ARTICLE APPEARED ON PAGE 569.

THE NATION 28 November 1981

THE TERPIL TRANSCRIPTS

Dinner With Idi And Other Tales

MURRAY WAAS

he close and profitable relationship that Edwin Wilson and Frank Terpil, two former employees of the Central Intelligence Agency, enjoyed with Col. Muammar el-Qaddafi of Libya is now well known. The pair was indicted last year by a Federal grand jury in Washington, D.C., for exporting arms and explosives to the Libyan government.

That grand jury uncovered evidence that Wilson and Terpil had recruited a dozen former Green Berets and U.S. intelligence agents to train Libyans in the techniques of terrorism and political assassination. According to the grand jury, Wilson and Terpil had also procured more than 20 tons of plastic explosives and 183 pounds of time-control devices for detonating bombs disguised as ashtrays, lamps, alarm clocks and vases. The bombs were to be used against exiled Libyan opponents of Qaddafi's regime.

In secret testimony, three Cuban former operatives of the C.I.A. told the grand jury that Wilson and Terpil had hired them to carry out an assassination for Qaddafi. The three were given \$30,000 in expenses and instructed to fly to Geneva. They initially believed their assassination target was "Carlos" (Illyich Ramirez Sanches), the world's most wanted terrorist. But upon their arrival in Geneva, they were met by Wilson and told that their target was Umar Abdullah Muhayshi, a former member of the Libyan Revolutionary

Murray Waas is an investigative reporter who writes frequently on intelligence matters.

Council who had become a political opponent of Qaddafi's and was living in exile in Egypt. The three Cubans refused, returned to the United States and reported the plot to their C.I.A. case officers.

Federal investigators subsequently discovered that Qaddafi had agreed to pay Wilson and Terpil \$1 million for the assassination of Muhayshi. As for wanting to kill Carlos, the two former C.I.A. officers were actually on good terms with him, the investigators discovered. According to one report: "By his own admission, Mr. Terpil trained Illyich Ramirez Sanches, who is known as "Carlos," an internationally wanted terrorist who is believed to have led a raid on the Israeli Olympic team in Munich in 1972."

The investigators also discovered that Libyan hit men; trained by Green Berets who had been recruited by Wilson and Terpil, had murdered and maimed a dozen exiled opponents of the Qaddafi regime in London, Rome, Bonn, Malta and even the United States. A former Green Beret, Eugene Tafoya, was charged with the attempted murder of Faisal Zagallai, a Libyan student at Colorado State University. Tafoya allegedly fired two shots at-close range that struck the Libyan exile in the head. Federal authorities believe that Wilson hired Tafoya to kill the Libyan student on Qaddafi's orders. Tafoya had trained Libyan terrorists while he was employed by Wilson, and telephone records reveal that the two men talked shortly before the murder attempt. In addition, Terpil's travel records show that he was in Malta at roughly the same time a Libyan exile there was murdered. A STATE OF THE PARTY OF THE PAR

Although The Nation reported details of Wilson and Terpil's indictment more than a year ago [see "Item. Item." Item.," September 20, 1980], the story received little attention until two lengthy articles by investigative reporter Seymour Hersh appeared in The New York Times Magazine. Hersh presented new and disturbing evidence that although several current and retired C.I.A. officials had known about Wilson and Terpil's business dealings with Qaddafi, they did nothing to stop them and indeed went out of their way to assist them. At one point, according to Hersh, two officials then on active duty with the C.I.A., Patry Loomis and William Weisenburger, helped Wilson and Terpil with their Libyan operations. More intriguing is the fact that Wilson, during his relationship with Qaddafi, met with Theodore Shackley, one of the most powerful men at the agency, who at the time was serving as assistant to the deputy director of clandestine operations.

Kevin Mulcahy, a former C.I.A. analyst who had gone to work for Wilson and Terpil, became disillusioned, called Shackley and told him about the two former agents' services to Qaddafi. Shackley, however, neglected to write a formal report on the conversation and later, after being ordered to do so, characterized Mulcahy as 'irrational, paranoid, and alcoholic.' The charges were untrue, but Shackley's credibility within the agency was such that he was able to delay a Federal investigation into the activities of Wilson and Terpil for several months. Perhaps Shackley's strange behavior can be attributed to the fact that after he left the

STAT

Sanitized Copy Approved for Release 2010/06/23: CIA-RDP90-00552R000100940007-2