying as well as covert activities such as attempting to influence political events.

But, before the agency can undertake any covert action, it must notify eight congressional committees and secure the President's signature.

While it now leans more heavily upon mechanical spy methods, such as satellites, the CIA continues to rely primarily on agents.

"There is no diminution in our reliance or faith in the human intelligence agent," he said.

"Do you have agents in Russia... what type...?" editors asked.

Turner looked down, then scanned the table slowly and smiled.

"I think we're the best intelligence agency in the world today," he said.

Next week — The Pentagon.

ST. LOUIS POST-DISPATCH
6 October 1978

Surge Of Terrorism Feared

By DREW MIDDLETON

1978, New York Times News Service

NEW YORK

SECURITY AGENCIES in the Middle East, Western Europe and the United States fear an intensification of terrorist activity related to the Palestine issue and directed largely at Egyptian and American political personalities and economic and government installations.

The Central Intelligence Agency, in a report on international terrorism, forecast that Palestinian extremists "will seek to demonstrate their rejection of a political solution of the Arab-Israeli dispute, even if this is accepted by the mainstream of the Palestinian movement."

What is described as "the Haddad wing" of the radical Popular Front for the Liberation of Palestine is expected to provide most of the terrorist activity in this period following the Camp David summit agreements between Israel and Egypt. The wing was named for Wadi Haddad, who, according to the CIA, is reported to have died of natural causes in an East German hospital last March.

According to the CIA and to foreign national security services, there are indications that members of the Popular Front and other dissident groups within the Palestine Liberation Organization, the parent group, are seeking to unseat Yasser Arafat and to replace him with a more aggressive leader who would endorse a campaign of international terrorism.

SINCE 1973 THE PLO has disavowed such activity, although it has instigated attacks in Israel or Israeli-occupied territories such as on the West Bank and in the Sinai Peninsula.

The CIA report noted that "developments seen by the Palestinians as contrary to their interests could induce even more moderate groups, such as Fatah, to resume terrorist activity outside of Israel."

The agency report, released in August, predicted "a further upsurge in West European radical activity," adding that although the original West German anarchist leaders were dead, their organizations remained a "major threat."

THE TWO MAIN TERRORIST groups in Western Europe — the Baader-Meinhof gang in West Germany and the Red Brigades in Italy — recently lost key personnel to the police.

Angeilka Speitel, allegedly a member of the Baader-Meinhof gang, was arrested by the West German police on Sept. 20. Willy Peter Stohl, another presumed member, was shot dead on Sept. 6. Nine days later Astrid Proll, allegedly one of the gang's founding members, was arrested by the British police in London.

The main coup of the Italian police has been the arrest of Corrado Alunni, who has been imprisoned for

his part in the kidnapping and murder of Aldo Moro, former Italian premier and president of the Christian Democratic Party, and for involvement in two other terrorist murders.

These arrests, and the suicides of Baader-Meinhof leaders in prison, are unlikely to do more than reduce terrorist activity temporarily.

International security officials agree that deaths and arrests furnish radical leftists with a new group of martyrs whose deaths are to be avenged in future operations. The operations could be directed against the West German and Italian authorities and against governments that aided them in the search for terrorists.

THE CIA REPORT noted also that the kidnap-murder of Hans-Martin Schleyer, a prominent West German business leader, might have signaled the development of a new capability by West German terrorists, who had previously limited their operations to bombings.

The Schleyer murder also demonstrated a fairly close coordination between Palestinian terrorist groups and West German anarchists. Schleyer was abducted on Sept. 5, 1977, by members of the Red Army Faction. Five weeks later, the CIA noted, a group of Palestinians hijacked a Lufthansa jet out of Mallorca, Spain, in an effort to exert additional pressure on West Germany for the release of jailed terrorists and the payment of a large ransom.

The CIA study of the terrorist record in 1977 concluded that terrorists preferred operations in the industrialized democracies of Western Europe and North America. More than half of all incidents were recorded in these regions.

However, there were fewer attacks last year on United States citizens and property than there were in 1976. The main causes for the decrease probably were the increasingly effective preventive measures taken by police and by government and business officials.

The report speculated also that "American human-rights advocacy may also have played a part by making U.S. citizens and installations a more ambiguous and less inviting target than in previous years."

THERE WAS ALSO A TREND toward low-risk attacks, such as bombings, arson and murder, with a shift away from well-protected targets to more remote ones not attacked in the past. American facilities in isolated rural areas, for example, were often targets. Hijackers showed a tendency to use smaller airports as embarkation points.

The federal government, the CIA report conceded, has had considerable difficulty with terrorist groups that either are based in the United States or have organizational links with segments of the population.

However, actions last year by two such groups, Cuban and Croatian, were not as frequent or as serious as those of 1976. The CIA warned that operations by these groups could be expected to increase, however, if American-Cuban relations improved and domestic conflicts arose in a post-Tito Yugoslavia.



Page Denied

Next 1 Page(s) In Document Denied

ARTICLE APPEARED
ON PAGE C-1

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

WASHINGTON STAR (GREEN LINE)
30 OCTOBER 1978

The Ear

EXCERPT:

OVERHEARD -

..... Saturday
at Trader Vic's. "What's Stansfield
Turner doing over there with Carol Chan-
ning?" And there indeed they were

HOUSTON POST
26 October 1978

CIA secrecy doubted

CIA Director ~~Stansfield~~ Turner said Wednesday a foreign country recently rejected a covert action plan because it did not believe the CIA could keep the operation secret. Turner declined to identify the nation involved. But he indicated the plan, proposed by the CIA, "would have been of great benefit to both countries." He said the nation turned it down "when reminded that I must notify eight committees of the Congress of any covert action," Turner said. "They simply did not believe that we could keep that secret."

ARTICLE APPEARED
ON PAGE 2

LOS ANGELES TIMES
27 OCTOBER 1978

Newsmakers - - - -

EXCERPTS:

—The CIA would like to see more women out there in the cold. CIA Director Stansfield Turner said “the opportunities are there” for women who want to become spies and “we are stressing it in our recruiting.” Presumably recruiters will not dwell on the career of Mata Hari, but young women were urged to send in their applications. Although women would find difficulties in some countries, Turner said at a National Press Club luncheon in Washington, “in many other instances a lady might be even preferable to a man in doing the kind of clandestine work that we have to do.”

—By Jennings Parrott

ARTICLE APPEARED
ON PAGE 15NEW TIMES
13 NOVEMBER 1978

THE INSIDER

REMEDIAL SPYING

CIA HOLDS CRASH COURSE FOR COLLEGE PRESIDENTS

The CIA, under pressure to stop its admitted widespread covert activities on American college campuses, has initiated a series of seminars to woo leading university administrators. In the past nine months, seven university presidents have visited CIA headquarters in Langley, Va. for day-long briefings, according to CIA spokesman Dale Peterson, "to talk about our many common interests."

This latest goodwill gesture comes in the wake of a flood of requests from some 80 universities for agency files concerning clandestine recruitment of students and faculty by CIA operatives. Admitting only to the covert recruiting of foreign students on American campuses, Agency Director Admiral Stansfield Turner has openly refused to give any assurance that he will comply with strict guidelines proposed by Harvard University President Derek Bok to limit the Agency's campus activities.

The CIA's uncooperative attitude has irritated Bok and other academic leaders, but the Agency is encouraged by attendance at the seminars which took place in March and June of this year. Agency spokesman Peterson says such topics as clandestine activities on campus, university-agency relations and research were discussed at the two meetings.

"They're [the college presidents] doing it because they see some mutual benefit," Peterson maintained. "It's



Turner: There's no limit

turned out very beneficial so far. That's why we're proceeding and are planning to have some more."

Peterson refused to give us the names of the presidents who attended, insisting that to do so would be "an invasion of their privacy." Meanwhile, the Center for National Security Studies has filed a Freedom of Information request to find out more about the college presidents and the secret Langley pow-wows.

—Joel Kotkin and
Dorothy Samuels

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ARTICLE APPEARED

U.S. NEWS & WORLD REPORT
6 November 1978

Washington Whispers

Washington has sent this message to Soviet boss Leonid Brezhnev: If the Kremlin wants to swap for two Soviet spies convicted in New Jersey, its June release of American businessman Francis Crawford—convicted on currency charges in Russia—is not enough. Release of dissident Anatoly Shcharansky or of a Russian sentenced to be executed as a CIA agent is what the U.S. is said to want.

★ ★ ★

Unlikely as it may seem, top U.S. intelligence officials say that war between Russia and China is a possibility. Their scenario: Vietnam attacks Cambodia, allied with China, which then moves against Vietnam. Russia intervenes to help its Vietnamese ally humiliate China and show that Moscow can be relied on by its friends for help in an emergency.

ARTICLE APPEARED
ON PAGE 2THE CHICAGO TRIBUNE
31 October 1978

2 Soviets sentenced to 50 years as spies

NEWARK, N.J. (UPI)—Two Soviet citizens convicted of espionage were sentenced to 50 years in prison Monday by a federal judge who said the punishment might deter others.

U.S. District Judge Frederick B. Lacey then heard arguments on whether to allow the Soviets to remain free without bail pending appeals.

The two convicted spies, both former United Nations employees, could have received life terms on the three espionage counts.

Lacey had said earlier that the pair "would do everything they could to destroy" the United States.

VALDIK ENGER, 39, and Rudolf Chernyayev, 43, were convicted Oct. 13 for their part in a nine-month conspiracy to obtain U.S. military secrets, including plans for antisubmarine warfare.

Witnesses at the two-week trial testified that the two were lured into the scheme by FBI agents investigating the possibility of a network of spies operating from Soviet ships.

Lacey, a former U.S. attorney, said after the jury's verdict that Enger and Chernyayev had "demonstrated they hold no love for this country and would do everything they could to destroy it."

HE ALLOWED them to remain free pending sentence, however, when U.S.

Atty. Robert Del Tufo joined in a defense motion for their release in the custody of Soviet Ambassador Anatoly Dobrynin. Del Tufo said he was acting solely in the interest of foreign policy.

Lacey warned Enger and Chernyayev not to count on special considerations when they were sentenced.

"I have never as a judge presided over a case where the evidence of guilt was so overwhelming," he said.

THE DEFENDANTS were accused of conspiring with Soviet diplomat Vladimir Zinyakin, who was not indicted because he had diplomatic immunity. Zinyakin left the U.S. shortly after the arrests.

Testimony showed that Navy Lt. Cmdr. Arthur Lindberg acted as a double agent and traded U.S. defense secrets for money. He never met his Russian contact but dealt through telephone calls and information caches.

FBI agents said they saw the defendants at various drop sites during the conspiracy.

THE DEFENDANTS were arrested May 20 in Woodbridge, N.J., at a drop where Lindberg had left a secret document on antisubmarine warfare.

There has been speculation that Enger and Chernyayev will be swapped for dissident Anatoly Shcharansky, who was sentenced in July in the Soviet Union to 13 years at hard labor.

THE WASHINGTON STAR
31 October 1978

ARTICLE APPEARED
ON PAGE 2

Two Convicted Soviet Spies Freed For 'Foreign Policy' Considerations

By Phil Wechsler

Special to The Washington Star

NEWARK, N.J. — Two convicted Soviet spies, sentenced to 50 years in prison by a federal judge, have been allowed to remain free during their appeals because of foreign policy considerations.

Prosecutor Robert Del Tufo said Attorney General Griffin Bell informed him that "it was in the best interests" of U.S. foreign policy to allow the defendants temporary freedom. According to the prosecutor, Bell said the fate of the two Russians was discussed by the "most highly placed officials of the United States government" — presumably President Carter and Secretary of State Cyrus Vance.

Immediately after their arrest last spring, there had been speculation that the defendants, Valdik A. Enger and Rudolf P. Chernyayev, would be swapped either for Soviet dissidents or American agents jailed in the Soviet Union or other Eastern Bloc nations.

CHERNYAYEV, 43, a personnel officer for the U.N. Secretariat, and Enger, 39, a political affairs specialist for the United Nations, were found guilty Oct. 13 of espionage and conspiracy. They were convicted of paying \$20,000 to an American naval officer for military secrets.

The officer was a double agent for the FBI who posed as a traitor for nearly a year to help flush out a suspected Soviet spy network based in New York City.

During the trial, there was testimony that the defendants were engaged in espionage activities other than those with the naval officer.

When they were arrested May 20 in a New Jersey suburb, shortly after they had picked up some microfilm of anti-submarine warfare plans, the FBI described Chernyayev and Enger as "high-ranking KGB agents."

After their sentencing yesterday, the two Soviets were smiling and joking with officials with the Soviet consulate. As they have throughout the trial, they declined to talk with Western journalists.

TECHNICALLY, the defendants were remanded to the personal custody of Soviet Ambassador Anatoly Dobrynin, who wrote a letter to U.S. District Judge Frederick Lacey giving his "personal assurances" that Chernyayev and Enger would obey all court orders. The judge has honored similar requests by Dobrynin.

Yesterday the judge restricted the defendants to a 10-square-block area in the Riverdale section of the Bronx, where they live and where the Soviet government maintains a huge residential complex.



—Associated Press
Convicted Soviet spies Valdik Enger (left) and Rudolf Chernyayev leave court after hearing their 50-year jail sentences pronounced.

The American defense attorneys also indicated yesterday that their appeal would seek to overturn the conviction on the basis that Lacey wrongly denied diplomatic immunity to Chernyayev and Enger, who have been employed by the United Nations since 1974. The appeals process could last two years.

Under federal law, the defendants would have to serve about 17 years before they would be eligible for parole.

THE WASHINGTON POST
31 October 1978

ARTICLE APPEARED
ON PAGE A-14

Spies' Jail Terms Threaten Soviet-American Ties

By Kevin Klose

Washington Post Foreign Service

MOSCOW—The newly improved Soviet-American relationship seems certain to suffer a sharp setback if two Soviet diplomats convicted of espionage are sent to prison to serve any part of the 50-year jail terms levied against them yesterday by a New Jersey federal judge.

It was too soon for any official statement or press reaction, but this assessment is based on conversations with senior Soviet officials here this past week, who have made crystal clear their belief that if the Carter administration genuinely desires better relations with the Kremlin, it will see to it that Valdik Enger and Rudolf Chernyayev are sent back to the Soviet Union despite the espionage convictions and long prison sentences.

These officials, including Georgiy Arbatov, a senior adviser on American relations to Soviet President Leonid Brezhnev, say the two Soviets should be treated the same way the Soviets handled the case of U.S. businessman Francis J. Crawford, who was allowed to return home after he was convicted last month of black market currency dealings.

Arbatov said yesterday, before the

sentences against Enger and Chernyayev had been handed down, that "they are innocent and the trial was not fair and this has been stated officially. It will be regarded as some kind of manifestation of alienation [against the Soviet Union] in the United States. We tried Crawford and he was found guilty and he was sent out."

The lengthy sentences against the Soviets imposed by U.S. District Court Judge Frederick Lacey pose a new dilemma for the Carter administration just as it seemed to have struck rare notes of harmony in its relations with the Kremlin after months of discord. Secretary of State Cyrus R. Vance ended two days of strategic arms talks here last week on a cautiously optimistic note and Soviet officials since have given a generally upbeat assessment of prospects for both a new SALT agreement and better overall relations.

But even before Vance arrived Oct. 21, they had made clear they were watching the Enger-Chernyayev case closely as a bellwether of further improvements.

The Soviet press repeatedly denounced the trial earlier this month. Both the official government newspaper, Izvestia, and the influential

weekly, Literaturnaya Gazeta, declared that the espionage case was cooked up by U.S. intelligence services to cloud Soviet-American relations at a crucial time.

Izvestia said Oct. 8 the trial was "artificially created" to cause problems that "may adversely affect the climate of relations by complicating the resolution of genuinely important issues" between the two superpowers.

Two days later, the Literaturnaya Gazeta said the trial was a "provocation staged by American secret police to prevent normal development of relations between the Soviet Union and the United States." It called the case "a clumsy farce" that "can only do harm to Soviet-American relations."

These bitter comments of suspicion and anger reflect the deep Soviet view, discernible in conversations with officials, that the espionage case constitutes a test of President Carter's intentions.

The Soviets do not accept the American belief that the Crawford case was a retaliation arranged in response to the May 20 arrests of Enger and Chernyayev. They maintain Crawford was caught red-handed and ultimately released because the Kremlin wanted to make clear its intentions of a better relationship with Washington.

THE WASHINGTON POST
31 October 1978

ARTICLE APPEARED
ON PAGE A-1, 14

Two Soviets Get 50-Year Terms In Spying Trial

By Fred Barbash
Washington Post Staff Writer

Two former Soviet employees of the United Nations were sentenced to 50 years in prison each yesterday for their roles in an elaborate espionage scheme aimed at buying U.S. military secrets.

At the government's request, the two spies were freed pending their appeals as a conciliatory gesture to the Soviet Union. Judge Frederick B. Lacey, sitting in U.S. District Court in Newark, acceded to the government's wishes that "for foreign policy considerations" Valdek Enger and Rudolf Chernyayev be confined to the area surrounding their Soviet residence in the Bronx in the custody of the Soviet ambassador.

Some U.S. foreign policy officials expressed surprise at the severity of the sentence. But they said they expected the Soviet government would be satisfied with the freedom granted the spies and would not take any retaliatory steps.

They also said that any talk of trading Enger and Chernyayev for dissidents held in Soviet prisons was "speculative." Such a trade was not now being seriously discussed, they said.

One noted, however, that Enger and Chernyayev are "the only ones we've got" if an exchange were contemplated.

The arrest last May of Enger and Chernyayev and the decision to put them on trial helped set off a spiral of retaliatory acts on both sides and contributed to a summer of unusual strain in U.S.-Soviet relations.

The Russians regarded the case as a serious breach of an international etiquette that called for handling such spy cases quietly, without formal and highly publicized trials.

The Soviets retaliated by dragging an American businessman, Francis J. Crawford, from his car on a Moscow street and charging him with currency

violations. He has since been convicted and freed in a Soviet gesture of conciliation.

Enger and Chernyayev were set up by Lt. Cmdr. Arthur F. Lindberg, who testified that he accepted an undercover assignment from the FBI to help them track down a Soviet spy network which used the Soviet merchant marine as cover.

Lindberg testified that he made his first contact on a cruise aboard a Russian passenger ship by leaving a note saying he would exchange documents for money.

Later, a man with a heavy accent contacted him by phone and said the Russians "were pleased to receive your note."

The naval officer, under constant observation by the FBI, then began providing bogus defense information in a series of drops along crowded highways in the New York area. The Russians funneled cash to him in \$2,000, \$3,000 and \$5,000 chunks, concealed in orange juice containers and radiator hoses. They also gave him a \$1,000 "Christmas bonus," according to testimony, and instructions not to flaunt his wealth.

Enger, Chernyayev and a third Russian, Soviet U.N. Attache Vladimir P. Zinyakin, were taken into custody on May 20 at a Woodbridge, N.J., shopping center where they went to fetch a roll of film dropped by the counter-spy. Zinyakin, who had diplomatic immunity, was later released.

The others were indicted on charges that they paid the naval officer more than \$20,000 for defense documents, including antisubmarine warfare materials, over a nine-month period.

Judge Lacey, who could have sentenced the Soviets to life imprisonment, said he imposed the 50-year terms to prevent the Soviet Union from doing "what one of their leaders once said he would do—bury us."

Lacey also criticized the United Nations, which had hired the two men, for not screening potential employees. "I ask myself how many FBI agents have to be assigned to representatives of the Iron Curtain countries to make sure our hospitality is not undermined," Lacey said.

Article appeared
on page A-11

WASHINGTON POST
1 November 1978

Around the Nation

2 Soviets Lose Jobs at U.N.

NEW YORK—Two Soviets sentenced to 50-year prison terms for spying have lost their jobs at the United Nations, a spokesman for the international organization said.

U.S. District Court Judge Frederick B. Lacey ordered the sentences Monday for Rudolf P. Chernyayev and Valdik A. Enger for their convictions in a military secrets case.

Chernyayev's employment contract as a personnel officer expired yesterday. Enger, a police officer, was suspended without pay, U.N. spokesman Francois Guillani said. Enger's job was to run through January.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

THE WASHINGTON POST
29 October 1978

ARTICLE APPEARED
ON PAGE A-2

Soviet 'Mole' an Issue in Theft at CIA

By George Lardner Jr.
Washington Post Staff Writer

CHICAGO—The Rev. Chrysostomos Economakos listened solemnly as the young prisoner confessed his sins, then gave him holy communion. Minutes later, as they chatted at the Metropolitan Corrections Center here, William P. Kampiles, 23, blurted out his exasperation at the charges against him.

"I can't tell you what he said at first; it was a confession," the Greek Orthodox priest recounted. "But after he took holy communion, he said to me, 'It's not true. It's not true. I'm not guilty.'"

Those who should know Kampiles best—priest, family, friends—say they believe him. The government of the United States does not. It is prosecuting him for espionage—a crime that, on paper, carries the death penalty—and it has compiled what FBI Director William H. Webster, for one, considers "a very convincing case."

Specifically, Kampiles, a former CIA "watch officer," has been accused of selling one of the nation's top secrets, a technical manual describing the capabilities (and thereby the limitations) of the KH-11 spy satellite, to the Russians for a mere \$3,000.

A sophisticated successor to the original "Big Bird" satellite, the new KH-11 spy in the sky is so sensitive that it reportedly can capture details less than a foot long from altitudes of 100 miles, transmitting the photographs back to earth in digital computer code.

"To us it's unbelievable," Economakis said of his parishioner, a one-time altar boy on Chicago's Southeast side. "He was always a very quiet boy, coming to church, receiving communion. Among the Greek community, he was one of the best . . . You can't believe a person could lead such a double life."

The ingredients of the government's case include an apparently compromising letter Kampiles wrote to a CIA colleague last May and reported admissions to the FBI in August that he had indeed taken the document home with him one day last year and delivered it months later to a Soviet agent.

Although it is not admissible at the forthcoming trial, according to court records a polygraph test also was administered, with apparently unfavorable results. His lawyer, Michael D. Monico of Chicago, has filed a sealed motion in federal court asking for a copy of the polygraph itself.

The Justice Department, meanwhile, is casting about for some constitutional way to prosecute the case in open court without making public the KH-11 manual, the key piece of evidence. Now that the Soviets have it, the government is striving vigorously to prevent further dissemination, even if that means something less than a genuinely public trial. Defense attorney Monico is under court order to keep his notes in a 600-pound "General Services Administration-Approved Security Container," installed in his law office this month.

Despite all that, the actual damage done—beyond exposing the CIA as a place where secrets can march out the front door without anyone's noticing—is a matter of some dispute within the intelligence community.

Some sources call it "a real disaster" that could enable the Russians to hide their missile sites from detection. Others suggest the manual is just as likely to demonstrate to the Soviets how hard it is to avoid effective monitoring, even without a strategic arms limitation treaty. The truth may lie in between.

"It's significant . . . it's not trivial," Webster said of the loss at a luncheon meeting with Washington Post editors and reporters. But he added, "I'm not wringing my hands about it."

The case has also fueled fresh gossip about the possibility of a "mole" or master spy for the Russians, for whom Kampiles is simply the fall guy, a sacrificial offering to distract investigators.

"The Kampiles case," former CIA director Richard M. Helms asserted to New York magazine recently, "raises the question of whether or not there has been infiltration of the United States intelligence community or government at a significant level."

Thus far, however, the only "evidence" of the mole's existence is the fact that he has never been caught. "If you wanted to coin a phrase, you could call it Angletonitis," said one source, alluding to the suspicions long held by former CIA counterintelligence chief James J. Angleton, who is now "out in the cold" after a long career at the agency. "This is something people have been looking and looking and looking for since the agency was established."

Others sources have suggested that the dispute is a reflection not of any

real evidence from the Kampiles case, but rather of a bitter ideological "battle of the spooks," the outs vs. the ins, that has been raging for several years, relying on current events for ammunition. Angleton, for instance, is known to believe that the CIA's counterintelligence efforts were "emasculated" following his ouster in December 1974.

In any event, both FBI Director Webster and CIA Director Stansfield Turner say they have seen nothing to support the "mole" theory.

"I have no knowledge or indications that there is a mole, a secret agent, inside the Central Intelligence Agency," Turner said recently on CBS' Face the Nation. "But for me to sit here and tell you that I was utterly confident that there was none would be foolish."

Going a step further, Webster told The Post he had no information that the "mole" talk was well-founded "or even likely to be so."

Indicted by a federal grand jury in Hammond, Ind., where he is scheduled to go on trial Nov. 6, Kampiles stands accused of selling the "Top Secret" KH-11 manual on a trip to Athens, Greece, last winter. He allegedly turned it over to a Soviet agent named Michael at the Russian embassy in two segments, the first few pages on Feb. 23 and the rest on March 2. According to one account, Kampiles even signed a receipt for the \$3,000 that "Michael" finally gave him.

The CIA didn't realize the document was missing until months later. An investigation was triggered when Kampiles wrote a former colleague at the CIA, in May, to say that he had been in contact with the Russians and that they wanted him to obtain information for them. Kampiles offered to supply "disinformation" instead, but the CIA's suspicions were aroused when he reportedly told his colleague that the Soviets had already given him some money.

The Soviets, according to U.S. intelligence analysts, are not in the habit of paying out cash without receiving something in return. The FBI was called in. Kampiles was arrested Aug. 17 at an apartment he had been sharing with a friend in Munster, Ind., for several weeks.

The son of Greek immigrants, Kampiles grew up in a predominantly Polish, Slovak and Greek neighborhood called Hegewisch in Chicago's Southeast corner, an improbable breeding ground for spies. Oldtimers still remember, with precision, how many boys they sent off to fight World War II. The main drag, South Baltimore Avenue, is lined with neighborhood pubs and mom-and-pop stores. **CONTINUED**

Kampiles grew up in a small apartment on Burley Avenue with his mother, Nicoleta, and his brother, Michael. Their father, Peter Kampiles, a steelworker at Republic Steel's nearby plant, died of cancer in 1964. Mrs. Kampiles took a job in the cafeteria at Ford Motor Co.'s huge assembly plant in the same neighborhood. At 63, she still works there.

"My brother identifies himself as an American," Michael Kampiles, 25, said the other day in a tremulously earnest voice. "He loves his country. He's conservative politically . . . yes, my-country-right-or-wrong. I believe him to be innocent."

Like his older brother who still lives at home, William Kampiles became an altar boy at age 6 at the Church of the Assumption a block away. He also learned how to make money at an early age, working a paper route, delivering groceries, driving a cab, working at a steel mill, putting himself through school. A 1976 graduate of the University of Indiana in Bloomington, he got a job as a hospital supply salesman—"the No. 1 salesman in his territory," his brother says—until the CIA called, following up on a college interview.

Kampiles joined the agency in March 1977 at less than \$15,000 a year and was assigned to the CIA's round-the-clock Operations Center as a "watch officer," monitoring the constant cable traffic from overseas, but he left less than eight months later, reportedly frustrated in his hopes of becoming a case officer. Shortly before he left, he allegedly took home the Operations Center's copy of the KH-11 manual from a file cabinet.

Some CIA veterans are wondering darkly who assigned Kampiles to the Operations Center, as though his alleged filching of the manual were part of some conspiratorial design right from the outset. But other sources say the place, rightly or wrongly, has been used as a training ground for junior officers for years.

Through his lawyer, Kampiles is saying he didn't sell the manual to the Russians. And his lawyer says he has a strong case to present. Sources close to Kampiles indicate that he has no quarrel with the letter to his CIA colleague and is currently seeking a witness from Athens, a woman, who might support the notion that the Russians did pay money to enlist him without getting anything in return.

Defense attorney Monico has also asked the government in formal pleadings for any information indicating that the Soviets may have learned of the KH-11's capabilities before Kampiles' alleged sale of the manual. And he has demanded "any information regarding the possibility that the Soviets 'burned' defendant Kampiles in order to provide the United States government with a plausible explanation for the loss of the KH-11 document, thereby protecting a high-placed agent of the Soviets who had penetrated the Central Intelligence Agency."

The requests are not likely to be productive in light of all the high-level declarations that there is no such information to be had. David T. Ready, the U.S. attorney for northern Indiana who will prosecute the case (and will not seek the death penalty), foresees no startling revelations, at least not by the government.

"I don't expect any surprises," Ready says of the trial ahead. "I don't think Washington is holding back on me. They'd better not be."

ARTICLE APPEARED
ON PAGE A-5

WASHINGTON POST
28 OCTOBER 1978

FBI Director Says 1,900 Soviet-Bloc Spies Operate in U.S.

CHICAGO (AP)—FBI Director William H. Webster says there are about 1,900 Soviet-bloc spies operating in the United States, and Chicago is among their key targets.

"We have substantial foreign intelligence activity taking place in this city," Webster told 1,000 civic and business leaders Thursday. "They (spies) are here," he said, and their work "is not something that occurs only in a James Bond movie."

Webster said the number of agents from Soviet-bloc countries has doubled in the last 12 years. He said 100 spies arrived in the United States within the past three months.

"Serious efforts are being made against your companies" to obtain a variety of secrets, Webster told businessmen attending a law enforcement luncheon sponsored by the Chicago Crime Commission.

He said specific areas of interest to the spies are microelectronics, lasers, computers, nuclear energy and aerospace technology.

The FBI director urged stepped-up internal security measures by business and industry, saying spies will not hesitate to corrupt employes and use bribery or burglary to get what they want.

He declined to detail spy activity in Chicago because of the classified nature of FBI investigations, but he cited one recent case, that of William Kampiles, 23, of Munster, Ind.

In that case, "very valuable and rather critical information" was sold to two Soviet agents, Webster said.

A former employe of the Central Intelligence Agency, Kampiles was arrested in August and is awaiting trial on charges he delivered a CIA document relating to a U.S. defense spy satellite to Soviet agents for \$3,000.

ARTICLE APPEARED
ON PAGE 1-9THE CHRISTIAN SCIENCE MONITOR
31 October 1978

Spies come with détente, FBI says

By Daniel Southerland

Staff correspondent of The Christian Science Monitor

Washington

Détente not only means friendlier ties. It also means more Soviet spies.

So say officials of the Federal Bureau of Investigation, who are sparring with State Department officials over this question.

The FBI's contention is that as the number of Soviet and other East-bloc officials — and visitors — in this country increases, under the more relaxed rules of U.S.-Soviet détente, so does the number of spies.

The number of East-bloc officials in the United States was 800 in mid-1966, 1,383 in 1972, and 1,898 as of Jan. 1 this year. Of the latter figure, the vast majority — 1,266 — were Soviets.

The number of Soviet visitors has doubled over the past six years, from some 6,000 in 1972 to about 12,000 in 1977. An even larger number of Soviet seamen visit American ports.

The FBI has asked that it be given more manpower to cope with what it considers to be the increased Soviet spying accompanying the rise in these figures, and it has urged that tighter restrictions be placed on visas for the Soviets and their friends.

But the State Department thinks the FBI has been unduly alarmist, either overestimating the Soviet spy threat or deliberately exaggerating it to support budget requests. The State Department insists,

moreover, that a relaxation of restrictions on visas was part of agreements made at Helsinki in 1975 and that the US must live with the bad consequences of those agreements as well as the good.

The effectiveness of Soviet spies is a matter for debate. But there is no question that over the past year or so the subject has raised high-level concern on a number of occasions, sometimes breaking into the headlines.

- In October, 1977, it was learned that Adm. Stansfield Turner, director of the Central Intelligence Agency, had warned major contractors working with the CIA, including aerospace companies dealing with top secret matters, to tighten their internal security controls or face the possible loss of government contracts. His warnings resulted from unannounced security checks on such contractors and followed a series of arrests and court cases earlier in the year that exposed security leaks in a number of companies working on sensitive government contracts.

- In November, 1977, it was disclosed that telephone lines in the United States had grown increasingly vulnerable to eavesdropping by foreign agents and that the Carter administration had approved a new program to protect sensitive calls. It included the increased use of scramblers and underground lines. According to U.S. experts, the Soviets monitor calls with the use of antennas and high-powered computers in Washington, New York, and San Francisco, as well as from ships off the U.S. coast.

- Last May the FBI arrested two Soviet employees of the United Nations for attempting to buy defense secrets, some of them apparently dealing with U.S. antisubmarine warfare, from a U.S. naval officer. The officer had posed as a traitor while cooperating from the outset with U.S. Government authorities. The Soviet pair were convicted on Oct. 14 in Newark, New Jersey.

In apparent retaliation, the Soviets arrested an American businessman in Moscow on charges of currency violations. He was given a five-year suspended sentence and released. The Soviet press, meanwhile, accused the FBI of "trumping up" its case against the two Soviet UN employees in an effort to arouse "anti-Soviet hysteria" and bring into disrepute the idea of good relations between the Soviet Union and United States.

- Last July, after receiving FBI briefings, the Senate Appropriations Committee issued a report saying that "far too many" Soviet-bloc

CONTINUED

intelligence agents had been permitted entry into the U.S. The committee advised the Immigration and Naturalization Service, a branch of the Justice Department, to expel suspected agents, irrespective of the visas issued by, or the policies of, the State Department. This was clearly a slap at the State Department and an attempt to give the Justice Department a firmer grip on the visa question.

• On Aug. 17, FBI agents arrested William T. Kampiles, a former CIA clerk, who was charged with selling Soviet agents sections of a technical systems manual for the U.S. spy-in-the-sky "big bird" satellite. The case has caused considerable concern because the manual was missing for months before the loss was noticed. Mr. Kampiles is scheduled to go on trial this week.

Now the good news—

The CIA reports "significant progress" on the part of the aerospace industry in tightening its security controls.

And the State Department and Justice Department are doing a better job of coordinating their work in visa applications. High-level officials from the two departments meet to consider any case on which the FBI persists in objecting to a visa being granted by the State Department.

State Department officials say that in the great majority of cases where the FBI objects, visas are still being granted.

Whatever countermeasures the United States devises, however, Soviet spies obviously have a built-in advantage: They benefit from the wide range of published information on defense and security matters readily available in an open society such as that of the United States.

CIA Director Turner has been known to complain that from an intelligence-gathering point of view, détente is a "net minus" for the United States.

It might be of comfort to some that one former CIA director, William E. Colby, thinks Soviet spies have fallen on hard times.

A few months ago, Mr. Colby told the magazine U.S. News & World Report that most of the recent espionage cases have involved Soviet agents paying cash for secrets. That, in Mr. Colby's view, is not the way to get high-level information.

"They'll get odds and ends that way," Mr. Colby said, "but they won't get very much."

"You see, the really important agents on both sides have been ideologically motivated," he continued.

ARTICLE APPEARED
ON PAGE 14THE CHICAGO TRIBUNE
31 October 1978

Bob Wiedrich

Soviet spies still in business here

ALMOST TWO decades ago, when the Cold War still was very hot, I twice shadowed Soviet bloc spies as they swiped American military and technological secrets from the Chicago area.

One of the espionage agents was a New York City-based representative of Amtorg, the Soviet trading organization.

He operated quite freely from a seedy hotel room on the south end of Chicago's Loop, walking to the Coliseum every day to pirate copyrighted drawings of marvels of American mechanical know-how from sessions of the semiannual heavy machinery show.

Two others were Hungarian military attaches from that Soviet bloc nation's embassy in Washington. They drove around the Nike missile site defense perimeters of Chicago and Milwaukee in an automobile with a mysterious black box in the back seat.

The box contained sophisticated electronic gear capable of determining the range and direction in which the missiles were pointed to ward off unexpected Soviet attack.

And after my stories about this band of foreign brigands appeared in The Chicago Tribune, all three were declared persona non grata by the American government and tossed out of the country.

IN THOSE years, because of more widely based public support of Federal Bureau of Investigation counterintelligence efforts in the United States, Soviet bloc spies found it tougher to operate.

When they were caught red-handed, public condemnation and demands for action were swift. Americans supported their FBI in peace and war.

They knew that if hostilities ever came, the secrets stolen by foreign agents could be turned against them. They recognized that technological information lifted from the U.S. industrial arsenal might enhance the Soviet capability to wage a surprise war.

They also feared that their own lives might be forfeited in a nuclear holocaust if Russian-launched warheads ever penetrated American defenses of major cities.

THEN CAME the post-Watergate morality with demands that American intelligence agencies let everything hang out. Some started a concerted drive to destroy the U.S. counterintelligence apparatus.

Some American intelligence experts say that mission was successful. And that our nation's capacity to defend itself against foreign subversive intrusions has been severely diluted.

Fortunately, one of those who refused to accept that thesis is William H. Webster, the newly appointed FBI director.

Webster believes the FBI, along with the Central Intelligence Agency and National Security Agency, are still fully capable of countering the stream of Soviet bloc attempts to pilfer American industrial and military secrets.

He says he is convinced that these agencies still enjoy the confidence and support of a majority of Americans who were dismayed by some of the counterintelligence mistakes of the past, but remain aware today of the Soviet threat to national security.

"We're well past the point of sitting around feeling sorry for ourselves," Webster said during a rush-hour interview in the back seat of an auto heading for O'Hare International Airport.

Webster was returning to Washington after having warned 1,000 Chicago area businessmen that they should be alert to Soviet bloc attempts to recruit, by compromise or bribery, some of their employes with access to technological secrets.

"The important thing is that we constantly learn to do our job better," Webster said.

I TOLD WEBSTER, of having overheard a conversation between two bearded, well-groomed young businessmen walking through the Hilton Hotel lobby after his address.

They were discussing his remarks about industrial espionage and one joshingly told the other, "I guess we'd better place a surveillance on all the guys with beards at the plant."

Their humor highlighted the stereotyped concept people have of foreign agents wearing black trench coats and slouch hats and packing miniature cameras. It also dramatized the refusal of too many businessmen to realize that foreign espionage remains a deadly serious business.

And that both the national economy and national defense can be severely impaired if only a handful of the many thousands of Soviet bloc agents in the United States are successful in their looting of American secrets.

ONE EAST EUROPEAN bloc intelligence agency is known to have offered \$200,000 for one technological secret. Other spies spend their time seeking out employes of American firms with debts or other weaknesses whom they can bribe or force into becoming traitors to their country and their employers.

Still others have used agents to buy into financially failing or bankrupt companies possessing valuable lodes of technological information.

And it is no secret that some American citizens visiting Soviet bloc countries have been framed on phony charges in order to recruit them as unwilling agents of the Communist intelligence network in this country.

Webster says at least 50,000 Soviet bloc citizens visited the United States last year. In addition, there are 1,900 Soviet bloc officials residing here in various capacities, many of whom are known intelligence agents.

"You ought to be aware that when they come here that they aren't just sightseeing," Webster declared. "They play this game for keeps."

ARTICLE APPEARED
ON PAGE **3**CHICAGO TRIBUNE
28 October 1978

Chicago is called a key spy target

By John O'Brien

MENTION CHICAGO and the Cold War in the same breath, and visions of another tough winter may glaze the mind of a listener.

But that's not what was on the mind of FBI Director William H. Webster, who warned 1,000 civic and business leaders at a meeting here that Chicago has become a key target of Soviet-bloc spies.

"We [the FBI] have substantial foreign intelligence activity taking place in this city," he said. "They [spies] are here" and their work "is not something that occurs only in a James Bond novel."

Speaking Thursday at law enforcement luncheon in the Hilton Hotel sponsored by the Chicago Crime Commission, Webster said he was referring to agents of "Soviet-bloc countries," whose strength in the United States has doubled in the last 12 years. He put the number of espionage operatives in this country at 1,900, with the latest 100 arriving in just the last three months.

In addition, he observed that in 1977 alone "over 50,000 Soviet bloc nationals"

visited the U.S.

Noting that many in the luncheon audience were officials of firms engaged in industry and technology, the FBI chief warned that "serious efforts are being made against your companies" to obtain a variety of secrets.

He listed five specific areas of spy interest as microelectronics, lasers, computers, nuclear energy, and aerospace technology.

Although Webster gave no details of spy activity in Chicago—a silence he said was deliberate in view of the classified nature of FBI spy investigations—he mentioned several such cases made public in recent months as a result of arrests.

A MUNSTER, Ind., man, William Kampiles, a former employe of the Central Intelligence Agency, was arrested in August. Webster charged that the espionage suspect "sold very valuable and rather critical information to two Soviet agents."

Kampiles, 23, is awaiting trial on charges he delivered a CIA document relating to a U.S. defense spy satellite to the agents for \$3,000.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

APPROVED FOR RELEASE
 FEB 25

NEWSWEEK
 6 November 1978

My Turn

Prudes in the Press

Ron Nessen



When the press pack runs yahooping after a good juicy sex scandal, I usually enjoy it as much as the next armchair voyeur.

I mean I devoured every titillating news story about Elizabeth Ray, Fanne Foxe and Judith Campbell Exner.

But the gleeful press coverage of Soviet defector Arkady Shevchenko's "close personal relationship" with a love-for-hire girlfriend puzzles me. As a journalist, I fail to find the "news" in the Shevchenko news stories.

The facts are that Shevchenko defected from his job as United Nations Under Secretary-General for Political and Security Affairs six months ago, the highest-ranking Russian ever to take asylum in the United States.

Now, here comes the sex part. A woman named Judy Chavez claims she was hired from an escort service and paid by Shevchenko for her companionship. She says he gave her \$500 per date at first, later a "retainer" of \$5,000 a month, altogether \$35,000 or \$40,000. He also paid her, she says, to accompany him on a vacation to the Virgin Islands. (Yes, life is full of ironies.)

SEX SCANDAL

Anyhow, somebody tipped off NBC News about all this. When Shevchenko showed up at a Washington restaurant several weeks ago for what he thought was going to be a lunch date with Miss Chavez, investigative reporter James Polk and his NBC crew burst from a hiding place, lights blazing, cameras rolling, and another sex scandal hit the headlines.

My question is: why?

Why did NBC and the rest of the press consider a private citizen's spending and sexual habits to be a subject worthy of such extensive coverage?

As a spokesman for the CIA explained, "What he does with his money is his business."

With other recent widely reported bedroom peccadilloes, newsmen found sufficient legitimate issues to justify spreading the sex lives of public figures across front pages and TV screens. After all, it was said, Wayne Hays's affair with Elizabeth Ray was news because the taxpayers were unwittingly paying her salary. And reports of Wilbur Mills's cavorting with Fanne Foxe at the Tidal Basin revealed that the Ways and Means

Committee chairman sometimes exercised his considerable power in Congress while under the influence of alcoholism. And the coverage of Judith Exner's sensational claims raised the troubling question of whether President John F. Kennedy carried on a secret romance with her at the same time she was dating two Mafia leaders.

But there seems to be no legitimate public issue in the Shevchenko case.

So, I asked investigative reporter Polk why he considered the private life of Shevchenko, a widower, to be news.

"Because he was using government money for his nighttime pleasure!" Polk replied triumphantly.

Aha! There it is! The old press watchdog, ever vigilant. Not one penny of the public funds shall be spent for carnal sin!

LOVE AND MONEY

The trouble is, there are a couple of things wrong with that rationalization.

For one thing, President Carter, the CIA and Shevchenko himself all deny that the monthly stipend the intelligence agency pays the defector for consulting services and to get resettled in the United States is large enough to cover the sums Miss Chavez claims she received. The CIA says it gives Shevchenko less than \$5,000 a month.

Besides, Shevchenko wouldn't necessarily need CIA money to pay for his girlfriend. His salary at the United Nations was a handsome \$87,000 per year. And when he defected, the U.N. handed him a lump-sum settlement of \$78,000. Even with New York prices, the Russian could have put away a little something for a rainy night.

But let's grant, for argument's sake, the claim by Miss Chavez that Shevchenko did use money he received from the CIA to pay for her favors. So what?

To come back to the CIA spokesman's point, what Shevchenko does with his money is his business, whether it's money from his CIA stipend or money saved from his U.N. salary or money paid in advance for a book he's writing.

Should Soviet defectors be required to sign contracts with the CIA promising to spend their stipend only on certain sanctioned "nighttime pleasures?" Attending the opera, or bowling, perhaps?

And if consultants to the CIA risk public exposure by the news media if they spend their money on girlfriends,

should not consultants to HEW, etc., worry that their sex lives might become the next targets of the press?

Supposing Shevchenko's "nighttime pleasure" was going to basketball games instead of seeing Miss Chavez. Would we have RED DEFECTOR SPENDS \$3,000 OF CIA MONEY FOR KNICKS TICKETS screaming from the headlines? I doubt it.

Suppose his "nighttime pleasure" was helping the less fortunate. Can you imagine NBC's cameras popping out of their hiding place to catch Shevchenko distributing gifts at an old people's home?

No. The conclusion has to be that the Shevchenko coverage, with its humorless and pious tone, demonstrated the media's deep streak of puritanism about other people's sex lives.

The press are prudes.

Ironically, the supposed goal of the Shevchenko exposé—to save the taxpayers' money by spoiling the Russian's cozy social arrangement—backfired. After Shevchenko's whereabouts and new identity were blown by press coverage of his affair with Miss Chavez, the CIA was forced to spend thousands of dollars to relocate the defector and create a new cover story for him. So much for saving the taxpayers' money.

WHAT IS THE STORY?

Actually, there may have been a real Shevchenko story. Consider these questions: Was the defector set up? Did someone deliberately arrange to discredit him with the sex scandal? If so, who? Why? Could it have been the Soviet KGB in retaliation for his defection, or to make whatever he's telling the CIA suspect? Or did it have something to do with his previous involvement with the Russian SALT delegation?

We'll probably never know.

In Washington, the reason someone gives a tip to a reporter is often more interesting and more newsworthy than the tip itself. But in the Shevchenko case, the press settled for the easy titillation and gossip instead of undertaking the more difficult task of digging for a possibly significant story.

Nessen, formerly press secretary to President Ford, is at work on a novel.

THE BALTIMORE SUN
1 November 1978

Article appeared
on page A-17

The CIA and the Press

LEAVE it to the CIA. Just when people start throwing rocks at the press, CIA Director Stansfield Turner thinks it would be clever for his spooks to hide behind reporters.

Speaking at the National Press Club, Mr. Turner decided to pull a new kind of cloak over his agency's

By Garry Wills

daggers—the cloak of the First Amendment. The argument was cute—we're all in the same boat, fellows; you don't want to reveal your sources, and we don't want to reveal ours. So don't bug us, and we won't bug you.

Neat. But the CIA does not want to keep only its sources secret. It has proved, in recent years, how far it will go to keep its crimes secret. And even when it acts within the law, the agency is an arm of the government, with all the government's power to coerce. The CIA does not investigate with publication in mind. Its tendency is to hide governmental wrongs, not expose them.

In all these ways, the press and the CIA have different motives and justification for protecting sources. Yet having made his shaky identification of the two institutions' interests, Admiral Turner went on to surreal applications of his comparison.

First, he said reporters should not print the leaks of wrongdoing in government by whistle blowers. That, he argued fuzzily, would be like having the government compel the press to reveal its sources. But confidentiality between newsmen and sources in no way resembles the silencing of criticism by all government employees. If Mr. Turner's rule were applied, criticism of our government would be as impossible as the criticism of Russia's government by its employees. Yet Mr. Turner tortuously advocates this ideal in the name of a free press and the First Amendment.

Mr. Turner also compared cases where a prosecutor drops charges, to keep intelligence work secret, with Myron Farber's refusal to give up his notes to a judge for fear of revealing his sources. He saw "nothing different" in the two cases. Once again, the comparison is faulty on many grounds. If the Farber case had led to dismissal of charges, or to a conviction where it seemed the defendant was deprived of a fair trial, many people would have joined that considerable part of the press itself that thinks Mr. Farber's action was not covered by the First Amendment.

Yet even if Mr. Farber was right, his act has no important resemblance to the government's refusal to press charges where that might embarrass the government itself. That refusal, not always admirable, resembles the exercise of prosecutorial discretion. If prosecution would harm the public, be too doubtful or defensive or embarrassing, the government can keep things hidden by letting a man escape trial and possible punishment.

Mr. Farber protected his sources to publish facts, to help bring acts to light—a course that led to trial and public airing of much evidence. It takes the convolutions of a spy mentality to equate the hiding of information with its dissemination. That is why the spy mentality is so dangerous in a free society. Admiral Turner's appearance before the Press Club illustrates the way CIA attempts to ward off threats to our freedom become, themselves, a threat to that freedom.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

THE WASHINGTON POST

1 November 1978

ARTICLE APPEARED
ON PAGE A-14

Countering 'Graymail'

THE DEPARTMENT of Justice is taking a bold step in attempting to appeal a pretrial order by Judge Aubrey Robinson in a perjury case involving an official of the International Telephone and Telegraph Corporation. Appellate courts rarely look with favor on appeals until a trial is completed. But the department's action is justified: It focuses attention on a question that is critical not only in this case but in many others: Is there a way to protect legitimate government secrets in a criminal trial that must be conducted in public?

The question is not a new one. It has been lurking around for half a century, ever since the government began accumulating large amounts of secret information. But it was rarely discussed in public until three or four years ago because the government almost routinely decided there was no effective way to protect its secrets. The result was that dozens of cases in which prosecutions could have been brought—on charges ranging from leaks of classified information to espionage and murder—were quietly forgotten.

The evil of that situation is obvious now in light of the disclosures of wrongdoing in the past by officials of the CIA and FBI. It was a way of saying that government officials or others who knew a great deal about intelligence operations could commit certain crimes without fear of prosecution. And it meant that

others who were accused of certain crimes could get the charges dropped by threatening to expose government secrets during their trials. That latter process, known as "graymail," involves subpoenaing classified documents or secret agents as part of a defendant's defense.

Part of the problem in the current case is that the government fears defense attorneys for ITT official Robert Berrellez will uncover and make public during his trial some still secret CIA relationships in Latin America. It thinks those relationships are irrelevant to the trial and wants that issue decided before the evidence about them is presented in court. Normal judicial proceedings call for a ruling on relevancy to be made after the evidence is produced in open court.

A recent study by the Senate Intelligence Committee recommended substantial changes in court procedure to cope with this problem (as well as others that arise in "graymail" cases) by permitting wider use of secret hearings. The change sought by the Department of Justice is in line with that committee's recommendations. While it does raise some of the possibilities that the Constitution's guarantee of a "public" trial was designed to avoid, the issue is so important that the appeals court should deal with it under the unusual procedure that is being invoked.

ARTICLE APPEARED
ON PAGE A-3

WASHINGTON STAR (RED LINE)
30 OCTOBER 1978

Government Gets Time for ITT Appeal

By Anthony Marro
Special to The Washington Star

The perjury trial of an ITT official who allegedly concealed information about his firm's activities in Chile's 1970 presidential election was delayed today to permit the Justice Department to appeal a ruling by U.S. District Judge Aubrey Robinson that would block its attempts to limit discussion of "national security" information by the defendant.

The government is asking for a protective order that would prevent the defendant from disclosing certain CIA relationships — employees, contacts, and the like — without first warning the government that he intended to do so, and when giving the government an opportunity to challenge its relevance.

It is urging the court to prohibit such revelations by a defendant in an attempt to recreate the "atmosphere" that led him to take the actions that resulted in his indictment — something Robinson said he has no legal authority to do.

"All we're asking for, as we see it, is that there be a change in sequence and that a determination of relevance be made early on," Phillip Heymann, the head of the Justice Department's criminal division, told

reporters after the hearing. "We're not asking anything (that would be) very harmful to a defendant."

The defendant in this case, Robert Berrellez, has been charged with lying to a Senate committee to hide his knowledge of attempts by ITT to block the election of Salvador Allende, a Marxist whom ITT officials feared would nationalize ITT properties in Chile.

The issue of "national security" information arose early in the investigation because of alleged dealings between the company and the CIA, which funneled large amounts of money to political opponents of Allende.

According to Heymann, the government is seeking to have Berrellez' lawyer warn it in advance of certain categories of "national security" information that he intends to introduce in the course of his defense and to have a judge rule in advance, rather than after the fact, whether it is relevant. If the judge decided that the material was relevant, the government could then decide whether to dismiss the case or have it become public.

Today, Heymann said that any defendant and his attorney would be able to participate in such a hearing on relevance, although it would be

closed to the public. Robinson said that this was a change in the government's position, and that last week, when the protective order was first sought, the government had asked that the defendant and his attorney be excluded for at least portions of such hearings.

THE WASHINGTON POST
31 October 1978

ARTICLE APPEARED
ON PAGE A-2

U.S. Would Alter Court Rules for Secrecy in ITT Case

By Charles R. Babcock
Washington Post Staff Writer

The Justice Department will seek to change court rules in an effort to save its prosecution of a sensitive national security case, a senior official said yesterday.

Philip B. Heymann, head of the department's criminal division, made his first courtroom appearance to announce that the government will ask the U.S. Court of Appeals to let prosecutors challenge potentially sensitive evidence before it is introduced by the defense at the trial of Robert Berrellez. Berrellez is an official of International Telephone and Telegraph Corp. who is accused of lying to the Senate about his firm's attempt to influence the 1970 presidential election in Chile.

The case has been complicated by government fears that defense attorneys might uncover still secret Central Intelligence Agency relationships in Latin America and make them public during the trial.

Part of the charge against Berrellez is that CIA officers conspired with him to block a 1973 Senate investigation of IPT-CIA collusion during the election of Salvador Allende.

Prosecutors normally challenge the relevancy of defense evidence after it is presented. But here the government is seeking to make that challenge in advance, Heymann said, to assure that national secrets won't be disclosed.

U.S. District Court Judge Aubrey Robinson Jr. refused last week to approve a blanket government proposal for setting up such a procedure. He gave prosecutors until yesterday to decide whether to drop the charges against Berrellez.

Heymann said he would make an uncommon "mandamus" appeal to the higher court, instead, in hopes Robinson would be overruled. The department's top prosecutor said persons can't be given "broad immunity" from charges just because their case might involve classified information.

The significance of the government's effort in the Berrellez case extends to other national security cases as well, Heymann said, because the fear of disclosing secrets is a recurring problem in such prosecutions.

A recent Senate Intelligence Committee study of the tradeoffs in prosecuting national security cases recommended that Congress consider passing a law to formalize the procedure for advance challenge to defense evidence.

The government also disagreed with Robinson yesterday on two key points for judging the relevance of evidence. Berrellez' defense attorney, Patrick A. Wall, might try to present

Heymann said the court should reject as irrelevant any defense claims that government agents encouraged Berrellez to lie or obstruct the Senate investigation. The indictment charges that CIA officer Jonathan Hanke aided Berrellez and another ITT official in preparing false testimony.

Heymann also said the defense shouldn't be allowed to refer to sensitive material in introducing evidence about Berrellez's motives for the alleged perjury. Robinson said the jury should be able to hear information bearing on the general background of the defendant's intentions.

Those issues also will be appealed.

Heymann told reporters after the hearing that it is "likely" the government would drop the prosecution if the appeal is not successful. But a department spokesman qualified that statement later, saying it depended on how decisive the appeals court ruling is.

Robinson expressed some sympathy yesterday for the government's concern about some advance determination of the relevance of defense evidence.

Referring to defense attorney Wall, the judge at one point said, "Our problem is he doesn't know what he knows." Another time he told Wall: "Their concern is you have some information that is relevant to you but you don't know how sensitive. Under the proposed solution that it is."

Justice now carries to the higher court. Wall would tell the judge each time he intended to raise a classified issue and the prosecutors could argue against it in a secret meeting.

Robinson seemed to agree with the procedure but refused to sign such an order now, before those circumstances arise.

ARTICLE APPEARED
ON PAGE 3A

PHILADELPHIA INQUIRER
1 NOVEMBER 1978

National

The U.S. will seek a court order to prevent the disclosure of government secrets during criminal trials.

The Justice Department will ask for an order requiring criminal defendants and witnesses to give notice when certain sensitive material is likely to be brought up. Such information could include locations of CIA stations, names of agents, identities of people they deal with and other details of intelligence operations. The material then would be subject to a closed hearing and legal arguments about its relevance to the case. The question arose during a perjury case involving an official of the International Telephone & Telegraph Corp. and the firm's alleged activities in the 1970 Chilean elections.

STAT

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

Page Denied

Approved For Release 2009/04/29 : CIA-RDP05S00620R000501250001-8

ASHEVILLE CITIZEN (N.C.)

7 October 1978

60 Years Of Oil

Monitoring of the world's oil fields to obtain data on petroleum resources is a difficult undertaking — an exercise, in fact, that tends to make such words as conservation and confusion synonymous in the public mind.

But we keep on trying, one of the latest studies having been made by the Rand Corporation for the Central Intelligence Agency, a project that underscores the latter's concern for our future — politically, militarily and economically.

Now you must be told what the prestigious research organization found out — or thinks it did:

At present rates of consumption, the world's recoverable crude oil will last 60 to 90 years, at best a conclusion with a disconcertingly wide spread in its timetable.

Still, it is comforting that the study asserts that through the end of 1975 no more than 20 percent of the earth's ultimate recoverable oil reserves had been produced.

For every barrel of oil already consumed, from four to six barrels of oil recoverable at costs of less than

\$30 per barrel are still in the ground," the Rand study said. These figures did not include potentially "hundreds of billions of barrels" of oil that might be recovered from oil shale and oil tar.

Moreover, the researchers found encouraging the recent discovery of a major oil field in Mexico and optimistic prospects of new finds in the Middle East and under and near the Arctic Ocean.

Some of the report was not so good. For instance, it took note of the fact that there has been a precipitous decline in the discovery of major oil fields, so-called "super-giant" fields with reserves of more than five billion barrels each.

Besides, 60 years isn't a long time to the young. Too, the study's 60-to-90-years conclusion does not take into account the terrible acceleration of petroleum consumption in the world. So there can be no doubt that the conservationists are on the beam after all, and for more reasons than those involving this nation's economy.

LOUISVILLE COURIER-JOURNAL (KY.)
19 October 1978

Generosity helps redeem an affront to justice

THE ACTIONS of the eight Iranians and three Americans who disrupted CIA Director Stanfield Turner's speech last April at the University of Kentucky were clearly out of bounds. But the harsh sentences and preposterously high appeal bonds imposed by a Lexington court in the case are even more difficult to justify. That's why it's gratifying that a Mount Sterling man, John T. Smiley, has done something to redeem the American reputation for fair play by posting the \$125,000 in bonds required for nine persons who remained in jail. The way is open for a higher court to make a more complete redemption by reducing or throwing out the district court sentences.

That's not to say that the behavior of those who demonstrated during the CIA director's speech should not have been penalized. The demonstration delayed Admiral Turner's speech for about 40 minutes; he was forced to pause several times while police removed demonstrators. Though there was no violence, there was an attempt to interfere with the rights of the speaker and of those who came to hear.

But the offense didn't warrant maximum or near-maximum penalties — fines of \$250 each and jail terms ranging from 45 to 90 days — given 10 offenders. The university didn't consider the incident serious enough even to consider suspending two UK students among the defendants.

The severity of the sentences for what amounted to disorderly conduct justified the Central Kentucky Civil Liberties Union's description of the action as "cruel and unusual punishment." Even less explicable was the court's setting \$15,000 bonds for the Iranians and \$5,000 for the Americans. Even the lower figure seems far out of keeping with the offense. It's hard to see anything but discrimination in the higher bonds.

The appeal can't rectify all the damage that's been done. But it can reaffirm American dedication to a single standard of justice.

MOBILE REGISTER (ALA.)

5 October 1978

FBI, CIA still under liberal critic attack

The St. Louis Post-Dispatch in a recent editorial bemoaned the fact that Congress has failed thus far to reform our nation's intelligence agencies, principally the Federal Bureau of Investigation (FBI) and the Central Intelligence Agency (CIA).

One gets the impression in reading the editorial that this "reform" project should have a top national priority because of a history of abuse of power on the part of the FBI and CIA.

The Post-Dispatch also calls for "strict congressional oversight" of the two agencies as well as open records on how the FBI and CIA spend their money.

The arguments are absurd, but typical of liberal, civil libertarian thinking in the nation today.

Since Sen. Frank Church of Idaho and his headline-seeking Select Committee

on Intelligence started efforts to undermine public confidence in the intelligence agencies more than two years ago the American public and Congress have had many rude reminders that we need an effective intelligence apparatus in defense of the national security. Communist spies have been arrested on several occasions, although the liberal national media usually downplays these cases.

Those reminders have dashed cold water on the "reform" efforts.

The Post-Dispatch contends that "the danger exists that the nation will drop a historic challenge to make secret operations accountable to open government."

Our response is that nothing can be both "accountable" as well as "secret" and we need the latter a great deal more for self-defense.

THE WASHINGTON POST
30 October 1978

ARTICLE APPEARED
ON PAGE A-18

Dropped Spy Charges Signal Win for British Press

By Bernard D. Nossiter
Washington Post Foreign Service

LONDON—Britain's press won a major victory here last week when the government abandoned its "spy" charges against two reporters and an ex-intelligence corporal they had interviewed for a story.

The three, however, are still on trial. They face two-year sentences for allegedly violating another section of the Official Secrets Act, which the government had pledged it would never again invoke.

But the suppression of the more serious counts is regarded as a landmark for a free press. Even if the government succeeds with its prosecution of the lesser charges, it will further discredit the highly controversial official secrets law.

It is now seeking to convict the three under a catchall section of the law that prohibits giving or receiving any unpublished official information. This clause is so sweeping that theoretically it could jail for two years a civil servant who gave and a reporter who received an unpublished survey of government tea-drinking habits.

The three men on trial at the historic Old Bailey are Duncan Campbell, 25, a writer for the socialist weekly New Statesman, Crispin Aubrey, 32, of Time Out, a leftist entertainment guide, and John Berry, 34, a social worker who once served in Britain's National Security Agency.

Nearly two years ago, Campbell, a specialist at exposing the government's electronic spying, and Aubrey interviewed Berry at his apartment. All three were promptly seized and arrested before a word had appeared in print.

To the surprise of many legal observers, the government accused them of breaching an Official Secrets Act clause that had been designed for real spies. It provides a 14-year sentence for giving or receiving data to help an enemy.

The prosecution conceded that Campbell, Aubrey and Berry had no intention of aiding an enemy and were simply collaborating on an article. Nevertheless, until this week the three were charged under the espionage section.

Their first trial collapsed in September when the defense belatedly discovered that the foreman of the jury looked suspiciously like a government plant. The man, a former paratrooper in a military spy-commando unit, had been lobbying his fellow jurors for convictions before the defense had even begun its case.

The second trial lasted 15 days before the government gave up on its spy charges. Lawyers for the defense ridiculed the government's case, showing that the "secrets" Berry had told to Campbell and Aubrey had all been published, even in military house organs.

At one point, Col. Hugh Johnstone, a prosecution witness and former chief of the army's Signals Intelligence, complained from the stand that the published material cited by the defense was itself a violation of the Official Secrets Act. The "offender" here was a journal called The Wire, published by the Royal Corps of Signals Association, veterans of the colonel's outfit.

At preliminary hearings, the colonel had tried to hide his own identity and appear simply as "Col. B." But members of Parliament and newspapers complained that it was a prosecution device to prejudice the atmosphere surrounding the defendants and limit their ability to cross-examine.

On another occasion, a major who had been the "security officer" at a Cyprus base for Signals Intelligence testified that the role of the installation was also an official secret. The defense showed that the base, which monitors foreign military radios, had been described earlier not only in The Wire but also the official proceedings of the House of Commons and general newspapers.

The government finally conceded that whatever Berry—who left the army eight years ago—told the pair could not aid an enemy. So the "spy" section charges were dropped, although prosecution continues.

The section of the law now being used, has been something of an embarrassment since it was adopted in 1911. So, two years ago, Merlyn Rees, the home secretary, promised the House of Commons:

"The government . . . [accepts] that the mere receipt of official information should no longer be an offense."

The belief here is that overzealous spy catchers in Rees' department grabbed Campbell, Aubrey and Berry without telling their boss. So the bureaucracy is making mincemeat of the home secretary's pledge.

Commons is not in session now so no members can protest the continued prosecution. Newspapers here cannot comment on a pending case. That would be contempt and land their editors in jail.

The trio continues to stand in the dock, a fenced-off area for criminal defendants in the middle of the Old

Bailey court. But whether their case—frequently heard in secret—will ever reach the second jury is still a question.

The overeager lobbyist who served as foreman of the first jury was discharged, along with his colleagues.

Under American law, he could face contempt charges for his conduct. But they do things differently here. The government is now considering whether to punish for contempt still another New Statesman journalist: the writer who exposed the foreman's role.

ARTICLE APPEARED
PAGE A-2WASHINGTON STAR
28 OCTOBER 1978

CIA Has 'Illicit' Personnel Files, Fired Worker Charges in Suit

By Allan Frank
Washington Star Staff Writer

In a civil suit designed to win back his old job, a long-time CIA employee who says he's been a whistle-blower has charged the agency maintains "illicit," informal personnel files in addition to standard government employee files.

The suit, filed in U.S. District Court here yesterday by attorneys for Donald S. Jordan against the CIA and its director, Stansfield Turner, charges that a protest to Turner about the informal filing system prompted him to fire Jordan without a hearing Dec. 5. Jordan had worked for the agency for 26 years.

Jordan is asking U.S. District Judge Louis F. Oberdorfer to award him \$250,000 in damages for the firing, which followed a public disclosure by Jordan on Nov. 15, 1977, of a protest telegram he had sent to the CIA director.

The suit claims that the firing amounted to a breach of contract by the CIA and violated Jordan's rights of free speech and due process, as well as CIA regulations.

JORDAN CLAIMS the CIA's official files show that he was "an exemplary employee," while the informal files contained far different — and false — information about him.

In the spring of 1977, when Turner announced that he wanted to hear from CIA officers in private about alleged wrongdoings in the agency, Jordan took him seriously, the suit charges.

Jordan sent the CIA director a five-page summary of his complaints in mid-August 1977 and was informed Nov. 1, 1977, that he — along with 200 other employees — was being fired as part of the agency's reduction-in-force.

On Dec. 5, 1977, three CIA officers removed Jordan from his San Diego office and informed him he was being fired immediately as a result of the telegram.

The suit says Jordan discovered the CIA practice of maintaining official and unofficial personnel files in 1973. A protest by Jordan led to an investigation a year later by the CIA inspector general "which confirmed the existence of the

illicit file system and revealed that plaintiff's (Jordan's) illicit file contained false, derogatory information which conflicted with his official personnel rating reports," the suit says.

THE SUIT GOES on to say:

After the CIA inspector general's investigation, the chief of the domestic collection division was informed that "illicit personnel reports would no longer be required" but were instead left to the discretion of individual office heads.

In the spring of 1975, Jordan discovered that the informal files were still being maintained about him and he lodged another protest which led to his suspension until a CIA ad hoc grievance panel ruled in May 1975 that the informal files on him should be closed, that he should regain his job and be given a raise and that the CIA directorate should issue a notice limiting the use of personnel files that were not available for an employee to inspect.

After being restored to his job in June 1975, Jordan learned that his interim successor in San Diego had told all his sources not to deal with him any more, thereby destroying his effectiveness.

In 1976, a third CIA internal investigation of the situation at the San Diego office was undertaken with little result, and in 1977 another protest by Jordan to the CIA inspector general did not change the situation there, according to the suit.

The agency had no immediate comment on the suit.

ARTICLE APPEARED
ON PAGE 14

THE WASHINGTON STAR (GREEN LINE)
31 October 1978

Purported List Of CIA Names Is Circulated

United Press International

A new edition of the anti-CIA publication *Covert Action* is out with another list of names of alleged agents and the locations where they are operating under diplomatic cover in nine countries.

The publication lists alleged recent CIA transfers, a seven-page article by a former CIA accountant on how the agency recruits foreign diplomats, and a do-it-yourself guide on how to find and unmask CIA agents abroad.

Covert Action, published in Washington under the active guidance of renegade CIA official Philip Agee — now believed living in Italy — frankly states its mission as wrecking the intelligence agency.

In its first edition in July, the "information bulletin" told readers:

"We will never stop exposing CIA personnel and operations whenever and wherever we find them." It also asked for copies of U.S. diplomatic lists, embassy staffs and telephone directories, "anonymously, if you prefer."

The "Naming Names" section in the latest edition gave biographies and past posts of two CIA officers now said to be working out of the U.S. Embassy in Paris, and recent arrivals of alleged top CIA personnel at U.S. embassies in Italy, India, Venezuela, El Salvador and Jordan.

The first edition named the alleged CIA chief of station in Jamaica and gave his previous posts.

It also advertised a forthcoming book by Agee, who left the CIA in 1969.

ARTICLE APPEARED
ON PAGE A-3

WASHINGTON STAR (GREEN LINE)
30 OCTOBER 1978

Soviet Reported Giving Cubans New Jet Fighters

Associated Press

For the first time, Russia reportedly has given Cuba advanced high-speed MiG-23 jet fighters.

The acquisition of MiG-23s substantially upgrades Cuba's air force, which until now has been equipped chiefly with less sophisticated MiG-21s and other, older MiGs.

Some types of the MiG-23 Flogger are believed by U.S. intelligence officials to be capable of firing tactical nuclear weapons as well as conventional arms on ground-attack missions. It could not be learned whether the new jets sent to Cuba are designed for ground attack as well as for air-to-air combat.

Intelligence sources, who declined to be named, said that an estimated 18 to 20 MiG-23s arrived in Cuba earlier this month aboard a Soviet freighter. That many planes would comprise about a squadron.

The aircraft were shipped disassembled in crates and it was not until they were observed flying that U.S. intelligence identified them as MiG-23s.

Earlier this year, Defense Secretary Harold Brown listed the MiG-23 among several newer types of Soviet warplanes that he told Congress "have substantially better ranges and payloads than their predecessors."

MiG-23s have been assigned to Soviet fighter units based in East Germany for five years and the Russians supplied them to only a few Warsaw Pact allies and Arab countries ahead of Cuba.

It was uncertain whether Russian or Cuban pilots have been flying the MiG-23s provided to Fidel Castro's air force. Several months ago, U.S. intelligence officials reported that Moscow had sent about 30 Russian pilots to Cuba to replace Cubans then flying combat missions in Africa.