

SAN DIEGO UNION (CA)
6 April 1982

Reagan Fires Kennedy After He Refuses To Quit As U.S. Attorney

Won't Apologize For Linking Mexican To CIA

By BENJAMIN SHORE

Copley News Service

and BILL OTT

Staff Writer, The San Diego Union

President Reagan fired William H. Kennedy as U.S. attorney for San Diego yesterday for publicly confirming the identity of a Central Intelligence Agency source.

Kennedy was dismissed after "he was given an opportunity to resign and refused," said Justice Department spokesman Arthur Brill.

Late yesterday afternoon, Kennedy summoned his staff to a conference room at the federal courthouse in downtown San Diego to announce that he had been fired. Associates applauded his refusal to resign. Tears glistened in the eyes of his secretaries.

The 51-year-old Kennedy, who had been chief federal prosecutor in San Diego since December, said he had nothing to apologize for.

Controversy had swirled around Kennedy since he confirmed to *The San Diego Union* March 26 that the CIA had helped prevent prosecution of intelligence operative Miguel Nassar Haro for his role in a ring that stole \$8 million in cars from dealers in San Diego and Orange counties, and smuggled the vehicles into Mexico.

Kennedy's comments were published in *The Union* as part of a story detailing Nassar's involvement in the car-theft ring, which the FBI smashed last summer.

Until January, Nassar had served as chief of Mexico's Directorate of Federal Security, that country's top counterespionage and anti-terrorist agency.

Administration officials said Nassar had provided information about the activities of guerrilla leaders from El Salvador and Guatemala. The officials said that under Nassar, the Mexican national police passed on sensitive information about Soviet and Cuban assistance to guerrillas in El Salvador.

The Mexican attorney general's office insisted, however, that Nassar was neither involved in a stolen-car ring nor was he a CIA operative. Nassar's current whereabouts were unknown.

Kennedy's confirmation of Nassar's links to the U.S. intelligence community came at a time when Reagan administration officials have told Congress that the CIA's foreign sources are drying up because the United States is perceived as being unable to keep intelligence secrets.

Both the House and the Senate have passed separate bills that would make disclosure of U.S. intelligence agents a felony. The legislation is now before a conference committee and has not become law.

Brill, the Justice Department spokesman, said in Washington, D.C., that Kennedy was called and told he had been fired by White House Personnel Director E. Pendleton Jones.

"Attorney General William French Smith said the action was taken because Kennedy had made improper comments about a pending criminal case. The comments were highly prejudicial to the interests of the United States," Brill said in a statement.

The dismissal was effective at the close of business yesterday, Brill said. He added: "We feel that he was given every opportunity to fully explain his conduct. Here in Washington, he had conversations with the deputy attorney general, Edward A. Schmults, Associate Attorney General Rudolph Giuliani, and two other department officials.

"Kennedy was given an opportunity to resign and he refused. The deputy attorney general (Schmults) and the associate attorney general (Giuliani) and the other two department officials all recommended to the attorney general that Kennedy be dismissed."

Brill said the attorney general "studied the matter carefully and then he recommended to the President that Kennedy be dismissed." Kennedy, a presidential appointee, could be fired only by Mr. Reagan.

Kennedy was summoned to the nation's capital last Monday. Asked why it had taken a week to fire Kennedy after those meetings, Brill replied: "These are sensitive, delicate matters..."

Brill said "it hasn't been resolved yet" whether there will be a formal follow-up letter to Kennedy from Jones, the White House personnel director. Brill said he doubted whether the government would take further action against Kennedy.

During the Carter administration, two