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CIA spy gave clues of intent to agents

By Bill Gertz
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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.

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 KGB in Austria.

The program also might have detected another suspected Soviet 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.

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