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Swiss will bare secrets on accused U.S. general

By AVRAM GOLDSTEIN
Herald Staff Writer

The top-secret skirmish between U.S. prosecutors and a former Air Force general accused of embezzling about $450,000 in U.S. spy money shifts from Florida to Switzerland this week, where normally secretive Swiss bankers will break their silence.

Participants in the case will be in Geneva Monday to take sworn testimony from bank officials about retired Air Force Maj. Gen. Richard B. Collins' handling of the government accounts.

Geneva also happens to be the headquarters of Lockheed Aircraft International A.G., whose top executives, Collins' attorney says, managed the money with the Air Force beginning in 1965.

Lockheed's involvement is shrouded in mystery because it is classified information, but Collins' trial could change that.

Defense attorney Stephen Bronis, who has ridiculed the case since Collins was arrested in January, called the Switzerland trip a waste of time.

"A few prosecutors want to get a free trip to Switzerland out of this," Bronis said before his departure Friday. "I can't see why the taxpayers of this country should pay for six people to go to Switzerland for a week on a case that's going down the tubes. I think that's an insult."

Collins, 53, who lives in Fort Lauderdale on a $40,000 annual military pension and income from selling Caribbean condominiums, insists the money wasn't embezzled. Allowing him to use the top-secret records in court will help him prove that, he said.

CIA operations?

He said the money was spent legitimately in Southeast Asia and elsewhere on secret CIA operations coordinated by his Air Force office from 1975 to 1978.

If he's proved wrong, he faces a maximum 60-year prison term.

The trial will have an all-star cast of present and former officials of the U.S. military and intelligence services and Lockheed.

Gen. Richard Collins: Accused of embezzling $450,000.

Collins has subpenaed former Secretary of State Alexander Haig, Collins' boss while he managed the money, and the board chairman of Lockheed Aircraft International A.G.

Federal prosecutors refuse to divulge any details for fear of disclosing national security information. On the advice of CIA and Air Force lawyers, they contend that the information isn't relevant to the crime of embezzlement with which Collins is charged.

At their request, U.S. District Judge James C. Paine has sealed classified documents from public view before trial.

The Herald and other news organizations, as well as Collins, objected to the file closing but Paine rejected their arguments.

Paine ruled, however, that the secret evidence is relevant to Collins' defense and may be used later during the trial, set for July 18 in West Palm Beach. Prosecutors have asked the 11th Circuit Court of Appeals in Atlanta for immediate review of that ruling.

If the appeal fails, the Justice Department might drop the case rather than go through a trial that could compromise national security or embarrass the United States.

"At some point after exhausting the appeals," said Gerry Houlihan, chief assistant U.S. attorney in Miami, "we would have to sit down and have everyone say, 'How important is this stuff? Yes, it's top-secret, but is it that important that we can't do something short of dismissing the charges?'

'Open, public trial'

"The Department of Justice favors open trials and we will do our best to assure an open and public trial consistent with the needs of the government," he said.

The Swiss, renowned for their discretion in handling secret bank accounts, are more accustomed to shielding information than sharing it.

But under a 1977 treaty for mutual assistance in criminal matters with the United States, Swiss authorities arranged for the bankers to undergo questioning this week by American attorneys. Judge Paine appointed a retired District of Columbia appellate judge as special U.S. commissioner to oversee the Geneva depositions.

Bronis also has accused the Justice Department of misrepresenting the facts of the case to the Swiss to win cooperation under the treaty.

The treaty does not apply to investigations of military crimes. Collins claims he was carrying out military duties, so the banking records should not have been made available to the United States, Bronis argued.

But Juerg Leutert, legal adviser at the Swiss embassy in Washington, agreed with U.S. prosecutors and said the treaty has been used properly.

"What Gen. Collins allegedly did was not a violation of a military nature," Leutert said. "It was a violation of a common law crime statute that could have been committed by anybody."

Paine has rejected Bronis' argument.

Special Assistant U.S. Attorney Deborah Branscomb, the main law-

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