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Electronics Underworld

Former CIA Agent Implicated in

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The amazing case of Ed Wilson and Frank Terpil — the two former Central Intelligence Agency agents accused of shipping explosives to Libya — has led to criminal investigations on three continents, a congressional inquiry and a purge of senior U.S. intelligence officials in the last three years.

But that may be only the beginning.

Allegations of corruption in the traditionally top-secret procurement of computers and other sophisticated electronics by U.S. intelligence agencies have been brought to light recently by new press and government inquiries. Such contracts are worth tens of millions of dollars each year to U.S. manufacturers.

The federal indictment of Wilson, Terpil and one other defendant has focused on their alleged role in supplying C-4 plastique explosives and military fuel thickener (the basic ingredient in napalm) to Libya's Muammar Qaddafi. Missing from the government's indictment, however, is the fact that Wilson was employed by the U.S. government long after he left the CIA.

Interviews with former Wilson associates and a check of government records reveal that between 1971 and 1976 Wilson was a top procurement officer for a secret naval intelligence group known as Task Force 157. Former Task Force 157 agents now allege that Wilson used his position on the task force both to enrich himself and to lay the groundwork for his later career as an export "consultant" specializing in military technology.

Along the way, according to Kevin Mulcahy, a former Wilson business associate, Wilson made a small fortune in kickbacks from companies for which he arranged government contracts both in the U.S. and abroad. Mulcahy, a former CIA computer and electronics specialist hired by Wilson for his technical expertise, also told a Washington, D.C., grand jury that one of Wilson's best customers was Control Data Corp., the mainframe manufacturer.

A spokesman for CDC denied that charge. Wilson himself is presently a fugitive in Libya and could not be reached for comment.

'Foreign In'

What exactly According to c from former nav cers, it was a "human source foreign intelligence unit" staffed by "clandestine intelligence Case Officers."

Task Force 157's tasks ranged from systematically infiltrating international maritime unions to collecting intelligence on Soviet nuclear bomb shipments. It was involved in almost every major intelligence operation in the last 15 years, according to informed sources, from the bloody overthrow of the Allende government in Chile to Henry Kissinger's secret trip to Peking in 1971. One important function of the group was providing secure communications channels and data processing support for clandestine operations.

Most Task Force 157 agents worked for front companies — called "proprietarys" — of the Naval Intelligence Command. These companies were often "nonexistent corporate entities ... created by federal officials under the guidance of U.S. Navy auditors," according to former Task Force 157 Agent Gerald Walters. Two such proprietarys of particular interest to the computer industry were Pierce Morgan Associates, a now-defunct "computer systems consulting" firm whose offices in Alexandria, Va., provided cover for Task Force 157 agents, and Consultants International, Inc., a Washington, D.C.-based import/export consulting firm.

Wilson's Navy Job

Wilson had a desk and his own staff at Task Force 157 headquarters, according to eyewitnesses. His Navy assignment included the creation of a network of corporations, many of which he personally controlled, to provide cover for sensitive Task Force 157 purchases and agents. Pur-

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