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TRANSCRIPT

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Interview with David Wise and Melvin Goodman

BROADCAST EXCERPT

DIANE REHM: The Central Intelligence Agency recently revealed it had knowingly provided the White House and Pentagon with sensitive information on the Soviet Union from questionable sources. The admission is just the latest in a series of reports that have deeply shaken public and congressional confidence in this country's intelligence-gathering operation.

Joining me in the studio to talk about the latest CIA disclosure and Director John Deutch's efforts to restore agency credibility, Melvin Goodman of the National War College, and David Wise, author of a recent book on the Aldrich Ames' scandal at the CIA. That book is called **Night Mover**.

In this half-hour, we'll take your calls. Join us on 202-885-8850. If you're calling from around the country, use a toll-free number. That's 800-433-8850.

Mr. Goodman, Mr. Wise, thanks so much for joining us.

Mr. Goodman, let me start with you. Talk about the specifics of the latest disclosure, if you would?

MELVIN GOODMAN [National War College]: Well, I think this is the most serious crisis of all that the CIA has had to deal with, because you're talking about the credibility of the CIA and the judgment of the CIA in passing information to the President of the United States that they knew came from controlled Soviet sources; in other words, double agents.

So I think the CIA is going to have a serious problem in reestablishing its credibility with policy-makers and its judgment

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to the American people.

REHM: What kind of information was actually provided?

GOODMAN: This was very serious information dealing with the Soviet Union and the Soviet threat, particularly Soviet weapon systems. In other words, the Soviet Union was trying to convince the United States that they were not as weak as they appeared to be, and the CIA was helping the Soviet Union with this task. This suited Casey's CIA and Bob Gates' CIA, because they were painting a Soviet threat that was much more dire than proved to be the case.

REHM: So over what period of time are we talking about?

GOODMAN: We're talking about a period from 1986 to probably 1991, 1992. So you're talking about Bob Gates and William Webster and Jim Woolsey as Directors of Central Intelligence.

REHM: Mr. Wise, are there actual decisions that one can point to that were made as a result of this kind of information?

DAVID WISE [Author, **Night Mover**]: Well, there's some evidence that more money was put into building a fighter plane, the F-22, than might otherwise have been done. But since these reports, the details of these reports are classified, we, the taxpayers and public, can't really answer that question. I'm not sure that the senators can answer the question.

REHM: Mr. Goodman?

GOODMAN: I guess I would answer it a different way. It created a problem in that George Shultz in 1986 was trying to convince President Ronald Reagan, who was quite reluctant to go alone, that the Soviet Union was a good bargaining partner. And I think CIA sources that came from double agents played into the mentality that maybe the Soviet Union was just as threatening as before and made George Shultz's task much more difficult.

REHM: Mr. Wise?

WISE: Well, I think that's true. But one of the things that needs to be understood here is that this really breaks down into two parts. One is double agents. Double agents: that is not a new term. That's been going on since spying began in biblical times. And the double agent is simply someone who pretends to be working for your side, but is really working for what Dean Rusk used to call "the other side" and is feeding you information, some of which, perhaps as much as 50% of which, can be accurate information. But after they build your confidence and persuade you that they're a true agent for you, then they slip you the mickey,

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the information that's wrong. So that part is not a new concept. In fact, I've reported that when Ames first walked into the Soviet embassy in 1985, the first piece of information that he sold for \$50,000 was the names of two or three double agents, that he considered to be double agents.

The part that's new, and, as Mr. Goodman points out, is disturbing, is that some of these reports were passed on without the proper caveats and the proper warnings that these people were under control.

REHM: How surprised are you, Mr. Goodman, by the admission at all?

GOODMAN: Well, I guess I'm not terribly surprised, because I made the same accusation against Bob Gates in 1991 at the hearings for his confirmation, and he dismissed the charge as "reckless and pernicious" at the time. But actually, in the 1980s, the CIA was passing false information to the President on Iran, which, of course, led to the Iran-contra disaster.

So I'm not terribly surprised by this. The DO does not have -- in other words, the Director of Operations does not have good political judgment. And this is an example of terrible political judgments. But I'm not surprised.

REHM: Mr. Wise?

WISE: Yes. I think some of the details might be of interest, too. There were 35 reports passed on where the reports' officers, or other officers in the Director of Operations -- and that's the spook side, the clandestine side of the CIA -- were aware these reports went to the White House or the Pentagon, or both; were aware that the sources were under control of the KGB. And then in 60 other cases, there was suspicion. At least there was a question. And one of these reports, by the way, went to President Clinton as late as early 1993, just before his inauguration, President-elect Clinton.

REHM: I guess, for me, the question becomes, with this kind of admission from the CIA, does that mean that what they're not publicly admitting to may be even larger, perhaps even more serious than what they have admitted to. Mr. Goodman?

GOODMAN: Well, that's the concern I share, because we've seen along the way that the damage assessment reports and the after-action reports and the post-mortem that we've seen on all of these cases, including the Ames' affair, they have always been much more damaging than we were first led to believe. So I think the problem probably goes a lot deeper and it means we have to look at what the

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CIA was telling Presidents on arms control and bilateral issues, and Bosnia. I think we have to look at all of these policy issues to see what kind of advice and what kind of intelligence the CIA was passing to policy-makers.

REHM: Mr. Wise?

WISE: I think that's true. And in addition, we have to look at the fact that although a report was put out initially on the Ames' case by the CIA, what they call a redacted, or censored, report, a version of what had happened was put out by the Inspector-General. In this case, there were two reports on both the Ames' damage assessment report that takes a close at what happened in the Ames' case, and, secondly, a report by the Inspector-General, Fred Hitts, on this specific problem of the double agents and the passing of false or questionable information to the President. Neither of those reports have been released. There was some talk about a redacted, or censored, or shortened, version being put out, but they haven't been put out. So it's very difficult. I think they should be. I think it's very difficult for those of us who try to report on the subject, and for the public, to make proper judgments. If no version of this is put out, the assumption has to be that it's very embarrassing, or something would be put out.

REHM: And at the same time, you have some members of Congress saying this is just one more reason that perhaps it's time to eliminate the agency altogether. Mr. Goodman, what's your reaction to that?

GOODMAN: Well, I believe we need a Central Intelligence Agency. But we need an independent Central Intelligence Agency with good judgment.

REHM: But what does that mean?

GOODMAN: Well, we need a much smaller CIA than we have now. We need much more rigorous leadership. And I think the Directorate of Operations should be run by a tough-minded ambassador and not a member of the Directorate of Operations or even a former member of the Directorate of Intelligence. We need more outside influence in the CIA.

REHM: But what would that mean in really practical terms?

GOODMAN: Well, in practical terms, it means that some of the questionable practices in the past that the CIA has been responsible for would be challenged by a tough-minded ambassador who has served abroad, who knows what would work overseas and what wouldn't, who knows what kind of intelligence to collect. The CIA

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for too long, particularly under Casey and Gates, has been just trying to collect all kinds of information, whether it was relevant to policy or not. So I think we need more outside influence in the CIA itself. It's much too insular a culture. And that has to change.

REHM: Mr. Wise, do you share Mr. Goodman's view that we do continue to need a CIA despite the kinds of disclosures that are now being made about how well or how ill they've been operating?

WISE: Yes, I think the analogy would be -- I do agree. The analogy would be that we need an Army, Navy and an Air Force, and we need a Pentagon, even though a few years ago the Pentagon was shown to be very corrupt in the awarding of contracts, for example. But we can't do without a military. And I think we can't do without intelligence.

REHM: Is that a fair analogy?

GOODMAN: Yes, it's a reasonable analogy. I don't see how we can do without intelligence that doesn't come from an independent agency. It means you're relying on the Pentagon to justify its weapons systems, and you're relying on the State Department to justify its policies. And there has to be an independent check on that. And only an outside intelligence agency can inform the policy process in that way.

REHM: Melvin Goodman of the National War College and David Wise, author of *Night Mover*, how Aldrich Ames sold the CIA to the KGB for \$4.6 million. We are going to open the phones. I invite you to call us. 202-885-8850, or 800-433-8850.

What internal disciplinary action, Mr. Goodman, do you expect is going to be taken in the aftermath of this latest admission?

GOODMAN: Well, I think thus far Mr. Deutch is trying to rely on the fact that he sent reprimands to several people, most of whom had already retired. I find that insufficient. I think outsiders have to come in and examine this process. I think we should declassify not only the damage assessment reports, as Mr. Wise says, but I think we should declassify the reports that were given to the President that we knew came from double agents. That's the only way the CIA is going to regain its credibility and respect for its judgment.

REHM: Do you think that's likely to happen?

GOODMAN: Not very likely, unless the President gets involved.

REHM: Mr. Wise?

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WISE: Well, it's difficult to know, you know, what to do. The damage here has already been done. But one of the points that I would like to make is that, as I said earlier, if we could get more information, if something could be put out on exactly what happened, then it might make the whole episode a little bit clearer. For example, double agents are an important source of information. About half the information, as I said earlier, often is true. The difficulty is in knowing what is true and what isn't. There's also a danger that because of fear of double agents that people will be turned away. This happened in the case of Adolf Tokelechev, who was a very important -- he was the Soviet stealth researcher who tried three times, I happen to know, to volunteer his services in Moscow to the CIA and was turned away because they said "Oh, this man is probably a provocation, a double agent." And when finally he was able to persuade someone that he needed to be talked to, the information turned out to be very valuable, and he paid with his life, because he was betrayed both by Edward Lee Howard, as far as I can determine, as well as by Ames. And he was then executed in 1986.

But he was very valuable. And at first, he was thought to be a double agent.

So the problem here isn't double agents or the fear of double agents, even. It's the problem of people, of truth in packaging, of honest labeling.

REHM: But isn't it also a problem of leadership? For example, the Inspector-General at CIA says the three past Directors of CIA ought to be held accountable. What's your feeling about this?

WISE: Well, I've thought about that. And the three directors concerned, I suppose, would be Casey, Webster and Gates, primarily. The question is this. Certainly, ultimately, the captain of the ship is responsible, and the President is responsible. You remember President Kennedy after the Bay of Pigs saying "I am responsible," or Janet Reno after Waco. And certainly the leader is responsible. However, I would hold them more responsible for failing to vigorously pursue the cause of the 35 agents who were rolled up, ten of whom were executed as a result of the Ames' case. They knew there was a terrible problem, and there wasn't a vigorous pursuit. I'd hold them more responsible for that than -- and, again, it would be interesting to know the facts. But perhaps more responsible for that than for not knowing that some of these reports were passed on by the Soviet Division Reports Office.

REHM: Mr. Goodman?

GOODMAN: Well, there's no question in my mind that the

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Directors of Central Intelligence are responsible. Bob Gates used to claim he was responsible for everything that happened on his watch at the CIA. But then he claimed he didn't know about the Rick Ames' affair; he didn't know about the double agents; and he didn't know about Iran-contra. And you just can't have it both ways.

So I find the letter Gates, Woolsey and Webster signed to be a rather whiny example of an attempt to detach themselves from responsibility for things that happened on their watch.

REHM: But what does it mean in your mind to hold them responsible?

GOODMAN: Well, what it means in my mind is that the CIA has to stop punishing middle level officials for what goes wrong at the CIA and finally go at the top of the wiring diagram at the CIA in terms of who has responsibility. And I think when middle level officials see that top people will pay for their mistakes, particularly mistakes in judgment, then you'll get more honesty and credibility for the entire organization. Right now it's a very cynical group of people at the CIA, because they know that people responsible, whether it's Dick Kerr or Bob Gates, are never held accountable. And this is another example of that.

REHM: How would you see them paying for their mistakes?

GOODMAN: Well, I think if they were publicly admonished, and really that's all you can do at this time -- I don't know what else you could do -- I think that would send a rather chilling message throughout the building that the people at the highest levels will be responsible for these transgressions.

REHM: Mr. Wise?

WISE: Well, you could do that. But as I say, I think if we're going to admonish them, it would be for not turning the place upside down, beginning in 1985, to find the cause of the losses. The Ames' case led directly to this double agent mess that we're in now. And they simply didn't do that. And I don't buy the idea that they didn't know. They did know about losses. They claim they didn't know the extent of them. But something should have been done back in '85. And the mole hunt didn't get underway until 1986, a full year later, and even then it was done on a very low-key basis.

REHM: So you would agree with Mr. Goodman that some public admonishment needs to be made in order to send a message not just to mid-level CIA officials, but to those at the upper level.

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WISE: Well, of course, the Inspector-General, who I don't always agree with, did suggest that there be reprimands for the former Directors in the case of his investigation into what happened in the Ames' case. And that didn't happen.

I find that it's a little harder to know, without knowing the facts, that these Directors might have known what was happening down in the Soviet Division. That's all I'm saying. I'm making a distinction there.

REHM: All right. Let's open the phones, 800-443-8850, or 202-885-8850. Sylvester in D. C., you're on the air.

SYLVESTER: Well, hello there.

REHM: Hi.

SYLVESTER: I'd like to say to the gentleman, first of all, I used to be a security officer at the National War College. But getting to the main reason I called is that I've run into some CIA agents who are supposed to be retired, a female in particular, a 26 year veteran. And this CIA agent was involved with working with some other people to destabilize my life. They burglarized my apartment, stealing documents, and so on and so forth. They lived in the same building I did. They moved out recently when I reported it. I won't mention any names, because I'm corresponding with the White House about this. And what we should pay attention to, you gentlemen there, is domestic activity by CIA agents, both black and white, especially the black ones, who, some of them, are involved in the black community with all this killing, and so forth.

REHM: Sylvester, thanks for your call.

Mr. Goodman, CIA domestic espionage is supposed to be off the table.

GOODMAN: The CIA has no role in domestic espionage....

CALLER: Hi, Diane.

What I would like to know is why this was done, what was the rationale about feeding all this to the administrations of Reagan and Bush. Excuse me. And I had heard that it was from a guy in the CIA, that it was an open secret that the CIA was taking the fall for mostly the Reagan administration, because they wanted to reflect the Soviet Union as a huge military threat, thus being able to get a lot more dollars for our military-industrial complex.

REHM: Mr. Goodman?

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GOODMAN: Well, I think the question is an excellent one. It goes right to the heart of the matter. Why did they do this?

I strongly feel they did this because the DO, under Bill Casey and Bob Gates, wanted to present a very serious Soviet challenge and Soviet threat. They knew that George Shultz was trying to negotiate with the Soviet Union and was winning the support of the President. And Bill Casey was obsessed with this notion that we could not trust the Soviet Union. And that's why the DO, I believe, continued to send this flawed reporting to the President, without any warning, without any caveat. And I assume that Bob Gates had to know about this and be a part of this.

REHM: Any comment, Mr. Wise?

WISE: I think that's a good guess as to the primary motive. If the information fit in with the policies that they thought the White House wanted to hear, then it would be passed along. The only explanation I've gotten, and I've talked to a few people who have been in the Directorate of Operations at that time, and I said "Hey, why were you guys doing this?," just like the caller is asking. And the only answer I got that made any sense at all, and I take it with a grain of salt and with some caution, is that there might have been some concern that there would be leaks if it became known in the White House or the Pentagon that certain information was coming from double agents and that it might have leaked back to the Soviets, they could conceivably identify those agents.

REHM: Ann in Bethesda, you're on the air.

ANN: Yes, Diane. Hi.

I wanted to make two separate comments. One is it seems to me that the most shocking about the present situation is that not only that the three Directors are not going to be held responsible, but most shocking to me is that they suggested that the present DCI, Deutch, investigate the Inspector-General for having dared to name them. And I'd like your two commentators to comment on that.

And the other thing is that it seems to me that there's an analogy with a much earlier example where a group of outsiders were allowed access to all of the documents and photographs and everything that the CIA had -- and I'm talking about the Team B experience in 1976 -- where these outsiders have the same agenda; that is, to make the Americans spend more on the military, and leaked a very condemnatory report, which accused the CIA of underestimating the threat from the Soviet Union.

REHM: All right, Ann. Thanks.

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GOODMAN: Well, the caller makes two very good comments, and I agree with the first comment wholeheartedly. You know, it's one thing to shoot the messenger. In some ways, maybe it's even more serious to say let's investigate the messenger. And that's what Gates particularly is calling for.

Team B, she's right. It's an example of the politicization of the CIA from the outside.

REHM: And at 28 past the hour, you'll listening to the Diane Rehm Show.

Let's go out to San Antonio. Hi, Grace. You're on the air.

GRACE: Yes. I have a copy of The Wall Street Journal from April 18th, 1984, which I have cherished. The headline says in the lefthand column: "Spy Story. Suits focus on extent of CIA involvement in an alleged fraud. Bankruptcy in Hawaii left widows, retirees broke. Was firm just a front?" And then down in the article, it describes this trial. And it says "A funny thing happened on the way to the courthouse. CIA lawyers suddenly appeared in Honolulu and persuaded U.S. District Judge Martin Pence to seal every scrap of evidence in the case on national security grounds."

REHM: Mr. Wise, do you want to comment on that, considering the fact that the CIA, as we said earlier, by law is prohibited from becoming involved in any case of domestic espionage?

WISE: Well, it was a complicated situation out in Hawaii involving a man named Ronald Rewald, who claimed that he was being used by the CIA. But he also persuaded a lot of people to invest money, and they lost millions of dollars. And one of the people he persuaded to lose money was, in fact, the CIA station chief in Hawaii. We could not in the time available begin to unravel the case in Hawaii. But it certainly is very interesting.

REHM: Mr. Goodman?

GOODMAN: No, that's not a clipping I saved. So I can't comment on it.

REHM: All right.

Secretary Deutch is reportedly now reconsidering his proposal to allow U.S. policy-makers access to details about the agents that provide or gather information for the CIA. What was your reaction to that idea, Mr. Wise?

WISE: Well, it's not clear exactly what he meant. What he

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said was something about letting people more into the cases. And that was interpreted as meaning that might identify sources, which, of course, the Director is prohibited from doing. Sources and methods. And of course, it sent great shockwaves through the spy side of the CIA. And then he was later quoted as saying that no, they wouldn't identify the actual sources of the information.

So it's muddled, like everything about this whole story as to exactly what he meant or what he plans to do, but I would find it impossible to believe that he would actually identify agents to the customers, or consumers, as they're called.

REHM: And of course, Mr. Deutch is asking that the CIA and he be given a fair chance to help the agency clean up its act. Is he likely to get that chance?

GOODMAN: Well, I'm not even sure he deserves that chance. It has nothing to do with Mr. Deutch. I think he's been a tough-minded director of the CIA, much tougher than his immediate predecessors. I think the public has to be in on this process of scrutiny, whether it is open hearings or a blue ribbon committee from the outside that comes into the CIA, or more declassification of reports, as Mr. Wise calls for. So I don't think the CIA can do it alone. We've seen too many examples of flawed judgment and lack of integrity to allow the CIA to go about its business on its own. It must be monitored.

REHM: Do you feel that that monitoring from an outside organization, for example, a congressional committee, or, as Mr. Goodman suggests, a commission sort of drawn up to take a look at CIA's operation, is that likely to happen Mr. Wise?

WISE: Well, there is a presidential commission that was appointed by President Clinton and headed by the late Les Aspin, now headed by Harold Brown, a former Secretary of Defense, that is supposed to be looking at the whole future of the CIA and of other intelligence agencies and reporting next spring. I doubt very much will come from that commission. Commissions historically are appointed by presidents to diffuse the situation and give them some time, buy some time in terms of public reaction.

REHM: So you're saying not much is going to change, that it'll be different mistakes next time, but the same old-same old.

WISE: Well, things will change, you know, but very, very slowly and not always significantly. I've been writing about the CIA for a great number of years, as you know, and until the mid-70s there weren't even any formal congressional committees to look at the CIA. Now we have the committees but they're not always told. They weren't told about Aldrich Ames, for example.

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REHM: David Wise, his book is called **Night Mover**. And Melvin Goodman of the National War College.

Thank you both so much for joining me.