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CIA, Senate panel deny ties to Col. Fl

Terrell's claims of payment to spy on pro-contra groups are false, spokesmen insist

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WASHINGTON — Spokesmen for the Central Intelligence Agency and the Senate Intelligence Committee yesterday said they doubted the story of Jack Terrell, alias Col. Flaco, who told The Commercial Appeal he received $80,000 from a CIA connection to infiltrate an American group aiding Nicaraguan rebels.

"We do not confirm or deny allegations of agency activity. However, if what he's saying is that we paid him to spy on American citizens, we just don't," said Kathryn Riedel, a spokesman for the CIA.

"We kept close track of what the CIA has done as far as Central America and we continue to do that. This fellow, it's the first time I've heard his name. I'm not sure he sounds like the most credible person in the world," said David Holliday, press spokesman for the Senate Intelliegence Committee.

Terrell said he received the money to infiltrate Civilian Military Assistance, a volunteer paramilitary group based in the Mid-South, and find out whether it was capable of being a strong military organization. But he admitted in the interview that he conned the CMA and the contras about his military background — he had none — and broke with both. Now he opposes U.S. aid to the contras.

Terrell has said he's been interviewed by agents for the Federal Bureau of Investigation who are looking into reports of smuggling of guns, drugs and currency by contra-related groups and possible violations of the Neutrality Act.

He also is known to have talked to aides to Sen. John Kerry (D-Mass.), who is conducting his own investigation into contra abuses. Kerry is described by aides as considering various legislative options on how to bring the investigation before a committee.

Lane Bonner, chief spokesman for the FBI, said he would not comment on the reported investigation by the U.S. attorney for South Florida, or FBI interviews with Terrell.

However, another Justice Department spokesman, who asked not to be identified, said Terrell is "just a big talker" and the department wouldn't place much faith in his accusations.

Sen. Jim Sasser (D-Tenn.), the "point man" for Senate Democrats on contra aid, said the recent allegations of illegal contra activities should be "fully investigated" by the Reagan administration and congressional intelligence committees.

"There is a growing belief in the Congress that the military leadership of the contras must be reorganized and reformed. . . . The recent allegations served to underscore the necessity that these reforms must be undertaken forthwith," Sasser said.

Rep. Michael Barnes (D-Md.) charged yesterday that President Reagan did set in place the controls to ensure that the $27 million in humanitarian aid approved by Congress was not spent on weapons. For instance, the United States "has no way of knowing" what happened to $7.1 million deposited in Miami bank accounts for local purchases in Central America, said Barnes, chairman of the House Foreign Affairs subcommittee on the Western Hemisphere.

Barnes also said the CIA may have violated the law by channeling money to the political arm of the contras. He based his comments on a report by The Associated Press yesterday.

But Holliday said the Senate Intelligence Committee agrees that the CIA also has been complying with legislative mandates against direct aid to the contras.

Rep. Jim Cooper (D-Tenn.) said the allegations of drug smuggling and human rights abuses by the contras came up in a meeting of House moderates with President Reagan on Thursday. Cooper said the President responded by saying that the ruling Sandinistas have been guilty of far worse abuses.

Cooper discounted the possibility that the last-minute stories will have any effect on the vote. He said it may come down to a question whether liberals who oppose any contra aide will vote for a compromise or risk losing to the proposal already adopted by the Senate.

A final vote is not expected until tomorrow, but a test vote may come today on the structure of the debate proposed by the House Rules Committee. President Reagan protests that it favors the anti-contra partisans because the amendment is attached to a catchall spending bill that the White House has threatened to veto because of other provisions.

If the rule is adopted, Democrats would have votes on two amendments before there is a vote on the Senate plan. One by Rep. Lee Hamilton (D-Ind.) provides no military aid and is expected to be defeated. The second, by Rep. Dave McCurdy (D-Okla.), Cooper and about 20 other swing votes, allows a second vote on military aid in 90 days but permits the use of U.S. personnel to train the contras.

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