

UPI BIDDER FACES QUESTIONS ABOUT INTELLIGENCE SERVICE, SOUTH AFRICA
BY GREGORY GORDON
WASHINGTON

If his investor group succeeds in buying United Press International, Indiana industrialist Beurt SerVaas may have to explain to the news industry his World War II intelligence service or allegations he had ties to South Africa.

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SerVaas, a conservative Republican who with his wife Cory-Jane revived the Saturday Evening Post, also has been criticized by some former employees for paying low wages and for keeping a tight rein on editorial content.

His company, the Curtis Publishing Co., mainly consisting of manufacturing concerns, has been a defendant in numerous suits aimed at collecting unpaid bills, according to Securities and Exchange Commission records.

SerVaas, who does not disguise his anger at the criticisms, says he left the CIA nearly 40 years ago. He dismisses as lacking "any evidence, any proof, any corroboration" published reports that he invested in a South African newspaper operating as a government front, but acknowledges he considered it.

SerVaas boasts that he has withstood years of public scrutiny as president of the Indianapolis city-county council and chairman of the state's commission for higher education.

"I have had to live a crystal-clear life for all my life," he said in a series of interviews. "People have always been curious about every facet of my life. Everything I have is a public record. They've (newspaper reporters) investigated me within an inch of my life."

However, he declined to answer in detail some questions about his background.

SerVaas is president of UPI Acquisition Group, Inc., which recently offered \$21 million cash to buy the 78-year-old wire service from Chapter 11 bankruptcy protection. He has not identified his partner or partners and says he will only if the bid, which also includes a pledge of \$20 million in working capital over five years, is selected.

Sources familiar with UPI's sale process said SerVaas's group is a leading contender to buy the company.

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SerVaas, 66, said he has been haunted by unfair allegations and "innuendos" of CIA ties. During World War II he was a naval officer with the American Intelligence Command, later renamed the Office of Strategic Services and, ultimately, the CIA.

He said that when it became the CIA he was in China, assisting Gen. George Marshall in negotiating an agreement with the communists and nationalists.

"When I came back (to the United States), there was little sentiment and no money for intelligence activities," SerVaas said. "I left the agency and never went back."

Continued

World War II Spies Plan Symposium on O.S.S.

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By IRVIN MOLOTSKY
Special to The New York Times

WASHINGTON, Nov. 10 After 40 years, some of America's grand old spies are preparing to come in from the cold. They want to tell their story before it is too late.

The people involved were part of the Office of Strategic Services, the nation's first organized nonmilitary espionage and sabotage agency, which came into being in World War II and was a forerunner to today's Central Intelligence Agency.

In particular, these former undercover comrades want to shine up the somewhat disputed image of their leader of those days, Gen. William J. Donovan, and they want to rebut some recent assertions that the best spies in the war were British, not American. To that end, some of them are to meet here in the next two weeks to plan for a symposium in the spring at which they will attempt to spread on the record the accomplishments of the O.S.S. and the contributions of Wild Bill Donovan, who died in 1959. If things go well, they then hope to compile a written record of the O.S.S.

"We feel Donovan has been maligned a little," said a former O.S.S. official and former Deputy Director of Central Intelligence, Ray Cline. "There has been an emphasis on his

being a cowboy, while others of us think he was more a scholar, a temperamental, romantic type figure, but with a shrewd understanding of Washington politics."

Another old intelligence hand, Max Corvo, publisher of a weekly newspaper in Middletown, Conn., says former O.S.S. operatives particularly want to rebut an assertion by Bradley F. Smith in his book "The Shadow Warriors" that the O.S.S. accomplished little and that the really successful spies were the British agents.

Age Is the Enemy Now

Mr. Corvo says it is especially important that the surviving O.S.S. veterans now get a chance to tell their

story because age is doing what enemy agents did not to the 25,000 people who served in the agency before it was abolished shortly after the war. "Most of our people are in their 70's," he said. "During the last five years, I have been to several meetings and you can see that time has taken its toll."

The O.S.S. was started after Pearl Harbor when President Roosevelt asked General Donovan, a hero in World War I, to set up an agency separate from the military's intelligence services. Participants in the symposium will be asked to bring with them evidence of all that happened thereafter, for lots of things are missing from the files although the secrecy protections were taken off 2,000 cubic feet of archives last summer.

Notes Will Be Sought

"It is my contention that a lot of members took some documents with them, probably as mementoes," Mr. Corvo said. "We are going to call on them to make any notes they made available."

The people scheduled to meet here for the planning session include Mr. Corvo; William J. Casey, the Director of Central Intelligence, as well as two former C.I.A. directors, William Colby and Richard Helms; Mr. Cline, now a professor at Georgetown University, and Michael Burke, who once ran the New York Yankees, the New York Knicks and the New York Rangers.

Mr. Casey said: "The O.S.S. activities against Germany and Japan were really the genesis of today's American intelligence service, and it is an important and interesting story. It would be a worthwhile thing to put it together from the historical point of view."

Mr. Helms, now a consultant, said of the O.S.S. history project: "The goal is a more balanced description. It is a very ambitious project, and whether it is going to fly is something else. Look at the calendar and you'll see that most people who served in the O.S.S. are no longer children."

He Learned Linotype Italian

Mr. Corvo, at 65 years old, is one of the younger veterans. He got involved as a spy in Italy, he said, because he had learned idiomatic Italian as a youth by setting type at his father's newspaper, then *Il Bollettino*, which has since been converted into *The Bulletin*, a weekly paper published in Italian and English.

Mr. Cline said: "At 67, they consider me one of the younger guys. The feeling of the old O.S.S. crowd is that we are going to die off soon. If someone doesn't capture Bill Donovan and those times, it's going to be lost. It behooves us to get our act together."

When they get together, will they remember each others' agent numbers, as in 007 for James Bond? Mr. Donovan was 109 and Allen Dulles, later to head the C.I.A., 110.

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Drawings by Redinger

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WASHINGTON TIMES
8 November 1985

Ex-officials' foreign advocacy hit

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By Myron Struck
THE WASHINGTON TIMES

Two House Democrats charged yesterday that numerous former government officials from the Reagan, Carter and previous administrations are making a mockery of U.S. trade policy by having surrendered their public positions for the lucrative role of foreign lobbyist.

Reps. Howard Wolpe of Michigan and Marcy Kaptur of Ohio claimed that the insider's knowledge of American interests these individuals gained while on the public payroll is being siphoned to sometimes hostile trading partners.

"The typical foreign agent of the 1980s is a representative of foreign commercial interests at a time when the United States is experiencing a \$150 billion trade deficit with the world," said Miss Kaptur. "Current federal laws are insufficient in regulating [these] activities." The two House members asked the General Accounting Office to review current practices, and introduced a bill titled the Foreign Agents Compulsory Ethics in Trade Act (FACE IT), which would prohibit high-level officials from working for a foreign interest for 10 years after leaving federal service.

A list compiled by congressional

aides shows 17 former key government officials are on the foreign agents register at the Department of Justice, including two former CIA directors — William Colby, who, according to the list, now represents Japan, Brazil, Thailand and Singapore, and Richard Helms, who now represents Iran.

Mr. Colby and Mr. Helms could not be reached for comment, but most of those on the list who were contacted said the legislation was unnecessary.

"People around this town behave with discretion when they consider using something learned within the United States government to [help] a subsequent private-sector client," said William D. Rogers, a former undersecretary of state for economic affairs.

Mr. Rogers, who now represents the government of Brazil's finance ministry on the restructuring of that country's foreign debt, said a "further tightening of the law would make it much more difficult to attract people into public service."

The list includes former National Security Adviser Richard Allen, now representing Japan; former Defense Secretary Clark Clifford, Mexico; former U.S. Trade Representative Robert Strauss, Japan and China; Paul Warnke, former director of the U.S. Arms Control and Disarmament Agency, Mexico and Australia.

U.S. Once Felt It Had a Trophy in K.G.B. Man

By JOEL BRINKLEY

Special to The New York Times

WASHINGTON, Nov. 5 — To American intelligence officials, Vitaly Yurchenko's defection had seemed an extraordinary coup, a signal that the tide in the ideological war turning in favor of the United States.

Just last week, officials were calling Mr. Yurchenko a new breed of defector who left because he was disillusioned with Communism, not because he was in trouble or in debt.

Before his defection, a White House official, speaking of Mr. Yurchenko and other recent defectors said: "It certainly has caught the attention of senior people in Government, the difference between these cases and the ones of the past."

But today, officials at the Central Intelligence Agency said they were stunned and perplexed.

"We just don't know what happened," an official said.

The prevailing view seemed to be that Mr. Yurchenko was a genuine defector who had changed his mind. But some members of Congress, briefed on the situation, said they believed Mr. Yurchenko had been sent here by the K.G.B., the Soviet intelligence agency.

As Government officials try to answer the unanswered questions, they say the incident has added another reversal to what has been a turbulent year in the intelligence business.

It is difficult to know which side is winning the espionage war. An intelligence official said the defection "is a scoop" for the Russians.

"It is sensational," he added. "But in the long run, it probably won't be that important."

The original defection of Mr. Yurchenko and of other Soviet intelligence officers, including Oleg Gordiyevsky, who was the K.G.B. station chief in London, had led to a striking change in attitude among American officials.

Through the summer, the prevailing mood had been gloom after the disclo-

sures about the Walker family spy ring, the latest and largest in a series of damaging espionage cases. But that turned to surprise and satisfaction over the Soviet defections.

Not only were Mr. Yurchenko and Mr. Gordiyevsky senior intelligence officers, but information from their debriefings indicated they were unlike previous defectors.

"These guys are 'the new Soviet man,'" an official said last week. "They are able, capable, privileged men who were doing very well in the Soviet system. Both were colonels up or promotion to flag rank."

Senator Daniel P. Moynihan, the New York Democrat who was vice chairman of the Senate Select Intelligence Committee until early this year, said before Mr. Yurchenko defected: "These are the ones who are given the nice homes, the fake Persian rugs, free vodka and their own Volga."

Disillusionment a Factor

Intelligence officials found that striking, they said. But even more important, they said, the two men, particularly Mr. Yurchenko, were telling interrogators that they had left the Soviet Union largely for ideological reasons.

"It is disillusionment," Senator Dave Durenberger, chairman of the Senate Select Committee, said recently. "They have come to the conclusion that their system just does not work. This is specific information from the debriefings."

About the same time, a White House official said of the defectors:

"They have not come out speaking of the broad struggles of men and character, of communism versus democracy. They are saying their system is screwed up, corrupted. They are cynical."

Mr. Gordiyevsky defected to Britain in August, and said disillusionment was part of the motivation, Senator Durenberger said. Mr. Gordiyevsky's views apparently have not changed.

With Mr. Yurchenko, "disillusionment was clearly the dominant factor," according to interrogators, Senator Durenberger said.

Officials said previous defectors had not mentioned disillusionment.

"I have never seen a political defector in 30 years," Harry Rositzke, a former C.I.A. officer, said today.

Richard M. Helms, who served in the C.I.A. from 1947 to 1973, when he resigned as director of Central Intelligence, said: "During my time in the agency, I don't recall a single defector who came here for ideological reasons. It was always girlfriends or money problems, or they got in trouble for one reason or another."

The Americans drew conclusions from Mr. Yurchenko's statements.

Two weeks ago, William E. Colby, who was Director of Central Intelligence during the middle 1970's, said:

"If we had had defections of three senior C.I.A. officers to the Soviet Union, this country would be in an uproar. What this seems to signal is a change in appeal, from the 50's and 60's, when Westerners found appeal in their society, to a time when they are finding appeal in ours."

Colby Sees a Change of Heart

Today Mr. Colby said he was not sure the defection changed that conclusion. He said it was possible that Mr. Yurchenko had been planted to confuse American intelligence.

Mr. Colby said he believed Mr. Yurchenko "was probably legitimate" and "went through the psychological trauma" that many defectors undergo, "separating themselves from their family and their country."

If Mr. Yurchenko was lying all along, a White House official said, "he was very clever."

"His responses were very sophisticated and reasonable," the official said, referring to the debriefings.

Another intelligence source, representing an opposing view, said he believed Mr. Yurchenko had been lying from the start.

"The ideological business is nonsense," he said. "He came here because he had a girlfriend."

After defecting, officials said, Mr. Yurchenko visited a woman in Canada with whom he had been involved while stationed at the Soviet Embassy here from 1975 to 1980. But she sent him away, the Americans said.

Mr. Yurchenko and Mr. Gordiyevsky were only the best known of several recent defectors. Sergei Bokhan, deputy director of Soviet military intelligence in Athens, defected in May. Senator Durenberger said there had been other defections that had not been disclosed.