

Ex-CIA Agent Suspected of Spying Seemed Unexceptional to Associates

Young New Mexico Economist Lived Quietly, Conventionally

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By T.R. Reid
Washington Post Staff Writer

SANTE FE, N.M., Oct. 3—To friends and colleagues here, Edward Lee Howard seemed a standard Santa Fe-style yuppie: a respected \$32,000-a-year economic analyst with the state government who commuted in a bright red Jeep to his brown adobe house in a middle-income development south of town.

Neighbors said he was a dutiful husband to his wife, Mary, a dental assistant in Santa Fe, and a devoted father to his 2-year-old son.

He enjoyed flying radio-controlled model aircraft and target-shooting at a local gun club—hardly remarkable pastimes for a young professional in the Southwest.

"He did good work," said Steven Arias, clerk of the New Mexico Legislature, where Howard was employed as a natural-resources economist with the Legislative Finance Committee.

He did good work through the afternoon of Sept. 20, when he briefed legislators at a budget-analysis meeting in the state capitol, then slipped quietly away and vanished.

In Washington today, a Senate staff official described Howard as a low-level officer in the CIA's clandestine service who was fired by the agency in 1983 for undisclosed reasons and apparently took sensitive material with him, perhaps to sell it to Soviet intelligence agents.

David Holliday of the Senate Select Committee on Intelligence also said that, based on briefings received by the panel, he "would not discourage" speculation that high-level Soviet intelligence defector Vitaly Yurchenko had identified Howard as a spy.

Yurchenko, a former ranking member of the KGB who defected two months ago, is being debriefed by the Central Intelligence Agency at an undisclosed location near Washington.

Holliday said he could not identify the source of the information that led to the agency. But a warrant used here to search Howard's home and car indicated that federal offi-

transmitting and recording equipment, and business cards carrying microdots.

A second former CIA employe is reportedly under surveillance as a possible Soviet agent, apparently also based on information from Yurchenko, a federal official said today in Washington.

Two days after Howard slipped away, a passenger listed as "Edward Howard" took an American Airlines flight from Albuquerque to Dallas. The next morning, Sept. 23, the Federal Bureau of Investigation issued an arrest warrant for the fugitive analyst but, by then, he was gone.

News that this quiet, generally mild-mannered young economist might have been a U.S. agent working for the KGB stunned and electrified his coworkers here. Equally surprised, evidently, was Howard's wife.

Philip Baca, Howard's boss in the state government, said he came into his office on the night of Sept. 22 and found a letter of resignation from Howard. In it, Howard asked coworkers to clean out his desk and said he hoped "some day to be able to explain this to you and the rest of the staff."

Baca said he immediately called Howard's home and reached Mary Howard. He said she expressed astonishment that her husband had quit his job and seemed to have no idea of his whereabouts.

Federal officials here declined to discuss how long they had been watching Howard and why he was able to leave Santa Fe before an arrest warrant was issued.

Coworkers and neighbors said FBI agents were in Santa Fe asking questions about Howard in the days before he fled. They said he must have known this by the day he left work early and disappeared.

Federal law enforcement officials say Howard fled Sept. 21. He was able to escape, a federal official in Washington said, because the FBI maintained limited surveillance until an arrest warrant was issued.

Federal agents had searched out Howard's home and begun trailing his wife on her daily commute from home to the orthodontist's office

Howard was born in Alamogordo, N.M., in 1951, son of a career Air Force sergeant. The family moved frequently during his boyhood, and he acquired a proficiency in Spanish and German.

After graduating from the University of Texas in 1972, he spent most of the next four years with the Peace Corps in South America and the United States. From 1976 to 1979, he worked in Peru for the Agency for International Development, according to the State Department.

After earning a master's degree in business administration from American University, he went to work for the CIA, where he was employed from 1981 until spring 1983.

In June 1983, he moved to Santa Fe. His coworkers said they did not know what prompted the move.

He applied for a job as an analyst with the state Legislative Finance Committee, a joint budget-planning body serving both chambers of the legislature. He told his bosses that he had been employed by the State Department but left State because he and his wife did not want to accept an imminent posting to Moscow.

It is fairly common for CIA covert operatives to work under diplomatic cover for the State Department.

As an analyst in the Capitol building here, Howard seemed to coworkers to be a solid, serious young man.

The only stain on his record here came in February 1984 when he was arrested for brandishing a .44-cal. pistol at three men in downtown Santa Fe. He told police that he had been distraught after a family argument and had bought many drinks at a bar. In a plea bargain, he pleaded guilty to an assault charge and was sentenced to probation.

As part of the bargain, Howard obtained letters of support from several government officials here and in Washington. He described him as a reliable, personable man.

"He is a dedicated, honest and truthful individual," wrote state Sen. Frank Pappas, chairman of the committee for which Howard

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SPY SUSPECT
BY MICHAEL J. SNIFFEN
WASHINGTON

Edward L. Howard refused to transfer to Moscow for the CIA and was fired by the U.S. spy agency, all at about the same time he began working for the Soviet KGB, U.S. authorities say.

U.S. officials said Thursday they believe the fugitive former CIA clandestine agent started working for the Soviet spy agency because he was angry over being assigned to Moscow.

An FBI affidavit in federal court in New Mexico showed that Howard learned of the bureau's interest in him when agents interviewed him directly on Sept. 20, the day he abruptly quit his job before fleeing.

Government officials familiar with the case were willing to discuss it only on grounds that they not be identified.

Meanwhile, The New York Times, citing congressional sources it did not identify, said today that Howard is believed to have given the Soviet Union secret information about how the United States gathers intelligence information in Moscow.

And CBS News on Thursday quoted Sen. Dave Durenberger, chairman of the Senate Committee on Intelligence, as saying that Howard might have given the Soviets information on U.S. intelligence gathering. Durenberg, R-Minn., said the security breach caused by Howard could be "as serious as anything this country has seen in the past," according to CBS.

Howard, 33, went to work for the CIA's clandestine service in January 1981 and was fired by the agency in June 1983, according to U.S. officials who were uncertain as to the reason for his dismissal.

Howard told co-workers when he returned to his native New Mexico in July 1983 that he had just turned down a government assignment to Moscow. That refusal might have prompted a firing, but two sources indicated Howard had failed a CIA-administered polygraph.

The CIA tests prospective, current and departing employees on the polygraph for security breaches, and in some but not all circumstances, a failure can lead to an employee's firing. The test is intended to cover a wide range of subjects, from espionage to simple negligence with secret information.

One intelligence source has said there is no evidence Howard worked for the Soviets before he left the CIA, but other sources have suggested he hooked up with the Soviets very shortly before he left CIA.

Either case would be less damaging than if Howard had worked inside CIA for some time under the actual direction of the Soviets.

Asked what motivated Howard to work for the Soviets, one official said Thursday, "He was ticked off over his assignment to Moscow. That's why he went over to the other side."

Curtis Porter, who hired Howard in July 1983 as an economic analyst for the New Mexico Legislature's finance committee, said, "He said he was going to be posted to Moscow and would stay there. ... He never went." Howard's son, ...

Porter said Howard claimed to have worked for the State Department in Washington. The State Department job was Howard's cover while at CIA.

One former top-level U.S. counterintelligence official said it was surprising that a young agent would refuse a Moscow assignment even with a small child.

"A young agent can't expect to get London or Paris. Besides, Moscow is sort of a plum in terms of one's career, and there are worse foreign outposts," the former counterspy said. "However, if the agent were already working for the Soviets, he might be worried that they would press him to do so many things in Moscow that he would get caught."

Howard was charged by the FBI on Sept. 23 with conspiring to transmit national defense information to a foreign power. FBI agents have been trying to arrest him since then but he has been missing from his home in Santa Fe, N.M. since Sept. 22.

Vitaly Yurchenko, a ranking KGB official who defected this summer in Rome, has told American authorities that two ex-CIA agents went to work for the Soviets, and one official says Howard probably is one of them.

At the State Department, spokesman Charles Redman said Howard never worked for the department or the U.S. Embassy in Moscow. A department official said Howard's planned transfer was entered into the records for his cover job at State and the records never were corrected because of an oversight.

Meanwhile, a minor flap developed inside the Justice Department over Howard's success in eluding FBI agents.

One department source said Justice officials felt the FBI agents had bungled the effort to keep track of Howard, but a federal law enforcement source said the agents did all they could before an arrest warrant was obtained.

The department source said agents went to his home while he was out before he fled, and his wife let them conduct an informal look around the house. An FBI affidavit filed in federal court in Albuquerque said FBI agents interviewed Howard himself on Sept. 20 and said the FBI "believes that after Howard's interview with the FBI and his speculation that he would be charged with a federal violation, he fled sometime during the evening of Sept. 21."

Howard abruptly left work on Sept. 20, leaving behind a typed resignation note.

This source said FBI agents were still watching the house when Howard fled away, apparently overnight on Sept. 21. He is believed to have fled to Albuquerque, 60 miles away, to his home.

But a federal law enforcement source said the agents were not there to keep constant watch on Howard. "Their purpose was to find out where he lived, how many members were in his family, when he normally left and came back, and other habits that might assist them later if they came back," the source said.

"It's often necessary to contact even the subject or their family to get probable cause for an arrest, and that was necessary in this case," the law enforcement source said.

"The agents had no arrest warrant, and he could have told them where he was," he continued. "Sure, he could have been arrested on Sept. 21, but he is a brilliant man."

On the Saturday morning, Sept. 22, the sky was overcast with clouds.

4 P11

LOS ANGELES TIMES
4 October 1985**Cultivated Los Alamos Associate****Spy Suspect: Likable Guy
or an Angry, Violent Man?**

By ERIC MALNIC, Times Staff Writer

SANTA FE, N. M.—People here look back on spy suspect Edward Lee Howard as two different persons.

One was a "devoted family man," an outdoorsman—a "nice, friendly, likable guy" who worked long and hard and well at his job as an economic analyst with the state Legislature.

The other was a darkly private man, a man who became angry, even violent, when drinking—a man who cultivated the friendship of an associate with ties to the nearby federal laboratories at Los Alamos, where the government does research work on secret weapons systems.

People who knew the first Ed Howard say they were amazed and shocked to learn earlier this week

that he is a fugitive, a former CIA employee now being sought as a Soviet agent.

People who knew the second Ed Howard seem to harbor little surprise.

"He was a close friend of David Abbey, and he knew Abbey had had access to classified information at Los Alamos," said one government source, who speaks under an agreement of anonymity.

"David is concerned about that," the source said. "And he wonders why the FBI hasn't been around to talk to him."

Abbey, now an analyst with the New Mexico Department of Finance—a couple of floors up from the Legislative Finance Committee offices where Howard, 33, was employed—would not discuss the matter, other than to confirm that he had worked with people at Los Alamos at one time and to deny at Howard had ever sought classified information from him.

Curtis Porter, who hired Howard for the state government job before

Cruces earlier this year, confirmed Howard's friendship with Abbey and said that "indirectly, Howard could have had other contacts with people at Los Alamos" through his job with the finance committee.

State government sources said that one of the mysteries about Howard was the frequency with which he left town on state-paid business trips—"unusual for a state known for its penury."

'He Did Good Work'

Porter admitted that "Ed used to get ragged a lot about the out-of-state travel he did for us, but he did good work . . . and no one ever suggested he was up to anything else."

Porter added, however, that "on a trip I took with Ed to Boston, he disappeared for a few hours . . ."

"When he showed up, he had a cut on his head," Porter said. "he told us he had walked into a door, cut himself and had to go to a hospital to have it stitched up. I did think that was odd . . ."

"Later that night, we all had a couple of cocktails," Porter said. "Ed's words started getting slurry, and all of a sudden he got mad at something Abbey had said and got up and left. It was strange."

And records here show that this was not the only time drinking apparently turned Howard angry.

On the evening of Feb. 26, 1984, according to Santa Fe Police Department reports, officers responding to an alarm call about a block from the Capitol where Howard worked, found him sitting in his jeep, his face and clothing covered with blood.

Said He Was Assaulted

When they asked what had happened, the officer said, Howard responded that he had been assaulted at a nearby bar by some man who'd promised him a job if he'd quit the night and a good time.

But the men told a different story.

They said that Howard had forced their car off the road with his jeep. They said that, when they got out of their car, Howard approached, pointing a .44-caliber magnum pistol at them.

When they fled back to their car, they said, Howard stuck the revolver through the driver's window and, during a struggle that turned into a fistfight, the gun discharged, putting a bullet hole in the roof of the car.

Police recovered the pistol and placed Howard under arrest. Later, admitting that he had been drinking prior to the incident, Howard pleaded guilty to three counts of aggravated battery.

Capitol sources said that, thanks largely to letters of support from legislators attesting to his good work, Howard got off with a sentence of five years' probation.

"I wasn't that enthused about the arrest," said Porter, who was Howard's supervisor at the time, "but he told me that they'd worked

something out—that the whole thing, basically, had been dropped. I really didn't know what had happened."

Porter said he had hired Howard for the state job in 1983 "because he seemed to be the best qualified applicant." Howard's resume was impressive:

Born in Alamogordo, in 1951, the son of an Air Force master sergeant, Ed Howard attended various primary and secondary schools during his father's duty tours in the United States and overseas.

After graduating from the University of New Mexico with a degree in Business Administration, Howard joined the U.S. Marine Corps, serving in Vietnam and the Dominican Republic until 1974, when he became a Public Corps recruiter.

Two years later, he married the former Mary Elizabeth, a native, outgoing, ambitious woman he had met in the Dominican Republic.

From 1976 to 1979, Howard worked as an assistant project development officer for the Agency for International Development in Peru.

The next four years, he worked in various capacities for the state government, including as an economic analyst with the state Legislature.

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"He said he had flunked several of their Foreign Service tests but had finally made it, only to find out they wanted him to go to Moscow," Porter said. "He said that, with the new baby (son Lee, now 2), he didn't want to go because he didn't want to raise a child there."

So Howard went to work for Porter, moving with his wife and son into a modest imitation-adobe home on an acre of land in a subdivision about 15 miles south-east of downtown Santa Fe.

When it came to Mary Howard, all the neighbors sang praises.

"She's just a dear, sweet thing," said Betty Dunstan. "She's very open and friendly," said Bobbe Dyer. "I liked her a lot," said Gary Carlson.

When it came to Ed Howard, the reviews were mixed.

Betty Dunstan found him "extremely pleasant, and good looking, too." But Bobbe Dyer said that Howard "had a wall around him—he was a very hard man to know."

Described as Unfriendly

Other neighbors, who asked not to be named, described him as "unfriendly"—"a man who'd rather go off by himself and hunt than join in the community volleyball and things like that, the way Mary did."

But, when it came to his work for the state, everyone seems to agree that Howard did a good job.

"He was very professional, very knowledgeable, very bright and very conscientious," said Carlson, a fellow state employee.

"He was very good—a hard worker," said Phil Baca, the cur-

rent Finance Committee chief, who succeeded Porter as Howard's boss.

"I was pleased to have him," Baca said. "But when I heard he was concerned about FBI agents coming to talk to him about Howard on Sept. 19, replied with a grim chuckle, 'You're damned right.'"

Baca won't disclose what agents said to him that day.

The next day, Sept. 20, "Ed put in a normal work day," Baca said. "He had a hearing and, afterward, he talked about a meeting in Austin (Texas) that he was leaving for on the 22nd."

"The 22nd was a Sunday, but I had some work to catch up on, so I came in," Baca said. "I found a letter from Ed that said he was coming to work on Monday. He said, 'I'm sorry I can't be able to explain this to you.'"

Letter Called Puzzling

The letter puzzles Porter.

"Why would a spy on the run leave his resignation on Phil's desk?" Porter asked. "Why would he bother?"

That same day, according to local law enforcement officials, Howard flew to Dallas and then to Austin.

And, as far as anyone here knows—or is telling—that was the last time anyone saw or heard from Ed Howard.

On Monday, the 23rd, Baca talked on the phone with Mary Howard. "She said she didn't know where he was—she didn't even know he'd quit," Baca recalled.

That afternoon, federal officials issued a warrant for Howard's arrest.

On Tuesday, the 24th, Mary Howard and her son flew to Minnesota to stay with her parents.

Two days later, on the 26th, local law enforcement officers issued an arrest warrant for Howard, arguing that, by leaving the state and quitting his job without first consulting with his probation officer, Howard had violated the conditions of his probation on the battery counts.

FBI Searched Home

The next day, on the 27th, acting on a search warrant issued in Albuquerque, FBI agents moved in and searched the Howard home here. What, if anything, was found has yet to be disclosed.

Last Tuesday, Mary Howard and her 2-year-old son returned to the little home in the suburb called El Dorado and, the next morning, she reportedly showed up for work at her job at a local orthodontist's office.

She has thus far avoided reporters, and neighbors say she hasn't talked with them, either.

And, now that most of the excitement is over, people around here have been left to speculate about Ed Howard.

Curtis Porter said what bothers him is why Howard would be a spy. "Did he do it for money?" Porter asked. "I don't think so."

"I just can't figure it out."



Associated Press

Edward Lee Howard

ON PAGE ~~19-4~~

BALTIMORE SUN
4 October 1985

Missing spy suspect fled while under FBI's watch

WASHINGTON (Reuter) — A former CIA employee accused of spying for the Soviet Union was under surveillance by the FBI when he disappeared, Reagan administration officials said yesterday.

"The FBI screwed up by letting this guy slip," one administration official said.

The FBI refused to comment on whether another ex-CIA officer had been identified by its counterintelligence agents after being named as a spy by Vitaly Yurchenko, a high-ranking Soviet official who defected to the West.

But government and congressional sources have said they expect other alleged double agents to be revealed soon in what could produce a major shake-up in the U.S. intelligence community.

The former CIA employee who fled was Edward Lee Howard, 33, who worked for the agency from

1981 to 1983 and has been charged with conspiring to deliver national defense secrets to a foreign government.

FBI officials defended the way they conducted their surveillance of Mr. Howard, saying he was only a suspect and had not yet been charged when he disappeared.

On Sept. 20, Mr. Howard unexpectedly quit his job and fled just before FBI agents were about to question him concerning his alleged espionage activities, officials said.

The FBI had interviewed his neighbors and associates in Santa Fe, N.M., where he worked as an economic analyst for the state legislature, in an attempt to build a strong enough case, they said.

Although they said Mr. Howard may have been alerted by news reports, his arrest warrant was issued Sept. 23, two days before the first disclosure that Mr. Yurchenko was naming double agents believed to have penetrated the U.S. intelligence community.

ARTICLE APPEARED
ON PAGE 19ABALTIMORE SUN
4 October 1985

Defector revives fear of high 'mole' at CIA

WASHINGTON (Reuter) — Disclosures by a key Soviet defector have reopened a question that has periodically tied U.S. intelligence in knots: Is there a high-level Soviet 'mole' in the Central Intelligence Agency?

U.S. intelligence sources say that the defector, Vitaly Yurchenko, a high official in the KGB, came over to the West in Rome last summer, bringing highly sensitive information that included names of U.S. double agents.

The disclosure of those names is likely to produce a shake-up in the American intelligence community, the sources said, but declined to give details.

The Justice Department has said that Mr. Yurchenko, who is now being "debriefed" by the CIA at an undisclosed location in the United States, has implicated former CIA employees — including former agent Edward Howard, who left the agency 18 months ago and is now the subject of a police manhunt.

Some congressional sources who have been involved in overseeing U.S. intelligence, including Sen. Malcolm Wallop, R-Wyo., believe that KGB moles are active in the CIA today.

Mr. Wallop said he hoped that the new revelations would fuel efforts to uncover such moles.

"We have managed to penetrate the KGB, and it's inconceivable that

we have such a corner on the world's morality that they haven't been able to do the same thing with us," Mr. Wallop, who left the Senate Intelligence Committee earlier this year after an eight-year tenure, told Reuters.

This is not the first time that U.S. intelligence has been shaken by a

mole mystery.

In 1961, Soviet defector Anatoly Golitsyn told U.S. officials that there was at least one high-level mole in the CIA.

CIA counterintelligence chief James Angleton searched for the traitor or traitors for more than 12 years until he was fired in 1974 for excessive zeal, former intelligence officials say.

They say that Mr. Angleton's mole hunt periodically caused parts of the CIA virtually to grind to a halt, prompting criticism among some CIA veterans of what they regarded as an overly zealous campaign.

Former CIA official George Carver said: "The Soviets have been trying to penetrate us for 40 years, and of

course we need to be careful, but if you went on a great mole hunt the whole organization would seize up."

Mr. Wallop said that the fear of resurrecting the Angleton era has so eroded U.S. spy-catching abilities that "the United States has virtually zero counterintelligence capability" and is thus highly vulnerable to KGB penetration.

Legislation passed in 1965 called for the enlargement of CIA mole-hunting operations and for more analysis aimed at detecting false information planted by the KGB.

Neither program has been implemented vigorously because intelligence officers are not committed to it and do not like investigators constantly questioning their loyalty, as Mr. Angleton had done, Mr. Wallop said.

Ex-CIA Director Stansfield Turner said in a book released this year that Mr. Angleton's approach bordered on paranoia.

When a second Soviet defector, Yuri Nosenko, cast doubt on Mr. Golitsyn's story, Mr. Angleton ordered Mr. Nosenko to be locked in a small cell, without a toothbrush or sufficient food, for 3½ years, Mr. Turner wrote. Mr. Nosenko was at times interrogated for 24 hours without a break.

Doubts about Mr. Angleton's methods have not erased concerns that the agency may have been infiltrated at high levels.

Former CIA Director William Colby conceded that such infiltration was a possibility, as did Mr. Carver, although both were skeptical.

A former director of the Defence Intelligence Agency, who spoke on condition that he not be named, said that in recent years Communist agents had learned psychological techniques to avoid being uncovered by lie-detector tests that are given to CIA job applicants.

If such agents posing as loyal Americans had managed to penetrate the lie-detector screen, they would today be at relatively low CIA levels, but could go higher, he said.

David Phillips, a former high CIA official, said he doubted that the agency had been penetrated at top levels, but added: "You can't be absolutely sure, of course. . . . If they had a real mole, he would stay for his whole career then retire and grow grapes in California."



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JAMES ANGLETON
Ex-CIA counterintelligence chief

Washington Times

4 Oct 85

Fired CIA pair took revenge by spying for KGB, FBI told

By Bill Gertz
THE WASHINGTON TIMES

Two former CIA operatives suspected of spying for the Soviet Union were dismissed from the agency as the result of improper conduct and then took revenge by spying for the KGB, according to administration and congressional sources.

The FBI is continuing to search for Edward L. Howard, a former economic analyst with the finance committee of the New Mexico legislature, who resigned two weeks ago and eluded federal agents who had placed him under surveillance.

Howard, a former CIA operations officer hired in January 1981, was fired by the agency in June 1983 after he was discovered stealing money from the CIA and for using illegal drugs, sources said.

He also failed to pass the CIA's probationary period for new employees, the sources said.

"He was a rotten apple we got rid of in 1983," said a senior CIA official.

A second ex-CIA operative also is under investigation on suspicion he supplied CIA secrets to the KGB, the Soviet intelligence service, in connection with Howard. But sources said his crimes appeared to be less serious than the FBI's case against Howard.

The unidentified former operative also was dismissed from the agency for disciplinary reasons and

not for suspected espionage activities, sources said.

To date, the two former CIA employees being sought by the FBI are the only two Soviet agents implicated by Vitaly Yurchenko, a senior KGB defector. The CIA does not suspect that a Soviet agent — or "mole" — has burrowed into the intelligence service, the sources said.

Howard has been charged with conspiracy to deliver national defense information to an unspecified foreign government believed to be the Soviet Union.

The espionage charges were filed in a federal arrest warrant issued Sept. 23 in Albuquerque, N.M. Four days later, Howard was charged with unlawful flight to avoid prosecution for violating probation on his 1984 conviction in a Santa Fe, N.M., gun-brandishing incident.

Rep. Bill Richardson, D-N.M., said yesterday that at his request Rep. Lee Hamilton, chairman of the House Select Committee on Intelligence, has agreed to hold a hearing next week on Mr. Yurchenko's reported disclosures concerning Americans.

"I'm extremely concerned about the potential damage to national security," Mr. Richardson said, alluding to Howard's reported access to the Los Alamos laboratory.

In Los Alamos, a businessman told reporters he and a lab official met with Howard and that Howard had asked questions about technol-

ogy transfers. The lab conducts top secret research on nuclear weapons for the U.S. Department of Energy.

Contrary to news reports, Howard never served in Moscow nor was he offered the post while working for the CIA, these sources said.

Howard served in the Peace Corps, its ACTION division and the Agency for International Development before his employment with the CIA, the sources said.

Howard was described by these sources as a "revenge case" similar to that of former CIA cable clerk William Kampiles.

Kampiles was convicted in 1978 of passing the Soviets a top secret manual for the KH-11 spy satellite after failing to be admitted to the CIA's clandestine services division.

Federal authorities were led to the two Soviet agents by information provided by Mr. Yurchenko, the Soviets No. 5 man in the KGB. Mr. Yurchenko defected to the West in Rome Aug. 1 and is being debriefed by the FBI and CIA.

FBI officials defended their surveillance of Howard, saying he was only a suspect and had not yet been charged in any legal proceedings when he disappeared.

Federal authorities in New Mexico last month found two airline tickets from Santa Fe to Austin, Texas, after searching Howard's house. Howard, 33, graduated from the University of Texas in Austin.

C13 Evening News

4 7 85

Oct

Soviet main man and his red charm offensive may be tough competition for the great communicator at the summit.

While Gorbachev campaigned here, President Reagan campaigned in New Jersey today, raising funds for his party and digging in his heels on star wars, refusing to call a halt to star wars' related research. Bill Plante reports.

BILL PLANTE: On all fronts today, the response to Gorbachev from Washington was loud and clear: no give on strategic defense, or star wars.

PRESIDENT REAGAN: Demands to abandon a program with real potential for strengthening deterrence and enhancing Western security do not deal with the real issue of peace.

PLANTE: Nonetheless, Mr. Reagan suggested he'd found some common ground, that perhaps he and Gorbachev could do business together.

PRESIDENT REAGAN: I see where he made a statement in a recent interview where he said he did not believe that the God above could have done something that would prevent the people of the world from doing something for themselves. And I have to believe if he's talking to God that we ought to get along, because so am I.

PLANTE: But on a more earthly level, there is unmistakable concern. At the State Department, the administration mounted a show-and-tell presentation to demonstrate that the Soviets already have an extensive strategic defense program.

RICHARD PERLE: The impression that there is only one strategic defense program in the world and it is an American program is an impression the Soviets have sought to create.

PLANTE: As this round of public diplomacy between the superpowers concludes, experts

suggest that Gorbachev is trying to exploit differences among Americans, as well as to isolate the U. S. from its allies. But they doubt it will work.

ROY GODSON: He will make some progress. But sooner or later, unless his policies change, I think the American people will begin to realize that they are dealing with old wine in new bottles.

ROBERT SQUIER: It's a little bit like a silent movie. And then, you know, suddenly sound comes along, and he has to answer questions. And the questions become ridiculous. I mean when he says that Jews in his country don't have a problem, there isn't anybody in the world that's a sane person that doesn't realize that the man is just spouting nonsense.

PLANTE: One of the President's oldest political allies says ignore Gorbachev.

LYN NOFZIGER: You know, one of the basic things you learn in politics is don't react; go ahead and do your thing; don't let the other guy put you on the defensive. And if we start reacting to Gorbachev, why, then, we're going to lose it.

PLANTE: From the White House perspective, the public relations battle has just begun. After next week, the President will drop his campaign appearances for tax reform and concentrate on the summit, defending star wars while his aides try to arrive at a consensus position on arms control.

Bill Plante, CBS News, New York.

Possible CIA Spy

BOB SCHIEFFER: More revelations tonight about Edward Howard, the fugitive former CIA man allegedly turned Soviet spy. It turns out his

Monday, October 7, 1985

activities are causing a stir in the Soviet, as well as the American, intelligence community.

Phil Jones reports.

PHIL JONES: CBS News has been told that information provided to the Soviets by former CIA employee Edward Howard has resulted in the presumed execution of a high-ranking Russian official who was providing intelligence to the U. S. and that several other Soviet informants have not been heard from. Their safety is unknown.

Also today, in New Mexico federal court, the Justice Department charged in a criminal complaint that Howard had admitted selling information to the Soviet KGB during a meeting in Austria in September, 1984. Included in the court documents was a letter Howard left behind at his home for his wife, Mary, which said "Sell the house, jeep, et cetera, and move with one of our parents and by happy." Referring to his two year old son, Howard wrote "I think of him and you each day until I die."

Sources say Howard was being trained by the CIA for an assignment in the U. S. Embassy in Moscow when he was caught in a lie detector test, failing to disclose previous personal and financial matters. He was fired.

It was also disclosed today that Howard allegedly told two current CIA employees in 1984 that he had spent hours in the vicinity of the Soviet Embassy in Washington trying to decide whether to enter and disclose information. He claimed he didn't.

Officials are now aware of a second American with intelligence connections who apparently met with Howard before he fled. They know his identity,

but don't have enough information for an arrest. As for Howard, sources tell CBS News it is believed he fled to Mexico.

Phil Jones, CBS News, Capitol Hill.

NBC NIGHTLY NEWS
7:00 PM

NBC TV
OCTOBER 4

Gorbachev on Arms Control

TOM BROKAW: Mikhail Gorbachev stole the show today in Paris. It didn't matter that French President Mitterand rejected his proposal for separate talks with France on reducing nuclear missiles. The Soviet leader came right back saying that since he only made the offer yesterday, it would be indeed strange if we reached agreement today.

Jim Bittermann reports the highlight of the day was a news conference, the first by a top Soviet leader in 25 years, and Gorbachev's performance was masterful.

JIM BITTERMANN: For an hour and 45 minutes, Mikhail Gorbachev, the party stalwart who rose to the top of the Soviet system faster than anyone since Stalin, addressed the questions with no hesitation and, on the key one, arms control, was able to challenge the United States in a more personal way than his predecessors ever did.

MIKHAIL GORBACHEV: We have now gotten to the point where it is not enough to say "Yes, we're in favor of a better world." If this is not borne out by activities and deeds, we in the Soviet Union call this political demagoguery. We believe this is tricking the people.

BITTERMANN: Gorbachev answered questions on every

fear Gorbachev may re-ignite the European peace movement that fought deployment of American missiles there two years ago. The Dutch must decide on November 1st whether to accept U. S. missiles. And a former Republican official thinks Gorbachev may have gained some support.

JAMES SCHLESINGER: What one can say is that in early innings that he has had a number of hits and, indeed, a number of runs that that the United States has not fared so well.

WALLACE: And there was evidence today that the Reagan-Gorbachev rivalry is getting personal, the President teasing the leader of a atheist state for referring in a recent interview to God.

PRESIDENT REAGAN: If he's talking to God, we ought to be able to get along, because so am I.

WALLACE: And if you're already getting tired of this propaganda war, it's only going to get worse. Charging that Gorbachev has peaked too soon, U. S. officials say that Mr. Reagan has barely begun his public relations effort.

Chris Wallace, NBC News, with the President in New Jersey.

ABC WORLD NEWS TONIGHT
ABC TV 7:00 PM OCTOBER 4

Spy Allegations

PETER JENNINGS: There are more details today about Edward Howard, the former CIA agent who federal authorities now believe was a Soviet spy. Here's ABC's Kenneth Walker.

KENNETH WALKER: According to court papers filed in New Mexico, Edward Howard told two active duty CIA officials last

year that he flew to Washington in 1983 and stood for hours outside the Soviet Embassy here considering whether to enter and disclose U. S. secrets. He decided not to, according to the affidavit. That was two months after sources say Howard was fired for failing a CIA polygraph test.

Court records state that just four days before his meeting with the CIA, Howard flew to Austria where top level KGB officials paid him money in exchange for information relating to U. S. intelligence sources and methods. Why didn't the CIA act? CIA spokesmen would only say the agency is satisfied with their actions in this case.

Howard's alleged role apparently was revealed after a top KGB official, Vitaliy Urchenko, defected to the West last summer. According to source, Urchenko identified another former CIA agent as a Soviet spy, and that he identified Howard as an accomplice.

Some members of the Senate Intelligence Committee believe the information Howard disclosed may have been damaging.

The day after Howard was interviewed by FBI agents two weeks ago, he reportedly left a note for his wife. The note read in part, "Well, I'm going, and maybe I'll give them what they think I already gave them." Howard also left instruction for his wife, quote, "to sell the house and move with one of our parents and be happy. Tell our son, Lee, I think of him and you each day until I die."

Every FBI office worldwide has been placed on alert to arrest Howard. And stung by Howard's escape from an FBI surveillance team, security for the second alleged spy, who reportedly lives in Texas, has

been increased pending his expected arrest.

Kenneth Walker, ABC News, Washington.

Please note: the following transcripts are available to read or reproduce on the premises, SAF-AAR, 4C-881.

The Philippines, Part I.
The MacNeil/Lehrer NewsHour,
PBS IV, September 16, 7:00 PM.
TR-27.

The Philippines, Part II.
The MacNeil/Lehrer NewsHour,
PBS IV, 9/17, 7:00 PM. TR-28.

The Philippines, Part III.
The MacNeil/Lehrer NewsHour,
PBS IV, 9/18, 7:00 PM. TR-29.

The Philippines, Part IV.
The MacNeil/Lehrer NewsHour,
PBS IV, 9/19, 7:00 PM. TR-30.

Arms to Jordan.
CBS Radio News, CBS Radio,
9/29, 9:00 PM. TR-31.

Arms Control Talks.
Newsbreakers, Mutual Radio
Network, 9/29, 10:30 PM.
TR-32.

General Singlaub.
The Phil Donahue Show, WDVM-TV,
Syndicated, 9/30, 9:00 AM.
TR-33.

Space Shuttle Atlantis.
Eyewitness News, WDVM TV,
October 3, 5:00 PM. TR-34.

Soviet Proposal.
The Ten O'Clock News, WTTG TV,
October 3, 10:00 PM. TR-35.

BALTIMORE SUN
3 October 1975
Page 1

FBI says ex-CIA man sold secrets

Howard allegedly met with KGB in Austria

WASHINGTON (AP) — Fugitive ex-CIA agent Edward L. Howard met in Austria a year ago with Soviet KGB officials who paid him money for U.S. intelligence secrets, the FBI said in a document made public yesterday.

At the same time, sources in Washington said FBI agents are also watching and investigating a second former U.S. intelligence officer sus-

FBI...Pg. 2

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FBI... from Pg. 1

pected of spying for the Soviets.

In Albuquerque, N.M., the FBI charged Mr. Howard, a 33-year-old economic analyst, with selling U.S. intelligence secrets to the Soviet Union.

The sources, federal officials who spoke on the condition they not be identified, said that the second suspect, like Mr. Howard, was fired from a U.S. intelligence job.

It also was disclosed yesterday that FBI agents confronted Mr. Howard in New Mexico with the espionage allegations against him less than two days before he fled.

The Howard case has raised concerns, particularly because he was being prepared for work in the Soviet capital and because he is said by colleagues in New Mexico to have cultivated acquaintances with employees of the Los Alamos National Laboratory in New Mexico, where secret weapons research is done.

Sen. David Durenberger, R-Minn., chairman of the Senate Intelligence Committee, told CBS News that the alleged security breach caused by Mr. Howard could be as serious as anything this country has seen in the past.

Because he had been trained for a post at the U.S. Embassy in Moscow, Mr. Howard acquired detailed sensitive information about the U.S. intelligence operation in the Soviet Union, Reagan administration and congressional sources told Reuters yesterday.

CBS News quoted unidentified sources last night as saying that information provided to the Soviets by the former CIA agent has resulted in the presumed execution of a high-ranking Soviet official who was providing intelligence to the United States. It also said that several other Soviet informants have been heard from since they were unknown to the U.S.

Howard was charged with selling secrets to the Soviets for much money.

Sources said Mr. Howard was fired by the CIA in 1983 after he refused assignment to the Soviet Union. He was implicated in petty theft and drug use.

He disappeared from Santa Fe, N.M., after being confronted with the espionage charges on Sept. 20 of this year.

By the way...

R. Schwarz quoted from a note left by Mr. Howard for his employer to give to his wife. "Well, I'm going and maybe I'll give them what they think I already gave them," the note said in part.

Mr. Schwarz also said Mr. Howard met with two current CIA employees Sept. 24, 1984, and told them he had traveled to Washington in October 1983 and spent several hours near the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information.

One federal source said the two current CIA employees were friends of Mr. Howard. The source said the CIA spokesman said that Howard had no contact with the two men in a year for the two employees to report their contact with Mr. Howard.

In Washington, a source said continued surveillance and investigation of the second suspect, who is still in this country, were required to develop enough evidence to obtain an arrest warrant.

Two other U.S. officials said the second suspect was fired from a U.S. intelligence job, just as Mr. Howard was by the CIA in June 1983. In both cases, the firings may have contributed to a decision to offer information to the Soviets, one source said.

It could not be learned on what grounds the second suspect was fired.

In the case of the federal court yesterday, a warrant against Mr. Howard, FBI agent Gerald B. Brown said. On Sept. 20, 1985, Edward Lee Howard was interviewed by special agents of the FBI.

Agent Brown said he thought "that after Howard's interview with the FBI and his speculation that he would be charged with a federal violation, he fled sometime during the evening of Sept. 21, 1985, from the state of New Mexico."

Mr. Howard abruptly left his job with the New Mexico legislature's finance committee Sept. 20, leaving behind a resignation note.

Agent Brown's affidavit also disclosed that Mr. Howard left a handwritten note for his supervisor to give to his wife, Mary.

According to Agent Brown, Mr. Howard's note advised his wife to "sell the house, jeep, etc., and move with one of our parents and be happy." Mr. Howard also asked her to tell his son, "I think of him and you every day until I die."

Mr. Howard is thought to have left Dallas and Austin, Texas, in the afternoon of Sept. 22. He was spotted by FBI agents outside a house the night before.

F.B.I. Says Ex-C.I.A Agent Went To Austria in '84 to Betray Secrets

5 Oct 85

By WAYNE KING

Special to The New York Times

SANTA FE, N.M., Oct. 4 — Edward L. Howard, a former Central Intelligence Agency officer, traveled to Austria in 1984 and gave Soviet intelligence agents highly secret information about American intelligence sources and methods, according to the Federal Bureau of Investigation.

The specifics of espionage charges against Mr. Howard, who disappeared from his job as a state financial analyst here two weeks ago, were contained in an affidavit filed Wednesday in Federal District Court in Albuquerque, N.M., but sealed at the request of the Government until today.

Amended Complaint Filed

One intelligence source in Washington said tonight that the information provided by Mr. Howard had caused "enormous" damage to American intelligence-gathering in Moscow. He said that some Russian operatives for the C.I.A. were thought to have been executed by the Russians after their identities were revealed through the data Mr. Howard provided.

In the affidavit made available today, part of an amended Federal espionage complaint against Mr. Howard, the F.B.I. said that the origin of its information was "a confidential source with intimate knowledge of Soviet intelligence matters."

The affidavit did not name the source, but Administration officials have identified him as Vitaly Yurchenko, a senior member of the K.G.B., the Soviet intelligence agency, who defected to the United States in August.

Agents Spoke to Suspect

The F.B.I. documents provided some detailed insights into Mr. Howard's activities in recent years, saying that he "spent hours" near the Soviet Embassy in Washington in 1983 trying to decide whether to disclose classified information. They also show that he was placed on probation after a 1984 shooting incident that followed a fight with his wife and heavy drinking.

The documents suggest that Mr.

Continued on Page 29, Column 5

THE NEW YORK TIMES, S

Ex-U.S. Agent Accused of Giving Soviet Spy Data

Continued From Page 1

Howard might have fled because he knew the F.B.I. was building a case against him. According to them, agents talked to Mr. Howard on Sept. 20; he flew to Austin on Sept. 22.

The affidavit made available today said Mr. Howard was employed by the Central Intelligence Agency from January 1981 until June 1983, just before taking the job here, and that he "had access to highly classified information concerning United States intelligence matters."

"Recently," it said, "a confidential source with intimate knowledge of Soviet intelligence matters reported that senior officials of the Soviet Committee for State Security (K.G.B.) met in Austria in the fall of 1984 with a former C.I.A. employee. The former C.I.A. employee was paid money in exchange for classified information relating to United States intelligence sources and methods."

"Investigation has determined that Howard was in St. Anton, Austria, on Sept. 20, 1984," the affidavit said. The affidavit was signed by Martin R. Schwartz, an agent in the bureau's Albuquerque office.

Although that wording suggests that the Soviet informer did not specifically identify Mr. Howard as the "former C.I.A. employee," the affidavit states that "another confidential source" advised the F.B.I. as recently as Sept. 25, 1985, after Mr. Howard disappeared, that Mr. Howard told the source in July "that he had met in Europe with the Soviets, gave them information and had received cash." The affidavit did not give any indication of who the sec-

ond source might be.

The second source also said that the Soviet Union had paid for Mr. Howard's trip to Europe and that Mr. Howard had "met his K.G.B. contact while in Europe."

The affidavit also said that when Mr. Howard left Santa Fe the weekend of Sept. 21-22 he left a note saying, "Well, I'm going, and maybe I'll give them what they think I already gave them."

The affidavit did not explain that statement.

Mr. Howard was an economics analyst for the legislative finance committee, involved chiefly in developing economic forecasts for use by the Legislature. His salary was \$33,012 a year.

Mr. Howard left both a resignation letter on his desk and a note to his wife, Mary, and his 2-year-old son, Lee, who are reported to be at their home or with relatives here.

The terse resignation statement said that "for personal reasons" he was resigning effective immediately and asked that any severance pay and other benefits be paid to his wife, Mary. It concluded, "I hope some day to be able to explain this to you and the rest of the staff."

Mr. Howard apparently flew to Austin, Tex., Sept. 22, where he was to attend a meeting the next day, but he failed to show up. He has not been seen since.

In another F.B.I. affidavit, also filed in the Federal court here, the Government said that the note Mr. Howard left for his wife and son instructed Mrs. Howard to "sell the house, Jeep, etc., and move in with one of our parents and be happy."

He also asked her to tell the son, "I think of him and you each day until I die."

The affidavit describing the note to

Mrs. Howard was attached to a bench warrant for Mr. Howard's arrest for violating terms of a probation agreement worked out after an incident in February 1984 in which Mr. Howard was involved in a shooting.

In that incident, Mr. Howard told the court the incident had come about as the result of heavy drinking in the wake of a fight with his wife. He told the court he had got into a dispute with three men on a downtown street and pulled a .44-caliber revolver, which he said discharged accidentally into the roof of an automobile owned by one of the three men.

Mr. Howard was placed on probation after pleading guilty to a charge of aggravated assault.

Those who worked with Mr. Howard here said that the shooting incident seemed totally out of character and that he was known as an efficient and dedicated worker with a penchant for patching up intergovernmental disputes.

The affidavit relating to Mr. Howard's purported spying made no mention of any activities related to his state job. Santa Fe is near both Los Alamos National Laboratory and Sandia National Laboratories, both involved in highly secret defense work. Those who worked with Mr. Howard said he showed no more than a routine interest in the laboratories in connection with his job as an economic forecaster.

The affidavit also said that on Sept. 24, 1984, Mr. Howard met with two current employees of the Central Intelligence Agency and told them that in October of 1983 he went to Washington and "spent hours in the vicinity of the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information."

Affidavit Says Ex-CIA Agent Met High-Level KGB Officers

5 Oct 85

By Patrick E. Tyler
Washington Post Staff Writer

Fugitive former CIA officer Edward Lee Howard met with senior Soviet intelligence officers a year ago in Austria and agreed to provide them with classified information about sources and methods of U.S. intelligence operatives, according to an FBI affidavit based on information from a high-level Soviet defector.

The affidavit, unsealed yesterday in Albuquerque, said Howard received an undisclosed amount of money, and it provides the first details about his alleged spying activity.

Howard, fired from his Central Intelligence Agency post in the

clandestine service in June 1983, is believed to have fled the country Sept. 21, the day after FBI agents confronted him with allegations of spying for the Soviets.

He eluded FBI surveillance of his home outside Sante Fe, and an arrest warrant charging him with espionage was issued Sept. 23.

CBS News, quoting unnamed sources, reported last night that, based on information given to the Soviets by Howard, a "high-level" Soviet official was executed. No time or place was mentioned in the CBS report.

CBS said that the executed official had provided information to U.S. intelligence and that several other persons providing the United States with Soviet intelligence in-



EDWARD LEE HOWARD

... believed to have fled the country

formation have not been heard from.

Neither the CIA nor Sen. David F. Durenberger (R-Minn.), chairman of the Senate Select Commit-

See HOWARD, A14, Col. 1

FBI Affidavit Details Actions Of Spy Suspect

HOWARD, From A1

tee on Intelligence, would comment on the CBS report.

The Albuquerque affidavit said Howard met with two current CIA employes on Sept. 24, 1984, also in Austria, and told them that he had considered providing information to the Soviets after the CIA fired him.

Howard told the CIA officials that, in October 1983, he "spent hours in the vicinity of the Soviet Embassy [in Washington] trying to decide whether to enter the embassy and disclose classified information." He told the two that he decided against entering.

After meeting with the two, Howard met clandestinely with the high-level KGB officials and made his espionage pact, according to the affidavit. Last July, Howard returned to Europe, met again with Soviet intelligence officials and sold additional information, the affidavit said, citing as its authority a confidential informant interviewed by the FBI a week ago Thursday.

The document also said Howard apparently alluded to espionage activity in his resignation letter to his boss at the Legislative Finance Committee of New Mexico's state Legislature when he wrote: "Well, I'm going, and maybe I'll give them what they think I already gave them."

Before Howard fled his home in Santa Fe, he left a note for his wife, Mary, instructing her to "sell the house, Jeep, etc. and move [in] with one of our parents and be happy." He asked his wife to tell their 2-year-old son goodbye, adding, "I think of him and you each day until I die."

The FBI said its affidavit was based largely on "a confidential source with intimate knowledge of Soviet intelligence matters."

A Senate intelligence panel spokesman said it is safe to assume that the confidential source is Vitaly Yurchenko, whom U.S. officials have identified as one of the most senior officers of the Soviet Committee for State Security, commonly referred to as the KGB.

Yurchenko defected to the West in early August and is undergoing debriefing by CIA officials at an undisclosed location near Washington.

6 Oct 85

SPY SUSPECT SEEN AS A HARD WORKER

Colleagues Thought Ex-Agent Was Typical Bureaucrat, Although a Bit Terse

By WAYNE KING

Special to The New York Times

SANTA FE, N.M., Oct. 5 — There were some odd things about Edward L. Howard, a 34-year-old financial forecaster for the State of New Mexico, but to the people he worked with he was the quintessential bureaucrat, a bit laconic, perhaps, but smart, wise in government affairs and hard-working.

"Basically, as far as the guy is concerned, he was real nice, got along with the staff, did a good job, sang happy birthday at occasional office parties along with everybody else," said his former chief, Phil Baca, director of the Legislative Finance Committee for the New Mexico Legislature.

The odd things were that he made occasional telephone calls from a coin phone halfway around the rotunda from his office and he was involved in a drunken shooting scrape a year and a half ago, for which he was put on probation.

He was treated for alcohol abuse, and in Washington, a Congressional source said Mr. Howard was asked to leave the Central Intelligence Agency in 1963 after a polygraph, or lie-detector, test suggested that he had taken drugs and had engaged in petty theft. Mr. Howard had been an employee of the intelligence agency for two years before moving here to work in July 1963.

He Disappeared 2 Weeks Ago

Two weeks ago, after inquiries by agents of the Federal Bureau of Investigation, Mr. Howard quietly walked away from his job. He left his office key in an envelope, a mysterious note of resignation that cited unexplained "personal reasons" for his departure, and a request that any severance pay be given to his wife, Mary, in Santa Fe.

He left her a note, asking her to tell their 2-year-old son, Lee, "I think of him and you each day until I die."

Edward Lee Howard, born Oct. 27, 1951, the son of a retired Air Force master sergeant who called him "a boy to be proud of," is being sought on a Federal warrant charging him with selling intelligence secrets to the Soviet Union.

As the son of a career military man who enlisted, Mr. Howard lived a life on the move. He graduated from an American high school in Branden, England, then returned to the United States almost immediately to enter the University of Texas at Austin, in September 1969. He graduated with honors with a degree in business administration and soon joined the Peace Corps, serving two years in Central America, from August 1972 through August 1974.

He continued to work for the Peace Corps, as a recruiter in Dallas, and in 1976 he married Mary Cedarleaf.

Mrs. Howard, who works part time in a dentist's office in Albuquerque, refuses to talk to reporters.

After his marriage, Mr. Howard went to work for the Agency for International Development in Peru as a loan officer in project development. He continued with the agency until 1979, then attended the American University in Washington and obtained a master's degree in business administration.

Shortly thereafter, in January 1981, he took a job with the Central Intelligence Agency and remained with the agency until June 1983. The Federal Bureau of Investigation has said Mr. Howard had access to "highly classified information concerning United States intelligence matters."

In an affidavit filed in support of the charge of espionage against Mr. Howard, the F.B.I. maintains that he was paid by the Soviet Union to provide classified information "relating to United States intelligence sources and methods."

When Mr. Howard came here, he said he had worked for the State Department but had resigned because the department wanted to post him to Moscow and he did not want to go.

In his job as an economic analyst, he earned \$33,012 a year. He prepared forecasts of the state's economy, and his co-workers said he was very good, not particularly outgoing but hard-working and seemingly dedicated.

After his sudden departure, a member of the state's executive branch said that the state had lost an extremely effective peacemaker between the executive and legislative branches.

Roy Soto, deputy commissioner of the state land office, said he knew Mr. Howard fairly well and was so impressed with Mr. Howard's knowledge of state government that he offered him a job with the land office. Mr. Howard turned him down, saying he wanted to stay with the legislative committee, Mr. Soto said.

Mr. Howard worked often and well with reporters, and one of them recalled him as being candid and occasionally helpful with a news tip. But the same reporter said that he had noticed that Mr. Howard occasionally left his office to make calls at a pay telephone well away from his office, even though he had his own telephone and the use of a telephone credit card.

Also unusual were his arrest and resulting guilty plea to a charge of aggravated battery after an incident on Feb. 26, 1984, when he got into a drunken fight with three men on a Santa Fe street and pulled a gun, which discharged, apparently accidentally, into the roof of the automobile one of the men was driving. Mr. Howard was sentenced to five years on probation with the stipulation that he undergo treatment for alcoholism.

As part of the court proceeding in that case, Mr. Howard presented a number of letters from state and Federal officials attesting to his good character. An official for the Agency for International Development, for example, described him as "a hard-working and effective representative of the U.S."

THE WASHINGTON

CIA Moscow Informant Vanishes

Source Says Disappearance May Be Related to Howard Case

6 Oct 85

By Patrick E. Tyler
Washington Post Staff Writer

A Central Intelligence Agency source in Moscow, described by agency officials as "an asset" who has provided information to the United States in the past, has disappeared during the last month, a source in the intelligence community said yesterday.

The source said the disappearance in Moscow may be related to the breach of highly classified information by a former CIA clandestine service officer, Edward Lee Howard, 33, who fled his home in New Mexico two weeks ago after he was identified as a Soviet spy by a high-ranking KGB defector.

However, the source cautioned, "the [asset's] disappearance is not necessarily linked to Howard. An awful lot of things have happened in the last few months."

Referring to reports that a Soviet official working for the CIA was presumed executed based on revelations by Howard, the source said, "It's a long jump from 'disappearance' to execution. It's not particularly unusual not to hear from someone for a length of time."

The source said that because the CIA "asset" disappeared "in rough proximity" to the identification of Howard as a Soviet agent, intelligence officials assume there may be a connection.

A source familiar with CIA penetration of the Soviet hierarchy said yesterday that Howard could have known the names or identifying characteristics of So-

viet officials who provide information to the CIA. He also would have been familiar with the "trade craft" used to communicate with Soviet officials, the source said, including clandestine "drops" and use of special electronic equipment in Moscow.

The source said historically that the CIA had acquired valuable assets in Moscow, but had never been able to penetrate the ruling Politburo or its staff.

Howard was identified as a Soviet agent by Vitaly Yurchenko, a high-ranking official of the KGB who defected to the West in early August on a visit to Rome. Yurchenko is said to be undergoing debriefing by the CIA at an undisclosed location near Washington.

An FBI affidavit unsealed Friday in Albuquerque said that after Howard was dismissed from the CIA in June 1983, he traveled to Austria 15 months later and met with "senior officials" of the KGB and provided, in exchange for an undisclosed amount of money, classified data about intelligence sources and methods. An intelligence source said the meeting took place in Vienna.

During the same period, Howard met at another location in Austria with two former colleagues who were then employed by the CIA. Howard told the CIA officers that a year earlier, not long after his dismissal, he had contemplated walking into the Soviet Embassy in Washington to disclose U.S. intelligence secrets, but had decided against it.

Howard was reportedly angry over his dismissal, which occurred after he failed a polygraph examination.

KGB paid former CIA agent, FBI says

The (social) faces...
 Howard...
 with...
 him...
 secrets, the FBI says...
 Meanwhile, sources in Wash...
 ton said FBI agents are also...
 watching and investigating a second...
 former U.S. intelligence officer sus...
 pected of spying for the Soviets...
 In Albuquerque, N.M., the FBI...
 charged Howard, 31, an economic...
 analyst, with selling his intelligence...
 secrets to the Soviet Union...
 The sources... federal officials...
 who spoke on condition they not be...
 identified — said that the second...
 suspect, like Howard, was fired...
 from a U.S. intelligence job...
 It also was disclosed on Friday...
 that FBI agents confronted Howard...
 in New Mexico with espionage alle...
 gations against him...
 days before he eluded the FBI and...
 fled. Howard is wanted on charges...
 of supplying information...
 information to a foreign...
 In filing a...
 complaint alleging that...

secrets, the FBI did not say how much money changed hands. Howard was fired by the CIA in 1983 after, a source said, he refused assignment to Moscow and was implicated by a polygraph test in petty theft of money and illegal drug use. He disappeared from his home in Santa Fe, N.M., less than two days after being confronted by FBI agents with the espionage allegations on Sept. 20.

The FBI agent said the bureau was told recently about a former CIA agent who was working for the KGB by "a confidential source with intimate knowledge of Soviet intelligence matters." A source said this was Vitaly Yurchenko, the No. 5 man in the KGB who defected to the West in Rome two months ago.

According to an accompanying affidavit filed by the FBI's Martin R. Schwarz, the Soviet intelligence source told the FBI that "senior officials of the Soviet Committee for State Security, KGB, met in Austria in the fall of 1984 with a former CIA employee. The former CIA employee was paid money in exchange for

classified information relating to U.S. intelligence sources and methods.

The FBI investigation turned up evidence that Howard was in St. Anton, Austria on Sept. 20, 1984, Mr. Schwarz said.

The FBI also charged that Howard traveled to South Padre Island, Texas, in July as part of his violation of espionage statutes. Mr. Schwarz said in that month Howard told another confidential FBI source of his meeting in Europe with the Soviets. Howard told this source that the Soviets had paid for the trip and that he had received cash for information. The source relayed this information to the FBI last month, Mr. Schwarz said.

Mr. Schwarz also quoted from a note Howard left his employer to give to his wife.

"Well, I'm going and maybe I'll give them what they think I already gave them," the note said in part.

Mr. Schwarz also said Howard met with two current CIA employees on Sept. 24, 1984, and told them that in October 1983 he had traveled to

Washington and spent several hours near the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information.

One federal source said the two current CIA employees were friends of Howard's from his CIA days. CIA spokeswoman Kathy Pherson had no comment on the incident, or on why it appeared to have taken a year for the two CIA employees to report this contact.

The FBI's revised complaint against Howard and the affidavit were filed Wednesday but were only released in the federal court on Friday.

In Washington, a source said continued surveillance and checking into the second suspect, who is still in this country, were required to develop enough evidence to obtain an arrest warrant.

Two other U.S. officials said the second suspect had been fired from a U.S. intelligence job, just as Howard was by the CIA in June 1983. In both cases, the firings may have contributed to a decision to offer information to the Soviets.

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LOS ANGELES TIMES
8 October 1985

Firing by CIA Possible Motive in Spy Case

By RONALD J. OSTROW and DOYLE McMANUS, *Times Staff Writers*

WASHINGTON—Spy suspect Edward L. Howard was fired in 1983 by the CIA, and anger over his discharge may have prompted him to provide information to the Soviets, U.S. officials said Thursday.

Those officials refused to give any reasons for the firing of Howard, who is now the object of an intense FBI manhunt, and one source said the records indicated that he was "allowed to resign."

'Motive of Revenge'

But "a motive of revenge or disgruntlement has been known to be involved in other espionage cases," one official noted.

Another source said that it is "not entirely clear whether (Howard) had his final walking papers (from the CIA) when he was first in contact with the Soviets." However, he added that he understood Howard was not working for the Soviets when he was carrying out CIA assignments.

Intelligence sources have emphasized that Howard was not a classic "mole"—a spy who has infiltrated an intelligence agency to obtain information from it.

Those sources said that Howard was discussing a CIA assignment at the U.S. Embassy in Moscow under a State Department cover when he was fired.

Curtis Porter, Howard's former supervisor at the New Mexico Leg-

islative Finance Committee, where he went to work after leaving the CIA, said Howard had told him that he left the department after being assigned as a Foreign Service officer to the embassy in Moscow.

But department spokesman Charles E. Redman said that Howard had never worked for the department or in the U.S. Embassy in Moscow in any capacity. He said Howard had been employed by the Agency for International Development from September, 1976, until March, 1979, when he resigned.

Howard did not work for the CIA when he was with AID, one Administration source said. The FBI has said that Howard worked for the CIA from January, 1981, to June, 1983.

Meanwhile, an FBI source acknowledged that Howard dropped from sight on the night of Sept. 21 while FBI agents had him under surveillance at his home in a suburb of Santa Fe, N. M. But the source emphasized that the agents had no authority to arrest Howard until two days later, when they obtained an arrest warrant.

"It was a loose-perimeter surveillance, not meant to contain someone," the source said. He described Howard as "a trained agent" and said he eluded the FBI agents in the early morning hours of a "moonless night." There was a half moon over Santa Fe that night,

but weather records indicate that it was obscured by stormy weather.

An intelligence source said that the Soviet KGB defector who provided information that helped lead the FBI to Howard has also given information that may implicate a second former CIA operative as a Soviet spy. But the source stressed that the investigation involving the second individual is ongoing and had reached no conclusions yet.

House Hearing on Spies

The defector, Vitaly Yurchenko, left his temporary Soviet diplomatic assignment in Rome in August and now is in the United States. The information he gave was added to other data the FBI had that then led them to Howard, the intelligence source said.

The House Select Committee on Intelligence plans a hearing next week on Yurchenko's disclosures about American spies, Rep. Bill Richardson (D-N. M.) said. He said that Rep. Lee H. Hamilton (D-Ind.), the panel's chairman, had agreed to his request for the hearing.

However, a Senate Intelligence Committee source questioned whether public hearings on the Yurchenko information would produce anything worthwhile, noting that Yurchenko's leads are still being checked.

A12

8 Oct 85

Spy Charge Spurs Questions About Procedures of C.I.A.

By **STEPHEN ENGELBERG**

Special to The New York Times

WASHINGTON, Oct. 7 — Members of the Senate and House intelligence committees say espionage allegations against a former Central Intelligence Agency officer raise serious questions about the agency's procedures for dealing with disgruntled employees.

The legislators say their committees are conducting a detailed examination of the career of Edward L. Howard, a former officer of the agency who, according to Administration officials, was identified by a defector as having sold the Soviet Union highly secret information.

Mr. Howard was forced to resign from the C.I.A. in 1983; the agency was dissatisfied with his answers in a polygraph, or lie detector, examination that was apparently unrelated to espionage charges. Officials have said they suspect it was a desire for revenge that led Mr. Howard, who is believed to have fled the country, to provide secrets to the Soviet Union.

"The C.I.A. has good security procedures but they're not perfect and they're going to have to get better," Senator Patrick J. Leahy, the Vermont Democrat who is the vice chairman of the Senate Select Committee on Intelligence, said in an interview. "They're going to have to figure out what to do with a disgruntled or potentially disgruntled employee who has a lot of knowledge because that's where a lot of breaches have occurred in the past."

C.I.A. Briefs Committees

Representative Dave McCurdy of Oklahoma, the chairman of the Subcommittee on Oversight and Evaluation of the House Intelligence Committee, said: "I think there are a lot of questions yet to be answered. I'm not sure anyone's comfortable with what we've seen so far."

In an interview today, Mr. McCurdy would not discuss the specifics of the Howard case but said that he and some other members of the committee had been briefed by the C.I.A. Members of the Senate committee have had similar briefings by the agency.

According to members of the two committees and their aides, the panels are concerned about a broad range of issues stemming from the agency's handling of Mr. Howard, who was within the C.I.A.'s three-year probation period when he was asked to resign.

Questions Raised With C.I.A.

Among the questions the two committees are raising with the agency are these:

¶ Why was Mr. Howard, a junior official, given access to such sensitive material at an early stage in his career?

¶ Why did the agency choose to dismiss him while the information he had learned in training for a posting to Moscow was still of value?

¶ What steps were taken to keep track of Mr. Howard's movements after he left the C.I.A., both in this country and abroad, where the Federal Bureau of Investigation has charged that he met with Soviet intelligence agents?

¶ Was there sufficient coordination between the C.I.A. and the F.B.I., the other major Federal agency responsible for counterintelligence work?

Administration officials say Mr. Howard was identified as an agent of the Soviet Union by Vitaly Yurchenko, a senior official in the K.G.B., the Soviet intelligence agency. He defected to the West in July. Mr. Yurchenko, the officials have said, is undergoing extensive questioning at an undisclosed location in the United States.

Trip to Austria in '84

Mr. Howard, who is now 33 years old, was employed by the Central Intelligence Agency from January 1981 to June 1983, according to an F.B.I. affidavit filed in Federal District Court in New Mexico. The document charged that he traveled to Austria in 1984 where he made contact with agent of the K.G.B. and was paid money for "classified information relating to U.S. intelligence sources and methods."

Intelligence sources say that the information involved related to American operations in Moscow. They have said Mr. Howard was trained for a post in Russia that would have involved managing agents or other means of intelligence collection.

Intelligence sources say, however, that he was not sent to Moscow and was instead asked to leave the agency after the polygraph test suggested use of illegal drugs and petty theft of Government funds.

Mr. Howard, who had been working for the New Mexico Legislature, disappeared last month after the F.B.I.

ARTICLE APPEARED
ON PAGE A-1B

WASHINGTON POST
9 October 1985

C/K I ✓

Sam Zagoria

The Spy Who Came In From Page 1

Most people read only one paper a day, but there is a gaggle of news groupies who compare newspaper coverage for fun and occasionally are lucky enough to get paid to do it.

Reading the Sept. 27 Post, I was surprised to come across a story headlined, "Soviet Diplomat With KGB Ties Defects to U.S."—surprised that the head was only a single column in small-size type and that the story was only five inches long.

Other Post-watchers were also surprised, because some had seen a Sept. 25 front-page Washington Times article headed, "No. 5 Man for KGB Now Singing to CIA?" and a half-page spread by Ralph De Toledano in its Commentary

Ombudsman

section the same day with the headline "The Missing KGB Link."

The Washington Times coverage, while not igniting fires at The Post, did alert The Los Angeles Times Washington bureau to begin checking. Ronald Ostrow, who covers justice and does investigative reporting, and Doyle McManus, who covers state and national security, started digging. Mr. Ostrow said, "We had some things, then we saw The Washington Times story and the column. . . . It's a very dicey area. We had the usual problems, but we got enough confirmation and additional detail from U.S. sources and we went ahead."

The result was a 15-inch story, which led the Los Angeles Times front page on Sept. 26. The same story appeared on the Los Angeles Times-Washington Post News Service ticker at 8:28 p.m. EDT Sept. 25, but The Post did not use a line of it.

The next day Post national reporter John Goshko patched together its five-inch report, and the editors stuck it way back on page A22. On the same day, The New York Times had a 20-inch report by Stephen Engelberg from Washington beginning on page 1—obviously the paper considered the defection of major importance.

In preparing their report, The Los Angeles Times reporters pulled up on their electronic information retrieval screen some wire service reports originating in Italy in August, which told of rumors circulating about a high-level Soviet defection to the West, but did not have specifics as to name or position. The Los Angeles Times report noted the earlier Washington Times story that identified him as the No. 5 man in the Soviet secret police.

Where were The Post editors on all this?

Their foreign desk "had a couple of vague reports from the Italian press that something had happened in Rome," said Richard Weintraub, deputy foreign editor, but the reports, besides being vague, "were at odds with each other." Assistant Foreign Editor Al Horne was checking sources in Washington and querying correspondents abroad, but immediate results were not forthcoming.

Difficulty in obtaining such information in Washington or abroad is understandable—governments don't put out press releases on spy shifting—but failure to follow up on front-page material in another newspaper or to use information available from a newspaper brother, The Los Angeles Times, suggests an internal problem.

Last week, Robert Kaiser, assistant managing editor for national news, wasn't eager to discuss the matter, but he declared, "On a very sensitive subject we don't put things in the paper that we haven't verified ourselves. We still don't know that he is one of the top five in the KGB. He doesn't show up on any list we have seen."

"It's an extremely murky story, but we're working hard on it now," said Mr. Kaiser, a former Post Moscow correspondent.

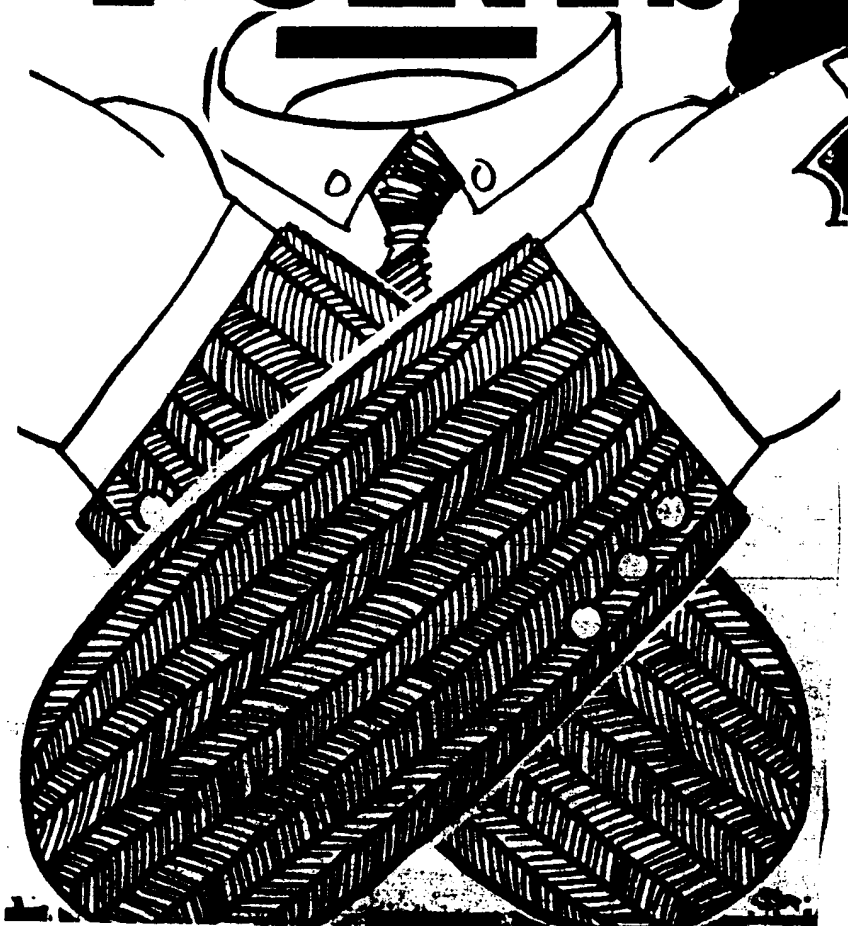
Editors who suspect all news appearing in another publication as ideological may run the risk of overlooking significant news. Editors who splice 15-inch

reports from newspaper partners, such as The Los Angeles Times, bury a chance to recover from such error. Post editors were slow—and late—getting started. A five-inch story two days late is more an admission of that than adequate coverage of a major news development.

This is one time when "The Russians are coming, the Russians are coming" was literally true. An important Russian did come over.

WASH TIMES 9 OCT 82

WHERE VITALY'S FINGER POINTS



RALPH DE TOLEDANO

ALONDON counts of the defection of the KGB's No. 5 man, Vitaly Yurchenko (otherwise transliterated as Dzhyrtchenko), first broken by me and given international attention by *The Washington Times*, have been splashed over England's front pages for several days. But though some London newspapers have added details of Mr. Yurchenko's background and activities, there has been almost no delving into highly important aspects and consequences of the case.

What was Mr. Yurchenko, head of the KGB's Division I and director of all agents and moles outside the Soviet Union, doing in Rome?

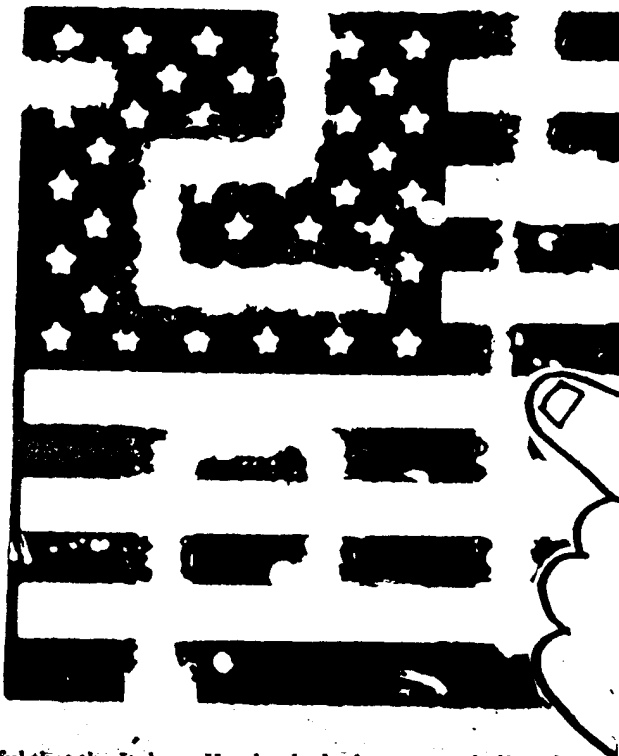
Mr. Yurchenko was sent to Italy to "handle" Professor Vladimir Alexandrov, Soviet delegate to a nuclear conference in Sicily, whose defection was largely ignored by the Western press. The mission of Mr. Yurchenko and the KGB agents accompanying him was to kidnap or "liquidate" Mr. Alexandrov.

Once in Rome, however, Mr. Yurchenko slipped away from his associates and surrendered to Vatican City authorities. He chose the Vatican because he was fearful that the Italians would return him to Moscow. The Vatican-notified Italian Foreign Minister Andreotti, who was kept fully informed of developments, and arranged for turning Mr. Yurchenko over to CIA officials in Rome.

Why did Vitaly defect at this time? To answer this question, it is necessary to go back to the emergence of Mikhail Gorbachev as Soviet dictator after the death of Konstantin Chernenko. Mr. Gorbachev was a

creature of Mr. Chernenko's predecessor and former head of the KGB, Yuri Andropov. Mr. Gorbachev has had close political, if not organizational, ties with the KGB, which was instrumental in making him the new Soviet *vozhd*.

Under Mr. Gorbachev, the KGB again has assumed the vast and murderous powers it had under Lavrenti Beria during the Stalin era. Today it is the dominant force in the Soviet Union — "top dog," as one expert on the Soviet Union puts it. As such, it has launched a series of Stalin-type purges of the Soviet bureaucracy, the military, and its own ranks. Mr.



Yurchenko had reason to believe he was on the purge list and slated for liquidation in a Lubyanka cellar.

For a high-ranking Soviet official to defect is a sensitive and dangerous process, one in which he can be betrayed at any step. Mr. Yurchenko chose Rome because he knew he would be able to find sanctuary at the Vatican, where it would be relatively safe to make an approach to the CIA.

What are the consequences of Mr. Yurchenko's defection?

Mr. Yurchenko carries with him not only an encyclopedic knowledge of the identities of KGB agents and

Ralph de Toledano is a nationally syndicated columnist.

moles in NATO intelligence and counterintelligence services but also up-to-date experience in its operational methods.

[In the U.S., the FBI is continuing its search for former CIA agent Edward L. Howard, who is being sought as a result of information reportedly supplied by Mr. Yurchenko. Howard has been charged with selling secrets to the Soviets. A second ex-intelligence officer also is believed to be under investigation in the wake of Mr. Yurchenko's defection.]

Mr. Yurchenko is far more important than Igor Gouzenko, the Soviet lieutenant in the code room of the Soviet Embassy in Toronto whose

have batted down their hatches in expectation of the storm that Mr. Yurchenko's disclosures will unleash within the British government. Tremors are also being felt at the British foreign office, whose lax security is common knowledge.

There are very quiet hints of a royal commission, on the style of those that followed the defections of Mr. Gouzenko in 1945 and Mr. Petrov in 1954. But the likelihood of such an investigation seems small, since it would embarrass both Conservatives now in office and the British Labor Party.

It is certain, however, that there

are rough days ahead for MI-5 and MI-6 as the nature and extent of KGB infiltration become known to No. 10 Downing Street. Both Britain's intelligence and counterintelligence have tended to take a casual view of the moles in their midst — perhaps because these moles have for the most part worn old school ties. Only after the Philbys, Burgess, McLeans, et al, have taken refuge behind the Iron Curtain has MI-5 and MI-6 indicated any consternation.

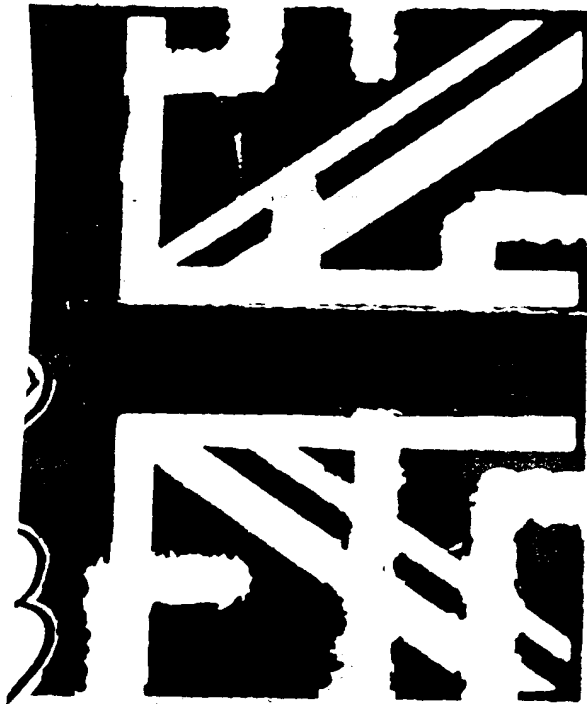
Will Prime Minister Marga-

ret Thatcher act with more vigor than her predecessors? Though she still seems to remain in the thrall of Mr. Gorbachev's smile, she must surely know that energetic action will strengthen her hand against an opposition in Parliament that continues to argue that we must not be beastly to the Russians — whatever their misdeeds.

documented disclosures broke open an atomic espionage ring in the United States, Canada, and England — or Vladimir Petrov, a Soviet diplomat who defected in Australia.

The only comparable defection is that of Gen. Walter G. Krivitsky, head of Soviet intelligence in all of Western Europe just prior to World War II. Mr. Yurchenko can disrupt KGB operations and disclose the full extent of Soviet penetration of U.S., British, French, Italian, and Latin American intelligence services.

In England, these are hard times for MI-5 and MI-6, already suspect because of past KGB infiltration into their ranks. Both these agencies



Probe set by Senate on agent who fled

9 Oct 85

By Bill Gertz
THE WASHINGTON TIME

The Senate Intelligence Committee yesterday launched an investigation into the case of former CIA operative Edward Howard, a suspected Soviet agent who disappeared two weeks ago and is believed to have fled the United States.

"The apparent defection of former CIA employee Edward Howard raises serious questions about management, personnel and security procedures at the Central Intelligence Agency and the FBI," Intelligence Committee chairman Dave Durenberger, Minnesota Republican, and vice chairman Patrick Leahy, Vermont Democrat, said in a statement.

Howard two weeks ago eluded an FBI surveillance net around his house outside Santa Fe, N.M. An arrest warrant was issued by the FBI last Wednesday charging Howard with passing U.S. defense secrets to a foreign power, believed to be the Soviet Union.

Howard reportedly met with officials of the Soviet KGB intelligence service in Vienna last year and is suspected of selling secret CIA operational data to the KGB.

The staff inquiry will examine the agency's decision to hire Howard, his assignment and activities in the CIA, his dismissal and his actions from the time he left the agency in June 1983 until his disappearance in New Mexico Sept. 21, the statement said.

A committee spokesman said the probe was limited to the Howard case and would not examine another reported case of a former CIA employee suspected of spying for the Soviets.

Both Howard and the unidentified former CIA official are believed to have been identified as Soviet agents by former senior KGB official Vitaly Yuchenko, who defected in Rome Aug. 1.

The committee leaders said the investigation was ordered under the authority of the Intelligence Committee's oversight function and would not "prejudge" the case or jeopardize the FBI investigation into the suspected espionage activities of the two former CIA operations officers.

Intelligence sources said Howard, who was convicted of aggravated battery last year following a shooting incident in New Mexico, was fired by the CIA in June 1983 after it was alleged he had used illegal drugs and stolen agency funds.

He reportedly turned to the Soviets with details of CIA operations as a means of taking revenge against the CIA and is believed to have helped the Soviets uncover a Moscow agent who worked for the CIA.

An FBI affidavit said Howard left behind a note in New Mexico that hinted that he planned to turn over CIA secrets to the Soviets during his flight. Officials believe Howard may have fled to Europe or Mexico.

Intelligence Committee spokesman Dave Holiday said the investigation would begin immediately and might lead to hearings.

He said the inquiry grew out of questions about how Howard was hired by the CIA in the first place.

Mr. Holiday also said the committee had completed a staff report on reorganizing the U.S. intelligence community's counterspying capabilities and would hold closed hearings on the subject this month.

APPEARED
ON PAGE 37

TIME
14 October 1985

Nation

Spy Slipup

A suspect vanishes

The strange saga of espionage cross-overs that has kept heads spinning in intelligence communities East and West took yet another turn last week. In this round, Washington was the victim. U.S. officials acknowledged that an ex-CIA officer had been fingered as a Soviet spy by Vitaly Yurchenko, a top-ranking official of the KGB, Moscow's intelligence organization, who defected to the West in July. The accused agent was identified as Edward Lee Howard, 33, who worked for the CIA as recently as June 1983, evidently in the agency's clandestine service. As if that were not damaging enough, officials also disclosed that Howard suddenly vanished two weeks ago, after learning that he was the target of an FBI surveillance operation. The feds, said one U.S. official wearily, "muffed it."

Howard, a former project-development officer for the Agency for International Development, joined the CIA in 1981. Agency officials refuse to discuss his precise duties, but Howard came so close to accepting a Moscow assignment in 1983 that he was given a State Department "cover" as a budget analyst. Howard's training for Moscow included details on U.S. clandestine operations in the Soviet Union.

After Howard failed a routine lie detector test, the posting was canceled, and he was fired by the agency. Howard returned to his native New Mexico and became a bona fide economic analyst for the state legislative finance committee. After Yurchenko began identifying KGB "as-

sets" in the U.S. during a lengthy debriefing, the FBI started a thorough background check on Howard, including interviews with co-workers and neighbors. Howard was last seen at his office on Sept. 21, a Saturday. The next day his supervisor found a letter announcing his resignation for "personal reasons." It is assumed that Howard fled to Mexico, perhaps through Dallas.

How valuable an asset Howard was for the KGB is a matter of some dispute. The CIA insists that he was never a double agent, working for the Soviets at the same time he was an agency employee. In an affidavit filed last week in Albuquerque, the FBI said a confidential source claimed that Howard sold information to the KGB last year in Europe. Senator Dave Durenberger, the Minnesota Republican who chairs the Select Committee on Intelligence, told CBS News that Howard could have caused a security leak "as serious as anything this country has seen in the past." Howard's case, moreover, may be just the beginning. U.S. sources told TIME that as many as five more Americans may be indicted for espionage on the basis of Yurchenko's debriefing, perhaps as early as this week. ■

Taking Revenge on the CIA?

The Central Intelligence Agency expected Soviet spy Vitaly Yurchenko to name names when he defected last month from his high-level intelligence post in Moscow.

That can be a painful process, and the agency was still coping last week with Yurchenko's apparent fingering of an ex-CIA man in a still-ongoing

Edward Lee Howard, a former Peace Corps volunteer and project officer for the Agency for International Development, joined the CIA in 1981. In the summer of 1983, the CIA ordered him to Moscow but then reneged, firing him after a lie-detector test reportedly revealed a drink-



Howard: Missing

ing problem and some petty thefts.

After Howard was fired, he served as a budget analyst for the New Mexico Legislature where he was, say colleagues, a model employee. But he had off-the-job problems, including a guilty plea on assault charges, according to government sources. And despite rumors he was still anguished over whether to offer the Kremlin his knowledge of U.S. intelligence operations in Moscow, even talking about it with some former colleagues still in the CIA. A desire for revenge seemed stronger than any ideological or financial concerns, they

said later, although Howard allegedly was paid after meeting twice with KGB agents in Europe. Just what he may have passed along is not clear, but the case is particularly worrisome because Howard had been well briefed for his aborted Moscow assignment—with access to highly classified information and to the CIA's personnel.

Indeed, officials say that several Soviets worldwide who were intelligence have disappeared since Howard's case. One Soviet source, of course, has been identified as the American spy, and another, including telling the general intelligence community of the new KGB's interest in the reliability of the information on the U.S. side. Although Howard had been firing himself away. Believed to have flown to Moscow last month, he has not been seen since.

NEWSWEEK, OCTOBER 14, 1985

NEWSWEEK/OCTOBER 14, 1985

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TIME, OCTOBER 14, 1983

OFFICIALS SAY C.I.A. DID NOT TELL F.B.I. OF SPY CASE MOVES

Court Papers Assert Suspect Told Colleagues He Might Give Secrets to Soviet

11 Oct 85

The following article is based on reporting by Stephen Engelberg and John Brinkley and was written by Mr. Brinkley.

Special to The New York Times

WASHINGTON, Oct. 10 — The Central Intelligence Agency failed to notify the Federal Bureau of Investigation after it learned more than a year ago that Edward L. Howard was considering becoming a Soviet spy, Government officials said today.

According to court records, Mr. Howard told two agency employees in September 1984 that he was thinking of disclosing classified information to the Soviet Union.

Soviet Defector Was the Key

The bureau has sole responsibility for domestic espionage investigations and, under Federal law, the intelligence agency and all other Government agencies are supposed to report suspected espionage to the F.B.I. It is illegal for the C.I.A. or any other Federal agency to carry out surveillance or other actions within the United States to stop potential spies.

Mr. Howard, 33 years old, a former intelligence agency officer who is now a fugitive, has been charged with espionage, accused of giving Soviet officials details of American intelligence operations to become Federal officials have

Bad Mistake, Senator Says

Federal officials said the C.I.A. told the F.B.I. nothing about Mr. Howard until after the bureau began investigation this fall based on information from a Soviet defector, Vitaly Yurchenko, who had been a senior official of the K.G.B., the Soviet intelligence agency.

The bureau began surveillance of Mr. Howard last month, but he slipped out of his home at night and is believed

Continued on Page B3, Column 4

FRIDAY, OCTOBER 11, 1985

C.I.A. Moves in Spy Case Criticized

Continued From Page 1

to have fled the country.

Senator Patrick J. Leahy, the Vermont Democrat who is vice chairman of the Select Committee on Intelligence, said today: "If the C.I.A. did not give the F.B.I. adequate information about this person, that's a bad mistake. It shows very, very serious problems within the C.I.A."

In the last few weeks the C.I.A. transferred the chief of its office of security, William Kotopish, to a new job at a level of equivalent seniority, but an official said the move had been planned "for some time" and was not related to the Howard case.

Mr. Howard worked for the agency from 1981 to 1983. He was told of classified American intelligence operations in Moscow because the agency was planning to assign him there, officials have said.

According to a criminal complaint on file in Federal District Court in Albuquerque, N.M., Mr. Howard told two current employees of the intelligence agency a year ago last month that he had "spent hours in the vicinity of the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information."

An F.B.I. affidavit says the conversation was held Sept. 24, 1984. Four days before that, the Government contends, Mr. Howard gave his information to Soviet officials in St. Anton, Austria.

George Lauder, a C.I.A. spokesman, said today that as a result of that conversation "action was taken" within the agency "and it seemed to be reasonable action at the time." He would not say what the action was, although an official said the agency kept in contact with Mr. Howard after his conversation with the two C.I.A. operatives. Mr. Howard lived in New Mexico at the time.

'A Few Blatant Cases'

The Senate and House intelligence committees are investigating the handling of the Howard case. A key issue in the study, committee members said, will be how the C.I.A. and other agencies deal with employees who leave Government service with detailed, classified knowledge about sensitive programs.

Another element of the investigations will be several recent espionage cases in which Government officials failed to heed warning signs that a cur-

rent or former employee was planning to spy or was spying, committee members said.

"We've had a few blatant cases where we just didn't follow through, even with alarm bells going off," said Representative Dave McCurdy, Democrat of Oklahoma, chairman of the House committee's Subcommittee on Oversight and Evaluation.

In the Howard case, a senior F.B.I. official said Mr. Howard's conversation with the two C.I.A. officers would have been sufficient to warrant an investigation.

"Anytime we get information that someone has considered such an act, we would take some action," said Philip A. Parker, deputy assistant director of the bureau's intelligence division.

An intelligence official said the C.I.A.'s decision to handle the matter internally rather than report it to the F.B.I. was "a judgment call," adding, "If you reported every fantasy that people have, you'd have everyone under surveillance."

Law Bars C.I.A. Moves in U.S.

The C.I.A. would not say whether it undertook any form of inquiry after Mr. Howard told the two C.I.A. employees he had considered becoming a Soviet spy. But Federal law and a Presidential executive order prohibit the agency from taking any steps inside the United States to investigate possible cases of espionage.

Mr. Howard was one of tens of thousands of people who retire from Government or industry each year after holding positions that gave them access to classified materials. More than 4.3 million people in government and industry associated with government now have clearances to use classified information.

Asked what procedures the Central Intelligence Agency uses to monitor former employees who have knowledge of classified programs, Mr. Lauder, the agency spokesman, said: "We haven't got any procedures. Once a person leaves here, he is John Q. Citizen, just like you and me. We don't keep a string on them. It's strictly an F.B.I. matter."

Dave Durenberger, the Minnesota Republican who is chairman of the Senate Intelligence Committee, said his panel would also examine the problem presented by military officers who retire with knowledge of classified materials.

Most people with security clearances work for the Pentagon. At the Defense Department, L. Britt Snider, director of counterintelligence and security

policy, said: "We don't have any jurisdiction of any kind over former employees, whether or not they had clearances. It's strictly the F.B.I."

At the F.B.I., Mr. Parker said, "We are not concerned about Americans who have had clearances. We don't look at these people unless we detect an individual involved in espionage."

Ex-Intelligence Chief's Moves

Senator Leahy said: "I don't think anyone expects the F.B.I. to maintain surveillance on the several hundred thousand people who leave the Government each year with security clearances. But there are a certain number of people in extremely sensitive positions, a handful of them, that we ought to do more with."

Mr. Leahy said Mr. Howard "certainly would have been one of those" because he held highly sensitive information and was being dismissed following a polygraph examination that indicated drug use and petty thievery, according to Federal officials.

When Adm. Stansfield M. Turner was Director of Central Intelligence in the Carter Administration, he dismissed, transferred or forced to retire nearly 200 C.I.A. officers who held highly sensitive positions.

In an interview this week, he said that others in the agency had warned him that "we ran the risk of some of them selling their information to the other side." He said he had disagreed when it was suggested that some should be given other jobs, and proceeded with his original plans.

But he said of Mr. Howard: "I don't think my rule should be totally rigid. If this guy had just been briefed, I'd say let's stick him in the Dominican Republic or someplace like that for a couple of years, until the information isn't valuable anymore."

Senator Leahy said: "We may need some sort of turkey farm for some of these former employees. Make them translate cables something like that for a couple of years."

Admiral Turner said he thought C.I.A. officers ought to be required to agree when they are hired that "for three years or so after they leave, they will be subject to the same rules of intrusion as applied when they were in government. Make them come back for random polygraph examinations. That would give them one more thing to worry about before they turn."

A C.I.A. official said "it's conceivable" that that idea would work, adding that finding solutions to the problem "is certainly something we're thinking about now."

U.S. Discloses Defection of Senior KGB Officer

12 02 85
United Press International

The State Department confirmed yesterday that Vitaly Yurchenko, a senior Soviet KGB officer, has defected to the United States.

The department said Yurchenko, who arrived in the United States in August, had requested his presence kept secret until now.

The State Department said Yurchenko was deputy chief in the

North American department of the KGB's first directorate, the department of foreign intelligence.

Yurchenko was responsible for the direction of KGB intelligence operations in the United States and Canada, the State Department said.

The department also said Yurchenko had previously been working with counterintelligence and had been posted to the Soviet embassy in Washington as a diplomat.

U.S. NEWS & WORLD REPORT
14 October 1985

"Mole Hunt" on the Potomac

Charges that a former officer of the Central Intelligence Agency sold secrets to Moscow raised a chilling question long nurtured by thriller writers: Could a "mole" burrow into the heart of the nation's spy agency?

In a year that has seen both the Navy and the FBI nab accused spies working from within, the case of fugitive Edward Howard provoked immediate concern that America's chief espionage organization had been penetrated.

Yet intelligence officials insisted Howard should not be described as a mole or double agent. His alleged work for the Soviets came after his 2½ year CIA stint ended in 1983.

He is suspected, however, by U.S. intelligence of telling the KGB how American agents operate in Moscow, perhaps dooming at least one Russian contact of the CIA who has disappeared. "It's as serious as any damage we've sustained in the recent past," said Senator David Durenberger (R-Minn.), chairman of the Senate Intelligence Committee.

The 33-year-old Howard was fingered as a Soviet spy by Vitaly Yurchenko, a high KGB official who defected to the West in August. Yurchenko also named an ex-employee of the supersecret National Security Agency, which eavesdrops on communications around the world.

Howard slipped away from his Santa Fe, N.M., home on a moonless night in late September—while FBI agents stood watch outside—and caught a plane for Texas. He left behind his wife, a 2-year-old son and a job with the state legislature. When the charges were filed, the FBI was searching for him worldwide.

He was fired by the CIA for flunking a lie-detector test. Among the exam's 17 questions: "Have you copied classified documents? Have you used illegal narcotics? Have you had any homosexual experience?" CIA officials refused to identify the question that tripped up How-

ard. But one intelligence expert described his case this way: "It is proof that the system does work. He was weeded out."

"What is virtually impossible," the expert said, "is for a real mole to survive in the agency long enough to rise to where he can do serious damage. The polygraph sees to that."

CIA employees undergo lie-detector tests when recruited, again near the end of their three-year probation, and every five years thereafter. Any "false" answer results in dismissal—and can trigger a fullscale investigation if espionage is even hinted at.

Howard lost his job over some lesser fault, then went away mad—and well-versed in the agent-handling and data-collec-

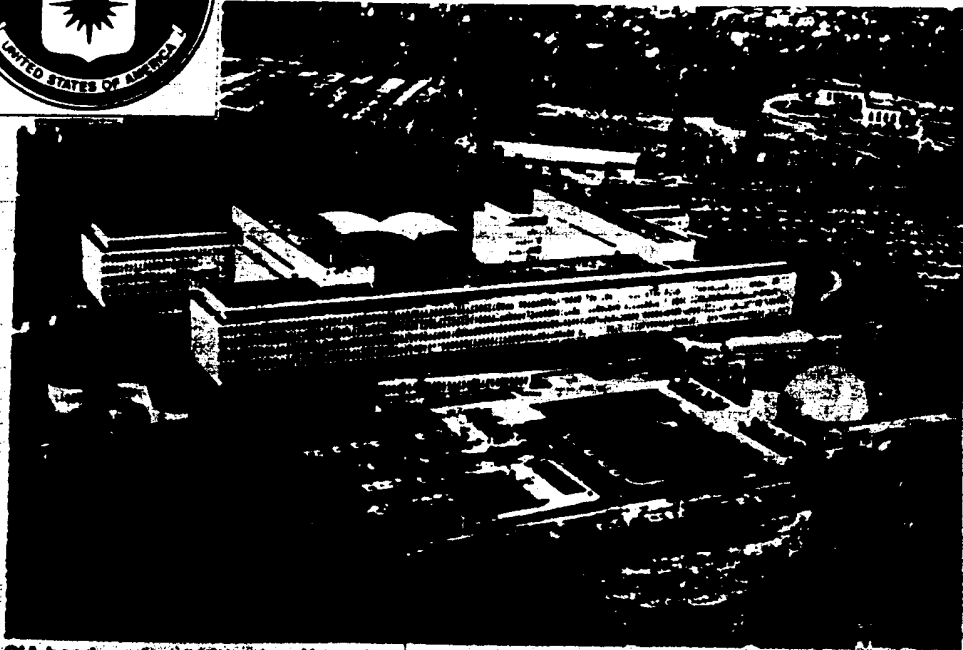
tion techniques used by the CIA inside the Soviet Union. He was being briefed for a transfer to Moscow when fired.

In New Mexico, Howard displayed no ideological ties to the Soviet Union, said friends, who characterized his political views as conservative.

In its criminal complaint, the FBI said that Howard flew to Austria a year ago for a rendezvous with the Soviets.



Ex-Agent Howard.



CIA headquarters at Langley: How closely are the watchdogs watched?

Accused Spies— The Score Rises

U.S. courts are grappling with a record number of espionage cases this year—so far 10 persons have been convicted and nine are on trial, await trial or are fugitives.

The most spectacular case involves John Walker, a former naval officer accused of passing secrets to the Soviets from the 1960s on. Charged with him: His son Michael, a friend, Jerry Whitworth and John's brother Arthur, who has since been convicted.

Richard Miller, the first FBI agent ever accused of espionage, is on trial in Los Angeles. Two accused accomplices, both Russian émigrés, pleaded guilty.

Sharon Scranage, a former CIA clerk, last month pleaded guilty to giving names of agents to her Ghanaian boyfriend.

Howard's case may fuel a push in Congress to reestablish specialists in the agency trained to sniff out disloyalty. In 1975, when the CIA was under attack in Congress, then CIA Director William Colby disbanded such a team. Bringing it back now would please some old CIA hands, distress others. Warned one of them: "The paralysis resulting from a full-blown 'mole hunt' could do more damage than any mole possibly could." □

Soviet defector led KGB in U.S.

By Bill Gertz
THE WASHINGTON TIMES 14 Oct 85

Senior Soviet KGB defector Vitaly Yurchenko has been identified as Moscow's top North American spy operations expert, according to the U.S. State Department.

After weeks of official silence, the State Department said that Mr. Yurchenko has been in the United States

Experts say KGB still "linchpin" of communist rule. Page 4A.

"for some time" after defecting in Rome.

"Prior to his voluntary arrival in the United States in August 1985, Mr. Yurchenko served as deputy chief in the North American Department of the KGB's First Chief Directorate," the statement said. "The First Chief Directorate handles KGB intelligence operations worldwide."

see KGB, page 8A

KGB

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Mr. Yurchenko "had previously asked that his presence here not be publicized," the statement said, explaining why official comment had been withheld prior to last week.

"Mr. Yurchenko was specifically responsible for KGB intelligence operations in the United States and Canada," the statement said.

During what was described as a "lengthy career" in the KGB, Mr. Yurchenko held "various key positions" in the KGB, including the most sensitive post of global counterintelligence — directing all penetrations of foreign governments and policing the KGB and GRU, the military spy service. He also ran KGB operations out of the Soviet embassy in Washington between 1975 and 1980, the State Department said.

As deputy chief in the North American department, Mr. Yurchenko would have directed several categories of KGB operations in the United States and Canada.

These activities, according to one intelligence expert who declined to be identified, would have included political, military and technological espionage, such as handling Americans and foreign nationals spying for Moscow; "active measures," — various covert action and "disinformation" programs, and a network of "illegal" agents operating independently of Soviet and East bloc diplomatic representatives.

The statement provided no dates for Mr. Yurchenko's duties before or after his 1980 posting in Washington. But he is believed to have directed KGB counterintelligence operations after leaving the Soviet embassy in Washington and prior to his promotion to chief of the North American department, a post he held until Aug. 1.

The State Department identified Mr. Yurchenko's counterspy role as "chief of Department 5 of Directorate K [worldwide counterintelligence] of the First Chief Directorate," a position that would have provided him with access to some aspects of virtually every operation of the KGB, GRU and East

bloc foreign intelligence services throughout the world.

Soviet security services conduct very active counterspy programs that require officers to monitor, to some degree, all Soviet and East bloc agents and the information they provide to the KGB and GRU, the intelligence expert said.

Intelligence sources close to Mr. Yurchenko's debriefing said the KGB officer has been providing U.S. authorities with a windfall of intelligence data about KGB operations and operational methods since August. His debriefing by Justice Department and CIA officials began then at an undisclosed location in the United States and is expected to continue for several years, these sources said.

So far, Mr. Yurchenko has uncovered two Americans — both former CIA operations officers — who are suspected of spying for the Soviet Union after leaving the agency. One of the former CIA operatives, Edward Lee Howard, eluded FBI surveillance agents late last month in New Mexico. He is being sought on espionage charges and is believed to have fled the country.

THE WALL STREET JOURNAL THURSDAY, OCTOBER 17, 1985

KGB Defector Confirms

U.S. Intelligence Fiasco

By WILLIAM KUCEWICZ

The KGB took the unusual step last month of issuing what can only be called a press release. In a statement distributed by the official TASS news agency, the Soviet intelligence agency accused a Soviet citizen of spying for the U.S. and also announced the expulsion of a U.S. Embassy official.

The KGB named the suspected spy as A.G. Tolkachev. He was identified merely as a staff member of a "Moscow research institute." No other details about his background were provided. His arrest apparently took place sometime in early June. The announcement maintained that Mr. Tolkachev had been caught passing information to an American diplomat, Paul M. Stombaugh, of the U.S. Embassy's political section. Mr. Stombaugh was ordered to leave the Soviet Union June 14. The KGB statement gave no explanation for the three-month delay in announcing Mr. Tolkachev's arrest and Mr. Stombaugh's expulsion.

Western news correspondents in Moscow interpreted the belated announcement as one-upmanship by Soviet authorities. A week earlier Britain had expelled 31 Soviets for spying and the Soviet Union responded in kind by ousting an equal number of Britons in Moscow. This exchange had been triggered by the defection of a Soviet spy in London, who had apparently worked as a double agent for the British for years. The Tolkachev announcement was seen as just another spy maneuver.

Valuable Human Asset

That wasn't the real story, however. According to high-level U.S. intelligence sources, Mr. Tolkachev was one of the Central Intelligence Agency's most valuable human assets in the Soviet Union. And his exposure and arrest stand as indictments of gross mismanagement and ineptitude reaching to the highest levels of U.S. counterintelligence operations.

Mr. Tolkachev was an electronics expert at the Military Aviation Institute in Moscow. In several years, he had passed information to the U.S. about the Soviet Union's latest research efforts in electronic technology—especially avionics, electronic guidance and countermeasures, advanced radar, and so-called radar avoidance techniques. He was at the cutting edge of military technology breakthroughs, both for the U.S. and the U.S.S.R. Mr. Tolkachev, one source says, may have also tipped the U.S. to the large phased-array radar at Stepanovsk—a treaty-violating facility in the northwestern part of the country aimed at providing a nationwide anti-ballistic

missile defense. "He was one of our most lucrative agents," said another well-placed source.

"He saved us billions of dollars in development costs" by telling the U.S. about the direction of Soviet aviation efforts. In that way, American researchers could more precisely target their own work toward countering future Russian military threats.

U.S. intelligence experts believe that Mr. Tolkachev is fated for execution, if he is not already dead. But how was he discovered? And why did the KGB wait three months before announcing his arrest?

Mr. Tolkachev wasn't merely caught in the act of passing secrets to the U.S. Embassy's Mr. Stombaugh, as the KGB claims. In fact, as U.S. intelligence sources

was hired. In April 1982, Mr. McMahon was named by President Reagan to replace Adm. Bobby R. Inman as deputy intelligence director.

In spring 1983, Mr. Howard was told to resign or he'd be fired. Mr. McMahon took this step despite Mr. Howard's privileged knowledge of U.S. intelligence operations in Moscow, and what his continued drug use said about his emotional stability. (Later, in February 1984, Mr. Howard was arrested for brandishing a pistol at three men in downtown Santa Fe, N.M.; in a plea bargain, he pleaded guilty to an assault charge and was sentenced to probation.) Instead of firing him, intelligence ex-

Edward Howard, an untried and untested trainee suspected earlier of drug use, was, inexcusably, told about critical U.S. human intelligence operations in Moscow.

tell it, he was betrayed by a former CIA agent, Edward L. Howard. And the KGB's peculiar September announcement was apparently a ruse to try to put U.S. counterintelligence officers off the scent of this turncoat.

Mr. Howard, who is now 33, joined the CIA in January 1981. An initial polygraph test indicated that he was an occasional drug user. Agency officials told him to end his drug-taking or face dismissal. He then promised to give up drugs.

Shortly thereafter, he entered an intensive, 2½-year training program to become a "deep cover" case officer in the U.S. Embassy in Moscow. One of his assignments would be to "run" Mr. Tolkachev; in other words, he was to collect Mr. Tolkachev's materials at "dead drop" sites in Moscow and to care for his needs. In the course of his training, this untried and untested trainee was, inexcusably, told about critical U.S. human intelligence operations in Moscow; he was even informed about anti-Soviet operations in the U.S. Mr. Howard was also trained for several months by the Federal Bureau of Investigation in surveillance techniques and evasion.

Before being dispatched to Moscow, Mr. Howard was given another polygraph test, which suggested that his drug use had continued and also indicated at least one instance of petty theft outside the government. According to sources who have long been critical of shortcomings in U.S. counterintelligence capability, Deputy Director of Central Intelligence John N. McMahon at this point decided he wanted Mr. Howard out of the agency. Mr. McMahon, a career intelligence officer for more than 30 years, had been the CIA's executive director, responsible for the day-to-day management of the agency, when Mr. Howard

perts suggest, a more sensible course might have been to cancel Mr. Howard's transfer to Moscow but retain him in a nonsensitive area of the agency where his actions could be closely monitored.

(Mr. McMahon didn't return a phone call yesterday requesting comment.)

In September 1984, Mr. Howard told two of his former colleagues at the CIA that he was thinking of passing his information to the Soviets as an act of revenge, according to documents filed in a Justice Department criminal complaint against him. These agents then told the proper CIA authorities about Mr. Howard's threat. But the agency's only response was to get a psychiatrist for Mr. Howard in New Mexico, where the CIA had helped him find a job as an economic analyst with the state government back in June 1983.

Meanwhile, a momentous event was occurring a continent away that would darken further the profile of Edward Howard. On July 28 of this year, in Rome, a visiting Soviet official was taking a stroll with some colleagues. He told them that he would meet them back at the embassy after he toured the Vatican museum. His Soviet compatriots never saw him again, and a month later he was in the U.S. being debriefed by the CIA. The Soviet official is Vitaly Yurchenko of the KGB. By many accounts, he is one of the most important Soviet defectors in recent history.

The State Department officially announced Mr. Yurchenko's defection last week. He was deputy chief of the North American department of the KGB's First Chief Directorate, which is in charge of the Soviet Union's world-wide spy operations. He was "specifically responsible for the direction of KGB intelligence operations in the U.S. and Canada," the State Depart-

held a senior position in the KGB's counterintelligence program which aims to root out any Russian mole working for the U.S. or other foreign governments. Previously, Mr. Yurchenko served as a spy in the Soviet Embassy in Washington from 1975 to 1980. As a result of these positions, Mr. Yurchenko was able to gain a broad understanding of the highly compartmentalized operations of the KGB.

Mr. Yurchenko gave his debriefers a code name for a former CIA agent who had supplied valuable information to the KGB. While he did not have the real name of the agent, Mr. Yurchenko did provide enough information for U.S. authorities to "sift through" the relevant data and finally pinpoint Mr. Howard as the suspected spy, said law-enforcement sources, who asked not to be identified. According to other sources familiar with the debriefing, Mr. Yurchenko said that this former CIA agent had provided the KGB with details about U.S. human intelligence activities in Moscow, including the identity of A.G. Tolkachev. Mr. Howard's revelations, therefore, prompted Mr. Tolkachev's arrest and likely execution.

Major Foul-Up

FBI agents were instructed to interview Mr. Howard but not to arrest him. Explained a law-enforcement source: "The information provided by the defector, standing alone, was not sufficient to establish probable cause." After he was quizzed, FBI agents kept Mr. Howard under surveillance. In a major foul-up, however, no one ever told the FBI agents that Mr. Howard had been schooled by the bureau itself in surveillance and evasion tactics.

On the moonless night of Sept. 21, Mr. Howard escaped his FBI watchdogs. On Sept. 23, the FBI issued a warrant for his arrest, but it was too late. U.S. intelligence finally succeeded in tracing Mr. Howard's trail to Finland and then to Moscow, where he is now presumably being debriefed on all he knows about U.S. spying operations in the Soviet Union and elsewhere.

"The United States has virtually zero counterintelligence capability," Sen. Malcolm Wallop (R., Wyo.) said recently in criticizing the CIA's and FBI's failures in the Howard case. Some experts are predicting a major shakeup in intelligence management due to the Howard-Tolkachev-Yurchenko affair. What will remain after blame is assessed, of course, is that the U.S. has lost one of its most valuable human assets in the Soviet Union and his alleged betrayer has fled safely to Moscow.

Mr. Kucewicz is a member of the Journal's editorial board.

A10 FRIDAY, OCTOBER 18, 1985

THE WASHI

Soviet Seized as U.S. Spy Said Exposed by Howard

Renegade CIA Officer Still Missing

By Patrick E. Tyler
Washington Post Staff Writer

A well-placed Soviet aviation and electronics expert arrested by Soviet security agents in June for passing secrets to the Central Intelligence Agency was exposed by former CIA officer Edward L. Howard, who eluded capture in New Mexico last month, according to intelligence community sources.

Howard, fired by the CIA in June 1983, allegedly began selling secrets to Soviet intelligence last October. He fled his home outside Santa Fe Sept. 21 while under surveillance by FBI agents and is presumed to be in the Soviet Union, authorities said.

The Soviet expert, A.G. Tolkachev, was first identified as a U.S. spy in reports by the Soviet news agency Tass Sept. 20.

In The Wall Street Journal yesterday, editorial writer William Kucwicz reported, "Tolkachev was one of the CIA's most valuable human assets in the Soviet Union. And

his exposure [by Howard] and arrest stand as indictments of gross mismanagement and ineptitude reaching to the highest levels of U.S. counterintelligence operations."

The CIA had no official comment on the Journal report, but several intelligence community sources indicated that information fed by Howard to Soviet intelligence officials over the last year led to exposure of Tolkachev.

The Soviet was described as a research institute expert in new aircraft technology, including advanced avionics, electronic countermeasures, radar and "stealth" technologies to conceal aircraft and cruise missiles.

"[Tolkachev] saved us billions of dollars in development costs," The Journal quoted a "well-placed source" as saying.

Intelligence officials also confirmed that Howard acknowledged drug use when hired by the agency in 1981, and they said he was fired

after acknowledging in a 1983 polygraph examination that he had failed to stop using drugs.

One CIA official said hiring Howard despite acknowledged drug use should not be considered surprising in a social setting that included easy access to recreational drugs, and the official stressed that Howard pledged to end drug use after joining the agency.

After that pledge, Howard then entered a training program to become a CIA case officer in the U.S. Embassy in Moscow. The Journal said Howard was taught how to supervise Tolkachev as an agent, which would have involved collecting information clandestinely from Tolkachev's work on Soviet aviation projects.

Tass reported that KGB officials who searched Tolkachev's apartment in June found "miniature cameras of a special design by means of which he [Tolkachev] photographed secret documents" along with "codes and ciphers, quick-acting two-way communications radio apparatus and other equipment for espionage work."

At the time of Tolkachev's arrest, the Soviets also expelled Paul M. Stombaugh, a U.S. Embassy political officer, alleging that he was a CIA officer caught in the act of receiving secrets "of a defense nature" from Tolkachev.

U.S. Indicates Ex-C.I.A. Officer Helped Soviet Capture a Russian

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Oct. 17 — An officer of the Central Intelligence Agency, now a fugitive, may have helped the Soviet Union apprehend a Soviet researcher who was providing American intelligence with valuable military information, Administration officials said today.

The officials said they believed that the former C.I.A. officer, Edward L. Howard, helped the Soviet authorities to arrest the researcher, A. G. Tolkachev, on charges of spying for the United States.

An intelligence source here said Mr. Tolkachev had worked on developing electronics systems for military aircraft. These would, the source said, include radar sets and various other electronic "countermeasures" for deceiving radar searches and jamming radio transmissions.

One Administration official said today that Mr. Howard, who fled the country last month, had been traced as far as Finland and was thought to have crossed into the Soviet Union. He is wanted in the United States on charges of giving the Soviet Union American in-

telligence secrets.

Last month, in an announcement that was read on Soviet television and distributed to the state-controlled press, the K.G.B., the Soviet intelligence agency, said it had arrested Mr. Tolkachev and accused him of spying.

The announcement described him as a staff member of one of Moscow's research institutes and said he had been caught trying to pass "secret materials of a defense nature" to Paul M. Stombaugh, an official in the American Embassy in Moscow. The statement said Mr. Stombaugh was an officer of the C.I.A. and was expelled by the agency June 14.

'Persona Non Grata' in Soviet

According to an account that appeared in the Soviet Communist Party newspaper, Pravda, the K.G.B. said Mr. Tolkachev had been found with "miniature cameras of a special design by means of which he photographed secret documents, as well as means of cryptography, codes, ciphers, quick acting two-way communication radio apparatus and other equipment for espionage work."

Mr. Tolkachev's whereabouts have

not been determined. He "disappeared," an intelligence source said.

A spokesman for the Central Intelligence Agency declined to comment. At the State Department, a spokesman confirmed that Mr. Stombaugh, who was a second secretary of the United States Embassy in Moscow, had been declared "persona non grata" by the Soviet Union, but the spokesman would not discuss allegations by the K.G.B.

Mr. Howard was hired by the C.I.A. in 1981, according to court papers filed by the Federal Bureau of Investigation. Officials have said he was trained to be posted to Moscow and given access to sensitive information about American intelligence-gathering in the Soviet capital.

Mr. Howard was forced to resign from the C.I.A. in 1983 after a polygraph, or lie detector test, indicated that he had used drugs and engaged in petty theft.

Officials said today that an earlier polygraph examination, administered when Mr. Howard joined the agency, had found that he had previously tried "recreational" drugs. The officials said such a history of casual drug use

would not preclude employment at the C.I.A., provided the employee was no longer using drugs and did not lie about it.

C.I.A. Defends Actions

Meanwhile, a senior Central Intelligence official defended the agency's handling of the Howard case, while declining to be publicly identified. He said that Mr. Howard's espionage was uncovered when the agency arranged the defection of Vitaly Yurchenko, a high-ranking K.G.B. official. Mr. Yurchenko, officials have said, was responsible for the K.G.B.'s American operations while he was serving in the Soviet Embassy here from 1975 to 1980.

"It was our efforts that found the guy, we got the defector, we busted the case, we fired Howard," the C.I.A. official said. "What were we supposed to do?"

He said Mr. Howard was the only Soviet agent with C.I.A. ties to be identified by Mr. Yurchenko. "So one guy turns out to be a bad apple," the official said. "That the only one I know of that the defector has identified and he was in a position to know if there were others."

Spy suspect tracked to Finland

THE WASHINGTON TIMES

U.S. officials tracked fugitive ex-CIA agent Edward L. Howard, charged with spying for the Soviet Union, to Helsinki, Finland, and presume that he is now in Moscow, sources said yesterday.

Two administration sources, who declined to be identified by name, said that Howard, who disappeared from his New Mexico home Sept. 21, was traced by FBI agents first to Dallas and Austin, Texas, and later to the Finnish capital, from which entry into the Soviet Union would be relatively easy.

Howard, 33, who was fired by the CIA in June 1983, was charged by the FBI on Sept. 23 with selling U.S. intelligence secrets to Soviet KGB officials in Austria a year ago.

Howard was forced to resign from the

agency after a polygraph test suggested that he had used illegal drugs and engaged in petty theft. The resignation occurred shortly after he had turned down an assignment to Moscow with the CIA's clandestine service.

Meanwhile, government sources had reported that the United States had recently lost contact with a Soviet citizen who had for several years provided valuable information about high-technology electronics and aviation research.

On Thursday, the Wall Street Journal identified the missing agent as A.G. Tolkachev. The Journal said Mr. Tolkachev was an electronics expert at a military aviation institute in Moscow and had told the CIA about Soviet research on the electronic guidance of aircraft and on so-called "stealth" technology for avoiding radar detection.

Wash Times
18 Oct 85

CIA spy gave clues of intent to agents

AP Wire Service 21 Oct 85

The CIA mishandled both the hiring and firing of Edward L. Howard, a former employee suspected of selling the Soviet Union top secret information on CIA operations in Moscow, an intelligence official says.

Fugitive and former CIA operative Howard had trained for a Moscow assignment and learned some of the agency's most sensitive secrets before he was fired in June 1983 after failing two lie detector tests, the official said.

The intelligence official, who spoke on the condition he not be identified, called the affair "a security scandal of major proportions." He said the CIA had failed to take steps to put Howard under surveillance even after he told two CIA officers in Austria he had considered getting even for his dismissal by revealing details of the CIA's Moscow operations.

During a 1984 trip to Austria, Howard gave the Soviet intelligence service, the KGB, information that led to the arrest of a CIA agent in the Soviet avionics industry, according to federal officials.

see CIA, page 10A

CIA

From page 1A

Howard met "two current employees of the CIA" four days later and told them he had considered spying for the Soviets in Washington, according to court documents.

An administration official said Howard's meeting with the CIA officers was not reported to the FBI, but CIA officials contend "appropriate action was taken." Under federal privacy laws, the CIA cannot monitor Americans who express "fantasies" about spying, a CIA official said.

"We were obviously very concerned about him at the time [1984]," the official said. "He was not neglected nor ignored." Published reports have said the CIA hired a psychiatrist for Howard after he left the agency to work as a financial analyst in New Mexico.

Howard has since fled the United States and is believed to be in Moscow.

Howard's treachery was disclosed by Soviet defector Vitaly Yurchenko, a senior KGB officer.

Senate Select Committee on Intelligence spokesman Dave Holiday

said the committee is investigating both the CIA's hiring of Howard and charges that the FBI was not alerted to Howard's statement that he had considered espionage against the United States.

Under CIA guidelines, all contacts with Americans suspected of espionage must be reported to the FBI. The FBI maintains a liaison office at the CIA's headquarters in Langley, Va., to handle such cases.

Mr. Holiday said that during initial committee briefings on the Howard case, no mention was made of the CIA's contact with Howard in Austria.

Regarding the CIA's hiring of Howard, "one of the questions that we have wanted to know all along is what was the result of the first [polygraph test]," Mr. Holiday said in an interview. "If he had problems on the second one, did he develop them in that 2½-year period or was it detected in the beginning," he asked?

A CIA official said Howard would not have been hired by the agency if he had failed polygraph testing.

But another administration official said Howard failed one of two polygraph tests when he was hired by the CIA in January 1981.

Although he passed a loyalty test, a test about his personal lifestyle indicated illegal drug use. He was told to "clean up his act" and began training within the CIA's clandestine operations division, the official said. Two and a half years later, Howard again failed a lie detector test, which showed continued drug use and also theft of agency funds, the official said.

Rather than transfer Howard out of clandestine services, the agency summarily dismissed him, he said.

The CIA's handling of the Howard case has focused attention on Deputy CIA Director John N. McMahon, the agency's executive director at the time Howard was hired in January 1983.

According to an intelligence official, Mr. McMahon vetoed an overseas counterspy program, which might have helped agents spot Howard before he contacted the CIA in Austria.

The program also might have detected another suspected spy, John Walker, who allegedly met frequently with KGB officials in Vienna, and might have prevented CIA clerk Sharon Scranage from passing secrets to a Ghanaian intelligence agent, the official said. Scranage pleaded guilty last month

and Mr. Walker is awaiting trial in Baltimore.

In 1978 Mr. McMahon was promoted by former CIA director Stansfield Turner to deputy director for operations — the section that handles clandestine operations — although records show his experience was limited to technical and electronic intelligence collection. Conservative critics have charged that Mr. McMahon's control over CIA policies eclipses that of CIA Director William Casey.

CIA spokesman George Lauder would not say what role Mr. McMahon played in bringing Howard into the agency. But he said John McMahon had absolutely nothing to do with Howard's departure from the agency.

After Howard's disappearance last month in New Mexico, the CIA's chief of security, William Kotopish, was transferred from his post, an administration official said. He described the new CIA security chief as a "manager" with no security background who had been recommended by Mr. McMahon. He declined to reveal his name.

Mr. Lauder confirmed that a new security chief has been appointed but said the selection had been made by Mr. Casey.

Fugitive said paid by KGB

THE ASSOCIATED PRESS *Wash Times*
22 Oct 85

Fugitive ex-CIA agent Edward L. Howard was paid \$6,000 in 1984 by the Soviet KGB for U.S. intelligence secrets, federal officials said yesterday.

The officials, who spoke on condition they not be identified, said that FBI agents had traced the \$6,000 through bank records. The FBI agents determined that the money in Howard's bank accounts probably came from the Soviets, partly because of "the juxtaposition in time" with Howard's alleged meeting with KGB officials in St. Anton, Austria, on Sept. 20, 1984, the officials said.

Howard, 33, who was fired by the CIA in June 1983 after 2½ years with the agency, was charged by the FBI on Sept. 23 of this year with selling U.S. intelligence secrets to Soviet KGB officials in Austria a year ago.

Howard is currently the subject of a Senate investigation into the CIA's handling of the case. He was hired by the CIA in January 1981, failed a lie detector test used to show illegal drug use but was admitted to the CIA's clandestine service branch.

He was dismissed after a second lie detector test revealed continued drug use and theft of agency funds.

U.S. officials were first alerted to Howard's alleged spying by a top-level KGB officer, Vitaly Yurchenko, who was a KGB official in the CIA's Prague office for two months in Rome more than two months ago.

Federal officials said yesterday that Mr. Yurchenko knew Howard by the code name "Robert," but was able to supply enough other information for them to identify "Robert" as Howard.

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