

Face the Nation

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Embassy Security

MS. LESLEY STAHL: Welcome to Face the Nation. I am Lesley Stahl.

It's the oldest trick in the spy game, sex for secrets, and it still works. The loss of secrets from the spy scandal at the American embassy in Moscow is said to be devastating.

REP. OLYMPIA SNOWE: And, probably one of the most serious breaches of security in the history of this country at any particular U.S. embassy.

MS. STAHL: The first Marine ever charged with espionage, Sergeant Clayton Lonetree, was seduced by what spies call "a swallow," a beautiful Soviet woman, Violetta, who worked in the America embassy.

The other Marine in the case, Corporal Arnold Bracy, was also seduced. According to the charges, the two Marine guards repeatedly let Soviet agents into the embassy at night, with Bracy, the lookout, shutting down security alarms. They were accused of handing over names and addresses of covert U.S. agents as well as the contents of burn bags with classified documents.

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A third Marine has been arrested and at least two more have been implicated.

REP. DANIEL MICA: We built padlocks around the back door, and we built stronger windows while they walking people in the front door.

MS. STAHL: U.S. negotiating positions at the Reykjavik summit may have been compromised, and when Secretary of State Shultz goes to Moscow, he may have to work out of a mobile home.

REP. SNOWE: And, he'll be reduced to negotiating foreign policy in a Winnebago.

MS. STAHL: The new American embassy under construction in Moscow is considered a giant antenna courtesy of Soviet workers.

In the old embassy, bugs were found in the typewriters two years ago.

MR. DAVID MARTIN (Pentagon Correspondent): Tiny listening devices were implanted inside this aluminum bar to pick up the movements of the ball as the letters were struck.

The signals were relayed through the power cord, and somewhere outside the embassy a typewriter was printing out exactly what was typed in here.

The Soviets were able to install these bugs simply by intercepting the typewriters as they were shipped in and out of Moscow for repair.

MS. STAHL: Why did security lapses go on undetected for so long? We'll ask former Ambassador to Moscow, Arthur Hartman, Senator Patrick Leahy of Vermont and John Barron, author of several books on the KGB. And, we'll hear from Sergeant Lonetree's lawyer, Michael Stuhff.

Stealing American secrets, how easy is it? An issue facing the nation.

(commercial)

MS. STAHL: Marine guard, Clayton Lonetree, is being held at the brig at Quantico Marine base awaiting his court martial.

His attorney, Michael Stuhff, told us the alleged security breach is not as serious as has been charged.

MR. MICHAEL STUHFF (Defense Attorney): Well, one of the things that he was charged with was giving some obsolete fire escape plans to this agent Sasha. Those fire escape plans had been posted by the elevator doors at the Vienna embassy.

All of the Soviet Bloc nationals had access to those. It reflected a floor plan that was obsolete, in that, walls and doors had been changed. He did give those to Uncle Sasha, as he's called, for the purpose of gaining Uncle Sasha's confidence. But certainly, that's not anything that, even if they had been current, would have compromised the security of the United States.

MS. STAHL: What do you mean, to gain Uncle Sasha's confidence?

MR. STUHFF: Well, Clayton Lonetree believed that if he obtained the confidence of Uncle Sasha, he would be able to bring in the person behind him. Uncle Sasha had indicated that he was friendly with a General who was on the Central Committee, and who was a member of the KGB.

And, Clayton Lonetree had a desire to distinguish himself, to go above and beyond the call of duty. He was trying to do what he'd been counseled to do, to take some initiative.

I'm not going to say that this was a very wise course of action on his part at all. But certainly, it is not

the sinister thing that we're being led to believe by the news reports.

MS. STAHL: So, basically, your client is denying that he gave away any secrets, that he led any KGB agents around an embassy where they might be able to plant bugs, or gain information about our encrypting machines.

MR. STUHFF: Absolutely. The allegations about leading people around the embassy, opening doors, taking KGB agents in, obviously, are very, very troubling allegations. Those are allegations to which there is just absolutely no basis whatsoever.

MS. STAHL: And, he never admitted to any of these charges in his interrogation.

MR. STUHFF: No. That is completely and totally a fabrication of Bracy's, and only came to the attention of anybody through Bracy.

MS. STAHL: But, your client is not denying he had an affair with Violetta.

MR. STUHFF: No. There is no question at all about that.

MS. STAHL: But, that was a breaking of the rules.

MR. STUHFF: Well, that's something that is open to some question. This young lady, Violetta, was invited to embassy functions. She came to the Marine Ball at the Ambassador's house.

MS. STAHL: As Lonetree's date?

MR. STUHFF: That's correct. And --

MS. STAHL: And, the Ambassador saw them together?

MR. STUHFF: Well, I would presume that -- I don't know that the Ambassador was there at the Marine Ball. I assume that he was, but certainly, all of the embassy

staff was there. This is just not that unusual a circumstance at all.

The young lady, for example, that Bracy is accused of having an affair with, she was not only a former embassy employee, she was a live-in baby sitter for one of the American diplomats.

MS. STAHL: How widespread was this fraternization from what you can tell between the Marine guards and Soviet women who either worked in the embassy or didn't?

MR. STUHFF: It appears to be a rather common occurrence, one that was fairly well accepted. It was not unusual for the Marines to have women come into their barracks, the Marine House, as it was called. It wasn't uncommon at all for the Marines to go out to some of the hotels where the local women were known to hang out.

And, as a result of that, they were encouraged to relieve their tensions, we might say, in rather promiscuous types of liaisons, and to --

MS. STAHL: They were encouraged -- wait, what do you mean?

MR. STUHFF: Well, for example, the commanding NCO at Moscow, when these young men were snapped in, as the phrase is, given their initial orientation to the duty station, were told that it's where the young ladies can be found, and that it's all right to go to use prostitutes.

If they were going to check out past curfew, for example, in Vienna, or if they were to stay out all night, all they had to do was check in with the gunnery sergeant. And, that's the procedure.

MS. STAHL: Let me ask you. You are saying that they were told that it was all right to have relationships with Soviet prostitutes.

MR. STUHFF: They were told that they should have relationships with prostitutes.

MS. STAHL: And, if you live in Moscow?

MR. STUHFF: Where are you going to find them?

MS. STAHL: Right, where are you going to find them?

MR. STUHFF: And, what nationality are they going to be?

MS. STAHL: Did he ever think that Violetta might be a spy?

MR. STUHFF: To this day, he still feels that if anything at all, she herself was, at most, used by the KGB, that she certainly didn't set out to do this, and I certainly admire his faith in that young lady. I'm not quite sure that I share it.

MS. STAHL: Was he in love with her?

MR. STUHFF: I think that would be a pretty accurate assumption.

MS. STAHL: And, as you say, to this day, he does not believe that she set him up.

MR. STUHFF: I think he's starting to have some doubts about that.

MS. STAHL: Defense Attorney, Michael Stuhff. We'll be right back.

SEN. PATRICK LEAHY: Our embassy in Moscow is a huge, tempting target. It's the candy store of espionage as far as the KGB is concerned.

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MS. STAHL: Joining us now, Arthur Hartman, former Ambassador to the Soviet Union, and Senator Patrick Leahy of Vermont. Welcome, gentlemen.

Senator Leahy, you have had some briefings on this. This whole area of security at the American embassy in Moscow has been something that you have been concentrating on for quite some time.

In your view, how much damage has there been?

SEN. PATRICK LEAHY: Well, assuming that the charges are correct that have been brought against these Marines, then there has been considerable damage. The charges say that they allowed a -- well, the charges, among other things, say that they opened up the communications area.

Now, if the KGB are going to go to the effort of mounting an operation of this nature, they want to get something for it. If they came into the communications area, then they had probably brought a crypto expert in there, and you have to assume that our codes have been violated, and that they can go back and find out what has been said using those codes.

MS. STAHL: At this point, though, it is all assumption, isn't that correct? We are not absolutely sure that these Soviets were allowed to --

SEN. LEAHY: That's right. I don't think we know how much damage has been done. But, I just want to turn it around and say, if we had been able to do that to the Soviet embassy here in Washington, I would assume that we would -- the CIA would have brought in crypto experts, code experts, and we would have to consider it an intelligence coup by the same token. It's a major coup for the Soviet Union.

MS. STAHL: Ambassador Hartman, you know what happens in that bubble if they were allowed into that very secure area. I assume that you thought -- assume that other parts of the embassy were bugged. Everything in Moscow seems to be bugged.

AMB. ARTHUR HARTMAN: That's right.

MS. STAHL: But, what about the bubble? How much did they get if they were allowed to get in there?

AMB. HARTMAN: Well, we assume that there are places in the embassy we can go where we were secure, and that our communications were secure. And, therefore, if this has happened, if these men allowed people to get into the embassy, it's a quite serious breach, and things were heard that we didn't want heard.

MS. STAHL: Do you think that it's possible that our communication codes all around the world have been compromised?

AMB. HARTMAN: Well, I don't want to get into the details of that, but you don't compromise codes totally. They are random selections, but it is a serious thing that would happen. They would know certain communications that have been passed.

MS. STAHL: Well, I'm intrigued by how top officials in our government are saying they don't think that the worldwide communications codes were broken. Why? They have sophisticated computers. If they could figure out what we were doing in Moscow, do we still think that they are not technologically up to this, or what, Senator?

SEN. LEAHY: Well, there are certain things that nobody is technologically up to, and if you have a code for a certain transmission, you can go back and decipher that. But, with the way we work codes on some types of transmissions, especially data, without the specific code for that specific transmission, you can't decipher it.

MS. STAHL: Well, cannot a computer decipher it? Why can't --

SEN. LEAHY: Some are almost impossible to crack, but once you have a key for one, you are a lot closer to be able to crack them.



MS. STAHL: All right. How did this happen? There have been warnings that something like this could happen for two, three years. Senator, how did it happen?

SEN. LEAHY: Well, you know, it's a difficult situation. We have been trying very, very hard to get the State Department to make some changes.

Now, there are two missions you have there; a diplomatic mission, and Ambassador Hartman is probably one of the best diplomats we have in our service. But, every embassy also has an intelligence gathering function, and there seems to be this dichotomy between the State Department and the intelligence people, and the State Department, I don't think, has given enough attention to the intelligence gathering aspects of a number of our embassies, including Moscow.

MS. STAHL: Ambassador Hartman, you are said --

AMB. HARTMAN: Can I just comment on that?

MS. STAHL: Yes, but I want you to incorporate the notion that you were sort of pooh-poohing the idea that more precautions had to be taken. You argued against getting all those Soviet workers out of the embassy. Why?

AMB. HARTMAN: That's right. That's the one issue, I think, where I have differed with others on this subject.

The question of whether you enhance security by the total removal of all Soviet employees from our site in Moscow, and then have to bring in more Americans, many unskilled Americans, to do the same kinds of jobs, who would be equally vulnerable, I mean we are seeing in this Marine case, I fear, what happens when you bring in people who are not motivated to be in Moscow as a kind of professional interest. That is, they know Russian. They are there because they know what the risks are.

And, by the way, the defense lawyer is a good defense lawyer, but that is not true that these people were encouraged to have this kind of affair. It is not true that they were briefed in this way. Every Marine was briefed about the dangers when they came in. They were week -- they went to weekly school to tell them about these dangers, and, unfortunately, it's very difficult to convince young men that -- and not all the Marines, I may say, went in for this type of activity.

MS. STAHL: Well, the lawyer said that Lonetree brought Violetta to your house to a Marine Ball as his date.

AMB. HARTMAN: Yes. He did not. There were Soviets invited to the Marine Ball, employees who, during the year, had helped organize functions and that kind of thing, and they came. The cook who had worked for the Marines came, and the people, the secretary in my house came, but they were not there as dates, and the question of --

MS. STAHL: They were at a dance.

AMB. HARTMAN: They were there at a dance, along with nannies and others, but the Marines were briefed. Each week they had a session with the Marines about who they could see, and who they couldn't see, and under what circumstances.

SEN. LEAHY: My concern is that in our government there has always been this kind of double standard in dealing with the Soviet Union.

The Soviets are allowed to play by entirely different rules than we do. Examples: our embassy over there, a new embassy is being built, it is in a swamp surrounded by buildings controlled by the KGB; their embassy is sitting up on Mt. Alto here in Washington, with antennas that can go into the Pentagon, the White House, the Treasury, CIA, everything else. They have about a dozen or so U.S. citizens working at the embassy here. At the time, we had 200 Soviets working in ours.

MS. STAHL: There is a report today that we allowed a Soviet engineer to join the team that designed the new American embassy in the Soviet Union. I mean, isn't it in a way our own stupidity that we have now a new embassy over there that is riddled --

SEN. LEAHY: You know what we did in effect? You know what we did in effect with our embassy over there? Our general contractor is the KGB for our embassy over there. When you come right down to the bottom line, that's what it is.

MS. STAHL: Well, aren't we then to blame in many ways?

AMB. HARTMAN: I don't know. On the question of the building - -

MS. STAHL: What do you mean you don't know?

AMB. HARTMAN: No, no. On the question of the building, I think that's one that ought to be thoroughly looked into. There are clearly problems with that building, and our ex-Secretary of Defense is going to look at it and make recommendations.

MS. STAHL: Mr. Ambassador, do you, even in hindsight after what's happened, not think that maybe you were wrong about --

AMB. HARTMAN: About the Soviet employees?

MS. STAHL: Yes, and about not taking the security warnings more seriously.

AMB. HARTMAN: No. On that, I don't accept that charge. I have one disagreement, and that was about removing all Soviet employees, as if that would solve the total problem.

I've had many cases during the time that I was there, where people met Soviets in the hotel. We used to find out that they thought they were Finnish girls. In order words, you don't solve the problem by just the removal. You've got to get well motivated people.

You've got to brief them constantly. I think probably we need a more mature force there.

MS. STAHL: Well, you know, one of the --

AMB. HARTMAN: And, what we ought to be looking at are, perhaps, retired NCOs, retired policemen, married people.

MS. STAHL: -- Marines who has been arrested is married, and had his wife over there. So, I don't know that that's going to solve the problem.

SEN. LEAHY: No. I agree with the conclusions that Ambassador Hartman has reached, but I also feel that there are still people within the State Department who just do not understand that we have a dual mission in the Soviet Union. One is a diplomatic mission, but it releases no secrets, and say that we also have to have an intelligence mission in the same way the Soviet Union does here in Washington.

MS. STAHL: We don't do what they do?

SEN. LEAHY: Well, we certainly, apparently, don't do it anywhere near as well as they do.

MS. STAHL: Well, if you don't -- why don't we do it as well?

SEN. LEAHY: We don't do it as well, because we still have this kind of dual standard.

MS. STAHL: Do we have swallows?

SEN. LEAHY: And, we assume that just because we have -- we assume that because it's a time of maybe easing of tension, detente when we made the agreements for our embassies, that somehow they are going to give up what they have historically done, that is, have the KGB operate against us continuously.

MS. STAHL: Let me ask you very quickly.

SEN. LEAHY: Yes.

MS. STAHL: Do you agree, I know the Senator has said publicly that he thinks we should tear down this new embassy that's just been built, that we now know is wired for sound. Do you agree that we should just tear it down and start all over again?

AMB. HARTMAN: I don't accept that conclusion yet. It seems to me that we've got to look and see what the building contains, and what the possible counter actions are, and I would certainly want to wait for that report before tearing down a building that's cost that many millions of dollars to build.

SEN. LEAHY: I think that we ought to do what Senator Chiles and I said a couple years ago, and require payment from the Soviets for the damages that have been caused in that, or not allow them to go into their own new embassy here in Washington.

MS. STAHL: But, do you think they'll pay us?

SEN. LEAHY: Well, do they want to go into their new embassy? I mean, it comes down to that. The fact is, this embassy can never, ever be made secure, ever.

MS. STAHL: The one -- ours?

SEN. LEAHY: The new one that is --

AMB. HARTMAN: Our agreement is that we go in simultaneously. We will not go in separately.

MS. STAHL: Should Secretary of State Shultz not go to Moscow to protest?

SEN. LEAHY: I think he should go, because the states of arms control transcend any other state.

MS. STAHL: Okay, thank you.

AMB. HARTMAN: And, this is part of our diplomatic

business that the Senator was referring to, and he certainly should go.

MS. STAHL: Gentlemen, I thank you both very much, Ambassador Hartman, Senator Leahy. We will be back with more.

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MS. STAHL: With us, John Barron of Reader's Digest, author of several books on counter intelligence.

John, in your view, how much has the damage been?

MR. JOHN BARRON (Author): If we accept the allegations as factual, if the Marines allowed the KGB into the communications center and to the cryptographic spaces, then we have to assume that the KGB was able to analyze our machines, the keys, to enter some of our most secret systems.

We have to put that into the context of the Walker/Whitworth case, the two Navy men who for 17 years gave all our cryptographic secrets to the Soviets.

Now, after the arrest of John Walker in May of 1985, we began to make repairs, to change, revise and try to undo the damage. If they, beginning in January, 1986, were able to look at our systems, then they would see what we had done, they would acquire more knowledge, we would be under attack all over the world.

MS. STAHL: You bring up the Walker's. There have been 26 espionage convictions in this country in the past three years. Why is this happening now in this country?

MR. BARRON: I think there are two reasons. The magnitude and the intensity of the clandestine assault being waged against us by the Soviet Union are greater. We have become more effective with counter intelligence also. And, the KGB is under great pressure from the Public Bureau to leave us our technology, to subvert

people, and, therefore, it has become a little bit more reckless too.

MS. STAHL: But, why are so many of our people, you just think that the pressure on our people is so much more intense, pressure on our intelligence people to turn is just much greater? It's nothing within our system, within our country, within our laws?

MR. BARRON: An open and free society always is going to be vulnerable to clandestine assault. As I say, this assault has been intensifying steadily for the past 20 years.

MS. STAHL: Do we do it to them, or explain how we do it to them? The Senator said that we don't use the same techniques. Why not?

MR. BARRON: Well, for one reason, we are precluded from doing so in a closed tyrannical society. We can't roam around over there as they can here. We can't station hundreds of CIA officers in Moscow as they do here.

MS. STAHL: Well, let me ask you. Have we wired their embassy here, the new embassy they just built here? Have we wired that for sound, in your view, in your opinion?

MR. BARRON: Well, I'm not competent to say, but I can say that the Soviets controlled the construction here in Washington. They had their inspectors overseeing the prefabrication of basic structural components. We allowed them to prefabricate the major structural components off site in Moscow, and they seeded them with electronic devices.

MS. STAHL: What should we do? What steps should we take to counter, to fight back?

MR. BARRON: The first is to recognize that we have a problem, and I do see signs of bipartisan support now for an effective democratic rational security system. That's the biggest thing, to understand that we are

going to be assaulted again, and again and again incessantly by the Soviets.

Once we make that recognition, then it follows that we can do a lot of simple, rational things.

MS. STAHL: I'm very sorry, John Barron, we have run out of time today. I do appreciate your being with us.

That is our broadcast. I am Lesley Stahl, have a good week.