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ON PAGE A1

THE WASHINGTON POST  
9 April 1982

## Casey Cleared by Justice Dept. In Agent Registration Matter

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The Justice Department yesterday announced it has found no evidence that CIA Director William J. Casey violated the foreign agents registration law in 1976, when as a private lawyer he represented the government of Indonesia in a matter before the Treasury Department and the Internal Revenue Service.

In a seven-page report to the special prosecutor division of the U.S. Court of Appeals, Attorney General William French Smith concluded: "At all times, the fact that Mr. Casey was representing Indonesia was made clear to those officials with whom he was dealing. The evidence does not support a conclusion that at any time Mr. Casey sought to persuade or influence officials to change any agency policy."

The attorney general said the department's investigation was prompted by a Jan. 7, 1982, Washington Post article, which disclosed that Casey had met with then Treasury Secretary William E. Simon and his tax policy deputy, Charles M. Walker, to enlist their aid in reversing a multimillion-dollar IRS tax ruling that adversely affected American oil companies doing business in Indonesia.

The issue of whether Casey should have registered as a foreign agent was first raised by the Senate Intelligence Committee, which conducted an inquiry into Casey's financial dealings last fall.

That inquiry found that Casey had failed to disclose substantial financial holdings and a number of former legal clients, but concluded that he "was not unfit to serve" as CIA director.

In addition, Sen. Daniel Patrick Moynihan (D-N.Y.), who issued the committee's report last December, recommended that the Justice Department review the registration matter.

Moynihan said through a spokesman yesterday, "Evidently, Mr. Casey has satisfied the Department of Justice, so the matter is closed."

The foreign agents act requires that any person who represents the interests of a foreign government before U.S. agencies, seeking changes in official policies, must publicly register at the Justice Department.

In its report on the Casey matter, the department said, "Because there is no dispute that Mr. Casey was an agent representing a foreign principal before officials of the United States agencies, and that he was not registered with the attorney general, the focus of this inquiry centered on whether or not his representation fell within one of the established exemptions to the registration requirement."

Under the "attorney exemption" of the Foreign Agents Registration Act, lawyers representing foreign clients do not have to register if their representation is done "in the course of established agency proceedings, whether formal or informal."

The Justice Department concluded that Casey's work for Indonesia fell within this exemption. "Thus, so long as an attorney's representation is limited to negotiations with agency officials within the context of established policies and procedures, and the client's identity is disclosed to the agency officials by the attorney, there is no registration requirement."

Casey was counsel to the New York law firm Rogers & Wells in the mid-1970s after holding several senior government posts in the Nixon and Ford administrations.

In 1977, a year after Casey and another partner at Rogers & Wells, Peter R. Fisher, worked on the Indonesian account, the law firm registered as a foreign agent for Indonesia and Fisher registered individually.

A spokesman for the firm said later that it had registered out of an abundance of caution.

Casey, with the help of Simon and Walker, unsuccessfully tried to convince the IRS to "preclear" proposed changes in the Indonesian tax code.

The goal was to reinstate foreign tax credits for the American oil companies for taxes on oil produced in Indonesia. The IRS reversed its ruling and reinstated the tax credits in 1978.

A CIA spokesman said yesterday that Casey had no comment on the Justice Department decision.



WILLIAM J. CASEY

represented Indonesian government