NEWSWEEK
13 JAN 75

Blue-Ribbon Treatment For the CIA

The simmering scandal in the Central Intelligence Agency boiled hotter last week. As new stories of domestic snooping came to light, there were more resignations under fire at the CIA's Langley, Va., headquarters—along with stiff questions from Gerald Ford and a growing determination in Congress to give the whole affair a thorough airing. There was still no clearcut documentation that the CIA's excesses were as massive and illegal as first charged by The New York Times, but each new trickle of detail seemed to confirm that there was substance to the charges. More light than ever before was being focused on the supersecret agency, and the results suggested that it might have still more improprieties to hide.

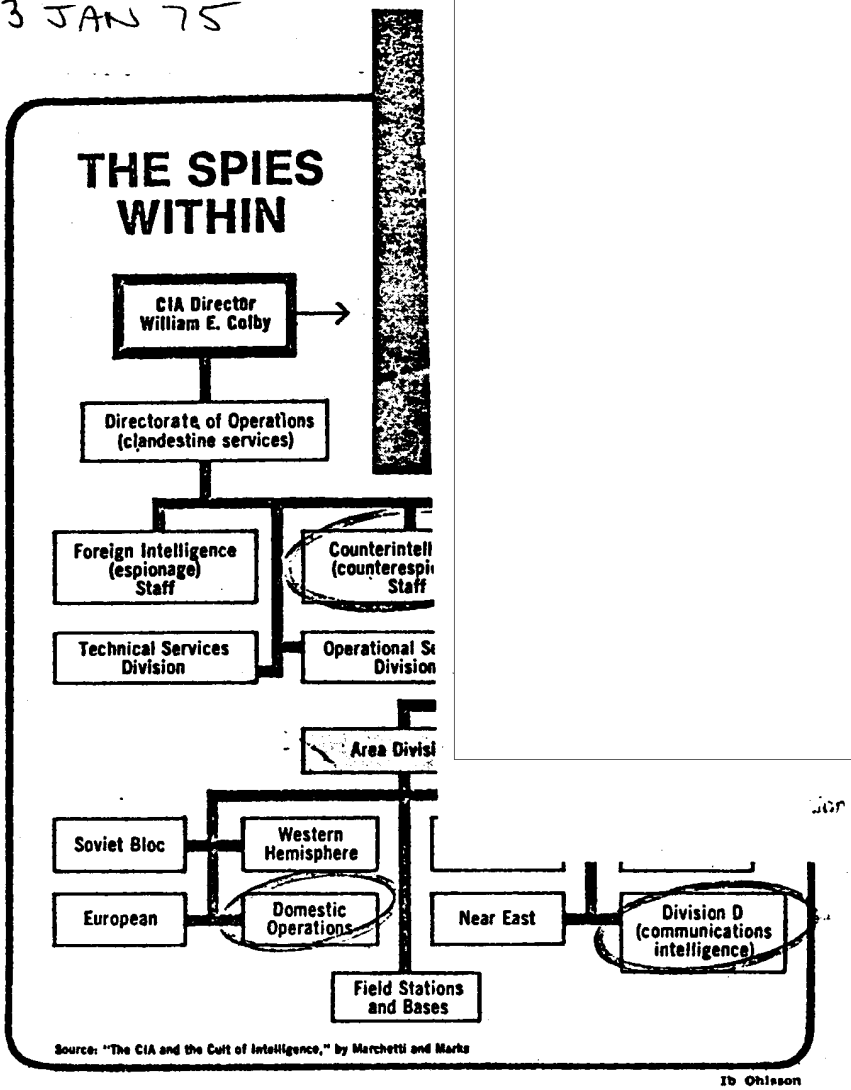
To root out the scandal, the President announced at the weekend that he would soon name his own "blue ribbon" panel to scrutinize the CIA, determine whether it has exceeded its legal powers and decide whether "existing safeguards are adequate" to keep the agency in line. The members, said White House aides, would be "distinguished Americans" who had no prior contact with the CIA or the Watergate scandal and had never served in Congress. The panel, Ford said, should report in three months—and he added that the Department of Justice had started up an inquiry of its own.

Report: For openers, the panel would have the report on CIA domestic activities written for the President by CIA director William E. Colby. But this might not be much help; according to one source familiar with its contents, it includes only ten pages of summary and twenty of supplemental attachments. Press secretary Ron Nessen said flatly that after reading the report and consulting with Secretary of State Henry Kissinger and Defense Secretary James R. Schlesinger, Colby's immediate predecessor, Ford still felt the need for an outside inquiry. Congress was getting the same message: Michigan Rep. Lucien Nedzi, Sen. John Sparkman of Alabama and Maine's Sen. Edmund Muskie were promoting their own hearings on the scandal. And Tennessee Sen. Howard H. Baker called for a renewed inquiry into CIA involvement in Watergate.

Meanwhile, the disclosures continued. New York Times reporter Seymour M. Hersh, who broke the first story of the CIA's domestic intrusions, turned up one of the agency's former undercover agents in New York who claimed to have followed and photographed student antiwar demonstrators and to have taken part in break-ins and wiretaps to keep tabs on them. Then Hersh recycled a 1973 story: Senate testimony by Watergate conspirator E. Howard Hunt, who claimed that his covert assignments for the CIA's Domestic Operations Division (from 1962 to 1966) seemed "to violate the intent of the agency's charter."

Like the original Times allegations, these stories did little to substantiate a truly massive, illegal CIA domestic operation. But, NEWSWEEK learned last week, agency officials were worried that further investigation might unveil the size and range of the CIA's network of "agency proprietaries," cover organizations and active CIA alumni through which much of its domestic surveillance against antiwar dissidents was actually carried out, at one remove from the agency itself. Senate investigators said they had evidence that the CIA used such "outside entities," including apparently unrelated commercial companies and an old-boy network of former agents in key positions, for precisely that purpose. "That gave them maximum protection and maximum 'deniability'—if I may use that word," one Senate staffer explained. "They're very goosy about this domestic question."

'Cover': As explained by CIA sources and outside investigators, many agency proprietaries were developed over the years to provide "cover" for agents on foreign assignments. They included airlines, public-relations firms, private security services, even travel publications such—at one time—as the Fodor guidebooks, it was reported last week. Agents also infiltrated existing U.S. organizations such as labor unions and the National Student Association. While that practice was supposedly terminated after the revelations of the mid-'60s, some sources said the agency had withdrawn only from groups that had been compromised. Beyond that, the CIA regularly lends agents to other arms of government—the Secret Service and Drug Enforcement Administration, for example—and it generally enjoys the sympathy of agency alumni (some perhaps still on the payroll) working in other critical positions. For example, NEWSWEEK learned, the Assistant Postmaster Gen-



Spookmanship: An inside critic's view of the CIA's clandestine arm