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## Arms and Influence

# Grand-Jury Probe Jars The Close-Knit World Of Electronic Warfare

### Did a Top Consultant Flout Law on National Security By Giving Data to Firms?

## Old Crows and New Weapons

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*The Old Crow didn't get old by being the fastest of the birds, or the strongest, or the bravest. He got old by being wily.*

*—The unofficial motto of the Association of Old Crows*

WASHINGTON—In the shadowy, high-tech world of electronic warfare, Bernie Zettl has been a prominent player and purveyor of inside information since he retired as an Air Force major in the early 1960s.

The gregarious 62-year-old consultant with the ready smile seems to know just about every important military and corporate decision-maker in the \$3 billion-a-year business. He helped create and then served as president of the 20,000-member Association of Old Crows, a little-known but influential fraternity of electronic-warfare experts, U.S. military officers and corporate executives scattered around the globe.

### Devices and Techniques

With his quick wit and connections, Mr. Zettl became an essential link to help industry understand the Pentagon's latest thinking about everything from new radar-jamming devices and submarine-surveillance techniques to improved anti-detection missile systems. From his nondescript suburban Virginia office, Mr. Zettl has worked at one time or another as a consultant for nearly a dozen of the country's largest military contractors, including TRW Inc., GTE Corp., Northrop Corp. and Sanders Associates Inc.

But in the process, federal investigators contend, Mr. Zettl violated national-security laws and regulations by quietly supplying certain clients with a steady stream of classified budget and planning documents that the Pentagon didn't want released. A continuing two-year federal grand-jury investigation of Mr. Zettl's ac-

tivities hasn't produced an indictment as yet, but it has ended his cozy arrangements and sent shock waves through the close-knit group of senior military officers and civilian weapons engineers who routinely dealt with him. It has also prompted doubts about military-procurement procedures.

Many of the allegedly leaked documents, according to current and former officials familiar with the investigation, were clearly stamped "secret" and included internal spending projections for a variety of future Air Force and Navy weapons and electronic intelligence-gathering systems.

### Unfair Advantage?

Dissemination of the information didn't endanger U.S. security, these officials agree, because none of the documents fell into the hands of people without the necessary federal clearance to handle sensitive military data. But investigators from the Justice Department and the Defense Department's inspector general's office want to determine how the allegedly unauthorized release occurred.

They also are raising questions about the role of the Old Crows and examining whether any contractors gained an unfair competitive advantage by obtaining the classified material outside official channels.

Interviews with Mr. Zettl, a group of his friends and business associates and several industry executives interrogated by prosecutors reveal the extent of the unusual federal investigation. The interviews also provide a rare glimpse inside the Old Crows, an organization that Mr. Zettl and others helped turn into a powerhouse in the weapons industry. The Old Crows, for example, quietly advise military leaders on complex technical issues, while the Pentagon routinely sponsors and provides space for the group's annual convention and also approves the presentation of classified papers there.

### Violations Denied

Mr. Zettl denies violating any laws and asserts that the kind of consulting work he performed was "something that was done by many other people" in the industry. "I wasn't the only person in the loop," he asserts. "The documents were readily available to any company that wanted to go to the trouble . . . and pick them up. They really didn't have any reason to zero in on me."

Gus Slavton, the executive director of the Old Crows, argues that sharing the information, in fact, may have benefited U.S. security. "Industry is trying to figure out what kind of weapons systems government wants" for the future, he maintains, and routine exchange of information is a central element of that effort.

The Justice Department confirms that Mr. Zettl is the target of an "ongoing criminal investigation," but it declines to provide details. Washington attorney Robert Klimek, a retired Air Force colonel who represents the Association of Old Crows and at least one military official interviewed by investigators, says he has been assured by prosecutors that the group itself isn't a target of the grand-jury investigation.

The Pentagon declines comment. But privately some military officials worry that details of the investigation could provide critics with fresh ammunition about loopholes in the Pentagon's procurement practices at a time when federal spending on electronic weaponry is booming.

Quite apart from any potential criminal violations, investigators have documented a widespread pattern of information-swapping among members of the Association of Old Crows and their friends in uniform. Critics contend that these practices may have discouraged aggressive price competition among major weapons contractors, squeezed many smaller companies out of the business and hurt taxpayers.

Northrop, TRW and Sanders Associates deny receiving any unauthorized documents or information from Mr. Zettl. A Northrop spokesman says Mr. Zettl still serves as a "technical consultant" to one of the company's units. GTE officials decline to comment on the matter.

The association was founded in 1964 by a small band of World War II intelligence and electronics officers eager to share some drinks and recount their days of battlefield glory. The name comes from the code word "Crow," which was used to identify Allied aircraft that jammed German radar signals during bombing raids.

Outsiders first considered the group nothing more than "a marching and chowder society," recalls Rear Adm. Albert Gallotta Jr., one of the Navy's top electronic-warfare experts and the vice president of the Old Crows. But after developing a more professional image, conducting regular electronic-warfare training lectures for the Pentagon and stepping up efforts to recruit more members, the organization grew rapidly in both size and importance.

### Chapters Abroad

It now boasts a pair of retired major generals on its executive committee and board of directors, along with committed members in corporate board rooms across the country. There are 81 separate chapters, or "roosts," including groups in Australia, Japan, Taiwan and the Netherlands.

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"We don't try to impede or criticize the military," explains William S. Crawford, another association founder who now works as a consultant in the field. However, that didn't prevent Mr. Zetl, one of the most senior and respected Old Crows, from running into difficulty: Pentagon auditors turned up an unauthorized classified document during a routine audit of one of Mr. Zetl's client companies, and the auditors started asking questions about how it got into the files. The company initially balked at providing an explanation, so the Pentagon's inspector general began a full-scale investigation to track down the leak. Mr. Zetl and his supporters won't identify the company, and neither will the government.

The investigation comes at a time when the Pentagon is enforcing tough new security protections and when senior policy makers such as Defense Undersecretary Fred Ikle are railing against leaks of all kinds. The Zetl case also coincides with publicity about a separate Pentagon investigation of allegations that a Ford Motor Co. subsidiary and other companies working on the Army's controversial \$4.5 billion Divad antiaircraft gun hired at least eight retired military officers who previously had important roles in the weapon's development.

#### **Expenditure Analyses**

Among the documents Mr. Zetl allegedly passed to industry officials were five-year and one-year intelligence-expenditure analyses for the Air Force and summaries of electronic-warfare budget priorities for the Navy. Mr. Zetl maintains that all of the material was legally available to any contractor who had the required security clearance and could demonstrate "a need to know" about such projections. The most he was guilty of, Mr. Zetl's supporters contend, was technical violations of security rules for failing to officially sign out and adequately safeguard the documents.

"There are all kinds of people out there, call them consultants if you will, who make a living trying to understand such documents" and then translate them for companies, says Mr. Klimek, the association's lawyer. Mr. Klimek adds that when he worked on electronic-warfare projects in the Pentagon, "Bernie Zetl used to come around and talk to me from time to time" without ever abusing his security clearance by requesting documents.

Recently, Mr. Klimek asserts, the government has "tried to intimidate and threaten" him and some active military personnel who knew Mr. Zetl by calling them to testify before a grand jury in Alexandria, Va., or requiring them to submit to long interviews with Pentagon criminal investigators.

It isn't clear how many documents are part of the investigation, although some

Old Crows familiar with the details of the case suggest it could be as many as a dozen spread over a period of several years.

Mr. Zetl won't discuss details of the documents, except to say that they didn't include the most highly classified and valuable "project-specific" information. And despite the government scrutiny of leaks, he asserts, "it's still good business and visibility for companies" selling to the Pentagon to have their executives elected to run the Association of Old Crows.

The association's officials and military backers strongly defend the organization. George Nicholas, the Pentagon's assistant director of electronic combat, says he was "concerned" when he first learned about the investigation but is now satisfied that the group's current leadership wasn't involved in any questionable activities. "The Pentagon has always supported the Old Crows," he says, and relied on them to help solve the "tough political and technical problems" of electronic warfare.

Lynwood Cosby, former superintendent of tactical electronic-warfare weapons at the Naval Research Laboratory who now works for Teledyne Inc. and is a past president of the Old Crows, says a major goal of the association is to "create the environment where exchange of information between the military and contractors can flourish." National-security restrictions, Mr. Cosby argues, sometimes "create an unnecessary impediment to the information flow" and prevent contractors "from knowing how to invest" intelligently for the future. "I'm not sure he (Mr. Zetl) did anything wrong," Mr. Cosby says.

#### **Prosecutors' View**

Prosecutors, on the other hand, are known to believe that committing even technical violations of security rules, particularly among people accustomed to dealing with sensitive information, would show that Mr. Zetl and his associates recognized that the documents were obtained and circulated outside the law. "The government attorneys keep insisting that the documents were stolen or otherwise corruptly obtained," says one Old Crow recently interviewed by investigators.

Adm. Gallotta suggests that the investigation is focusing on "questions of favoritism" involving some of the companies that hired Mr. Zetl. Anton Brees, a Northrop Corp. executive and retired Air Force official on the association's board, says that some Pentagon officer probably gave the documents to Mr. Zetl as a sign of friendship and trust. If so, Mr. Brees adds, such a relatively minor mistake "surely doesn't wipe out 20 years of productive and patriotic work" by the Old Crows.

Mr. Slayton, the association's director, says Mr. Zetl remains a member of the Old Crows but hasn't been active in run-

ning the organization for several years. Investigators have asked the association for information about several current or former members who were friends or business associates of Mr. Zetl. But it isn't clear how many other individuals in the association or in the Pentagon also may be targets of the grand-jury proceedings.

Some members of the group associated with Mr. Zetl appear bitter about the unwanted attention. Retired Air Force Maj. Gen. Gerald Carey, for instance, who works as a researcher at Georgia Institute of Technology and also serves as a director of the Old Crows, praises the association for creating a "vehicle that allows government, industry and universities to share information" about the latest advances in electronic warfare.

Without such cooperation, Mr. Carey suggests, the U.S. may be unable to take full advantage of developments in laser technology, electronically controlled optical systems, and artificial intelligence to track enemy weapons and avoid detection of its own. "I don't think what he (Mr. Zetl) was doing had anything to do with the Old Crows" or its importance as an institution, Mr. Carey argues.

Old Crows President Doyle Larson, former commander of the Air Force's Electronic Security Command, insists that the association helps give industry "guidance and direction" that would be "impossible" for the Pentagon to provide by itself.

The government's scrutiny of Mr. Zetl's consulting work also has raised questions about some of his other activities. A federal indictment released in Cleveland last month doesn't name Mr. Zetl as a defendant but says that he played a key role in helping a friend and former National Aeronautics and Space Administration official submit more than \$6,800 of false travel vouchers to the government. The indictment says that Mr. Zetl participated in the allegedly fraudulent scheme at the same time that a number of his clients, including TRW and Sanders Associates, were interested in obtaining federal contracts at a NASA facility run by the same official.

Meanwhile, friends worry that Mr. Zetl seems increasingly depressed as the current investigation drags on. He has lost nearly all his defense-contractor clients, and many of the companies voluntarily tightened internal procedures for obtaining and handling classified materials. "They're afraid to have somebody working for them who is under investigation," Mr. Zetl complains.

The only reason the government singled him out for prosecution, the consultant told a reporter over the phone recently, is because "I was a big name in the aerospace industry. I knew virtually everyone in the business." But Mr. Zetl contends, "I didn't do anything different or improper" compared with "other people in the field."