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PLEASE DISTRIBUTE THE FOLLOWING INFORMATION AMONG EMPLOYEES.

THE FOLLOWING REMARKS WERE MADE BY ACTING DIRECTOR OF CENTRAL INTELLIGENCE, ADMIRAL STUDEMAN, ON WEDNESDAY, 5 APRIL 1995, BEFORE THE SSCI ON GUATEMALA.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, IT IS IMPORTANT

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THAT WE SPEAK TO YOU AND THE AMERICAN PEOPLE TODAY ABOUT ISSUES RELATED TO CIA'S INVOLVEMENT IN GUATEMALA. THE ALLEGATIONS MADE ARE SERIOUS AND THE ISSUES ARE COMPLEX. I WOULD LIKE TO BE AS EXPANSIVE AS POSSIBLE, GIVEN THE OPEN AND UNCLASSIFIED NATURE OF THIS HEARING. THERE ARE CLASSIFIED ASPECTS OF THIS WHICH I WILL NOT BE ABLE TO ADDRESS AND, REGRETFULLY, I WILL HAVE TO DEFER THESE ISSUES TO CLOSED SESSION. SIMILARLY, AS YOU KNOW, MOST OF THE ISSUES I WILL ADDRESS ARE UNDER REVIEW BY VARIOUS INSPECTORS GENERAL OR THE JUSTICE DEPARTMENT WORKING WITH THE INTELLIGENCE OVERSIGHT BOARD TASKED BY THE PRESIDENT. FINALLY, NEITHER THE DCI NOR CIA MAKES FOREIGN POLICY; ACCORDINGLY, QUESTIONS RELATED TO POLICY NEED TO BE DEFERRED TO THE STATE DEPARTMENT AND THE NATIONAL SECURITY COUNCIL. NEVERTHELESS, GIVEN THE TREATMENT OF THESE ISSUES AND THE MEDIA COMMENTS, I WILL PROVIDE WHAT I BELIEVE TO BE THE FACTS OR CONCLUSIONS THAT I KNOW AT PRESENT.

EXTREMELY SERIOUS ALLEGATIONS HAVE BEEN MADE REGARDING CIA'S CONDUCT IN THE EVENTS SURROUNDING THE MURDER OF THE U.S. CITIZEN MICHAEL DEVINE IN JUNE 1990, AND THE FATE OF THE GUATEMALAN INSURGENT LEADER EFRAIN BAHACA VELASQUEZ. LET ME STATE EMPHATICALLY THAT THE CIA IS NOT COMPLICIT IN THE MURDER OF MR. DEVINE NOR IN THE APPARENT KILLING OF MR. BAHACA. NOR HAS THE CIA DELIBERATELY WITHHELD INFORMATION. ON THE CONTRARY, CIA INFORMATION PROVIDED IMPORTANT INSIGHTS INTO WHAT TRANSPIRED IN THESE TWO CASES. I HAVE ALREADY MADE AVAILABLE TO THE OVERSIGHT COMMITTEES A COMPREHENSIVE PACKAGE OF INTELLIGENCE MATERIALS RELATED TO THEM.

LET ME REVIEW THE RECORD.

CIA ACQUIRED ITS FIRST SIGNIFICANT PIECE OF INFORMATION ON THE KILLING OF MR. DEVINE IN AUGUST 1990, AND PROMPTLY SENT AN INTELLIGENCE REPORT ON THE MATTER TO THE NATIONAL SECURITY COUNCIL STAFF, THE DEPARTMENTS OF STATE, DEFENSE, AND JUSTICE, AND THE FEDERAL BUREAU OF INVESTIGATION. INDEED, THIS INFORMATION WAS A KEY ELEMENT IN FURTHERING US EFFORTS TO PRESS GUATEMALAN AUTHORITIES TO TAKE DECISIVE STEPS LEADING TO THE ARREST AND CONVICTION OF A NUMBER OF THOSE DIRECTLY INVOLVED.

MORE THAN ONE YEAR LATER, IN OCTOBER 1991, CIA RECEIVED INFORMATION THAT SHED LIGHT ON THE POSSIBLE PRESENCE OF AN ADDITIONAL GUATEMALAN--LT. COLONEL JULIO ROBERTO ALPIREZ--IN THE INTERROGATION OF MR. DEVINE. AGAIN WE PROMPTLY PROVIDED THIS INFORMATION TO THE NATIONAL SECURITY COUNCIL, THE DEPARTMENTS OF STATE, DEFENSE, AND JUSTICE, AND THE FEDERAL BUREAU OF INVESTIGATION AS AN INTELLIGENCE REPORT. WE ALSO PREPARED A FORMAL WRITTEN "CRIME REPORT" CONTAINING EVEN MORE DETAILED INFORMATION. THIS REPORT WAS DELIVERED TO THE DEPARTMENT OF JUSTICE ON 19 NOVEMBER 1991.

IN SUM, ALL THE INTELLIGENCE INFORMATION RELATED TO THE KILLING OF MR. DEVINE WAS REPORTED TO RELEVANT US EXECUTIVE BRANCH AUTHORITIES IN A TIMELY FASHION. IT IS IMPORTANT TO NOTE THAT THERE IS NOTHING IN OUR CURRENT REVIEW OF THE DEVINE CASE THAT CHANGES OUR VIEW OF THE GUATEMALAN JUDICIAL SYSTEM'S VERDICT THAT ARMY CAPTAIN CONTRERAS AND HIS SOLDIERS KILLED MR. DEVINE.

AT THE SAME TIME, I WANT TO ACKNOWLEDGE THAT WE FAILED TO

INFORM THE INTELLIGENCE COMMITTEES IN THE HOUSE AND THE SENATE ABOUT THE SPECIFIC INFORMATION WE ACQUIRED IN OCTOBER 1991. I REGRET THIS FAILURE TO KEEP THE CONGRESSIONAL OVERSIGHT COMMITTEES FULLY INFORMED.

NOW WITH REGARD TO BAMACA:

THE FIRST INFORMATION THAT THE CIA RECEIVED ON THE CAPTURE OF BAMACA CAME IN THE SPRING OF 1992 AND THIS WAS PROVIDED TO THE DEPARTMENTS OF STATE, DEFENSE, AND TREASURY, THE NATIONAL SECURITY COUNCIL, AND THE US SOUTHERN COMMAND. AT THAT TIME, WE RECEIVED NO TASKING TO COLLECT ADDITIONAL INFORMATION CONCERNING THE FATE OF BAMACA, A GUATEMALAN CITIZEN.

WE NONETHELESS CONTINUED TO RECEIVE CONFLICTING INFORMATION SPORADICALLY OVER THE NEXT THREE YEARS. ALL OF THIS INFORMATION WAS ALSO PROVIDED PROMPTLY TO THE APPROPRIATE US OFFICIALS IN THE US EMBASSY IN GUATEMALA AND IN WASHINGTON.

IN OCTOBER 1994, US POLICYMAKERS ASKED US TO REVIEW THE INFORMATION ON THE BAMACA CASE THAT WE HAD UP TO THIS POINT AND TO SEEK ADDITIONAL INFORMATION IN AN EFFORT TO DETERMINE HIS FATE. THIS EFFORT RESULTED IN THE PRODUCTION OF A SERIES OF INTELLIGENCE ASSESSMENTS.

IN LATE JANUARY 1995, CIA RECEIVED NEW REPORTING REGARDING BAMACA'S DEATH. ONCE RECEIVED AT HEADQUARTERS, THIS INFORMATION WAS PROVIDED IMMEDIATELY TO APPROPRIATE US GOVERNMENT AGENCIES. IN ADDITION, BECAUSE OF THE CUMULATIVE EFFECT OF THIS REPORT, CIA UNDERTOOK AN ANALYSIS OF THIS NEW INFORMATION IN LIGHT OF ALL PREVIOUSLY AVAILABLE REPORTING, AND TWO DAYS LATER FORWARDED THIS ASSESSMENT TO APPROPRIATE US GOVERNMENT AGENCIES. IN THE COURSE OF RESEARCHING THIS ASSESSMENT, WE LEARNED ADDITIONAL INFORMATION ABOUT AN APRIL 1994 REPORT. THE SENIOR GUATEMALAN MILITARY OFFICER, CITED IN THE REPORT WHO HAD INTERROGATED BAMACA IN MARCH 1992 WAS INDEED COLONEL ALPIREZ.

THE CIA ALSO WORKED WITH THE NSC AND THE STATE DEPARTMENT TO CLEAR THE INFORMATION FOR A PRESENTATION TO THE GUATEMALAN GOVERNMENT IN EARLY FEBRUARY 1995.

BY 3 FEBRUARY, THE CIA HAD BRIEFED THIS INFORMATION TO THE STAFFS OF THE SENATE AND HOUSE OVERSIGHT COMMITTEES. THERE HAVE BEEN A NUMBER OF OTHER CLASSIFIED BRIEFINGS AND HEARINGS SINCE THEN.

I WOULD STRESS THAT, LIKE SOME OF THE REPORTING IN THE DEVINE CASE, OUR INFORMATION ON THE FATE OF BAMACA HAS BEEN FRAGMENTARY, SOMETIMES CONTRADICTIONARY, AND OF VARYING RELIABILITY. FOR EXAMPLE, LET ME DESCRIBE SOME OF THE CONFLICTING INFORMATION WE HAVE BEEN DEALING WITH REGARDING BAMACA. WE HAVE RECEIVED REPORTING THAT:

HE WAS KILLED ON THE BATTLEFIELD;

HE COMMITTED SUICIDE TO AVOID CAPTURE;

HE WAS SERIOUSLY WOUNDED, CAPTURED, AND DIED SHORTLY AFTERWARDS;

SOME SOURCES BELIEVE HE WAS KILLED WITHIN WEEKS OF HIS CAPTURE; OTHER INFORMATION HAS HIM ALIVE AS OF JULY 1992; AND WE HAVE HEARD ALLEGATIONS THAT HE WAS SIGHTED ALIVE IN THE PRESENCE OF AN ARMY PATROL AS LATE AS 1994.

IF WE FOCUS ON THE MORE CREDIBLE INFORMATION MOST RECENTLY RECEIVED, TOGETHER WITH OUR ANALYSIS OF OTHER DATA, OUR ASSESSMENT IS THAT BAMACA DID NOT DIE ON THE BATTLEFIELD AS ALLEGED BY THE GOVERNMENT OF GUATEMALA; RATHER, WE BELIEVE THAT HE WAS CAPTURED ALIVE. WITH MINOR WOUNDS--AFTER AN ARMED ENCOUNTER WITH GUATEMALAN ARMY TROOPS ON 12 MARCH 1992 AND TAKEN TO SAN MARCOS FOR INTERROGATION.

OUR BEST JUDGMENT, BASED ON THE INFORMATION AVAILABLE, WAS THAT BAMACA WAS KILLED WHILE IN GUATEMALAN ARMY CUSTODY WITHIN SEVERAL WEEKS OF HIS CAPTURE, BUT WE DO NOT KNOW THE SPECIFIC CIRCUMSTANCES OF HIS DEATH. WE HAVE THE NAME OF A GUATEMALAN OFFICER, THE PREVIOUSLY MENTIONED COLONEL ALPIREZ, WHO IS REPORTEDLY KNOWLEDGEABLE ABOUT--AND PERHAPS INVOLVED IN--THE PRESUMED DEATH OF BAMACA. THIS INFORMATION HAS BEEN PASSED BY STATE DEPARTMENT TO THE GUATEMALAN GOVERNMENT FOR ITS INVESTIGATIVE FOLLOW-UP. I REPEAT THAT CIA WAS NOT INVOLVED IN THE DEATH OF BAMACA, OR IN ANY COVERUP RELATED TO THIS CASE.

AS I CONCLUDE THIS ASPECT OF MY STATEMENT, I WOULD LIKE TO AGAIN OBSERVE THAT THE US GOVERNMENT--AND GUATEMALAN AUTHORITIES--WOULD HAVE A FAR LESS COMPLETE PICTURE OF THE FATES OF DEVINE OR BAMACA HAD IT NOT BEEN FOR CIA AND OVERALL INTELLIGENCE COMMUNITY REPORTING.

THE NEXT ACCUSATIONS I WILL ADDRESS ARE THAT CIA FUNDED INTELLIGENCE PROGRAMS IN GUATEMALA IN CONTRAVENTION OF US POLICY OR THAT IT SURREPTITIOUSLY REPLACED US MILITARY AID CUT OFF IN DECEMBER 1990 THROUGH SOME KIND OF DELIBERATE BAIT AND SWITCH EFFORT. THESE ALLEGATIONS ARE ALSO FALSE.

THE PROGRAMS THAT CIA CONDUCTED WERE AUTHORIZED UNDER SEVERAL PRESIDENTIAL FINDINGS. THEY WERE REGULARLY REVIEWED BY SENIOR OFFICIALS IN THE KEY FOREIGN AFFAIRS AND NATIONAL SECURITY AGENCIES OF THE EXECUTIVE BRANCH. THEY WERE ALSO REGULARLY REVIEWED BY THE INTELLIGENCE COMMITTEES IN THE HOUSE AND THE SENATE. ALL FUNDS EXPENDED IN THESE PROGRAMS WERE FULLY AUTHORIZED AND APPROPRIATED BY THE CONGRESSIONAL INTELLIGENCE AND APPROPRIATIONS COMMITTEES.

WHILE I CANNOT GO INTO THE DETAILS OF THESE PROGRAMS IN AN OPEN SESSION, I CAN DENY CATEGORICALLY THE CHARGE THAT WE INCREASED FUNDING DURING THE 1989 . 1995 PERIOD. IN FACT, TOTAL CIA FUNDING OF GUATEMALAN INTELLIGENCE PEAKED AT ABOUT \$3.5 MILLION IN FY 1989 AND FELL CONSISTENTLY TO AROUND \$1 MILLION IN FY 1995. THE PRESIDENT'S RECENT DECISION TO SUSPEND US ASSISTANCE TO THE GUATEMALAN MILITARY WILL REDUCE SUBSTANTIALLY THE FY 1995 FIGURE. THIS STEADY DROP REPRESENTS AN ORDERLY PHASE OUT OF OUR CENTRAL AMERICAN PROGRAM.

THESE DATES ARE IMPORTANT BECAUSE IT IS DURING FY 1991--DECEMBER 1990--THAT CIA IS ALLEGED TO HAVE INCREASED FUNDING TO OFFSET THE LOSS OF US MILITARY AID.

I CANNOT COMMENT AUTHORITATIVELY BEFORE THE WORK OF THE CIA INSPECTOR GENERAL IS COMPLETED. NEVERTHELESS, I BELIEVE WE HAVE MADE SOME MANAGEMENT AND PROCEDURAL MISTAKES IN THESE TWO CASES.

FIRST, AS I HAVE ALREADY NOTED, WE DID NOT BRIEF THE OVERSIGHT COMMITTEES ON IMPORTANT 1991 INFORMATION RELATED TO DEVINE IN THE SAME WAY WE HAD BRIEFED THE DEPARTMENT OF JUSTICE. WE REGRET THAT WE DID NOT DO SO.

SECOND, THE POTENTIAL SIGNIFICANCE OF ONE PIECE OF INFORMATION OBTAINED IN MID-1994 WAS NOT RECOGNIZED UNTIL WE RECEIVED NEW INFORMATION IN JANUARY 1995.

THIRD, THERE IS ONE INSTANCE IN JANUARY 1995 DURING WHICH AN IMPORTANT REPORT WAS DELAYED IN THE FIELD FOR SIX DAYS; WE BELIEVE THIS REFLECTED A MANAGEMENT LAPSE, WHICH CONTRIBUTED TO OUR DECISION TO RECALL OUR CHIEF OF STATION IN GUATEMALA.

CIA MANAGEMENT IS REVIEWING ITS PROCEDURES TO IMPLEMENT CORRECTIVE MEASURES. AT NO TIME, HOWEVER, DID THE CIA DELIBERATELY WITHHOLD OR SUPPRESS INFORMATION ON THESE CASES. THE CHARGE THAT WE DID IS FALSE.

AS YOU KNOW, REVIEWS ARE UNDERWAY IN OTHER US GOVERNMENT AGENCIES REGARDING ALLEGATIONS ASSOCIATED WITH THE BAKACA AND DEVINE CASES. THE INVESTIGATORS WERE ALSO TASKED TO LOOK INTO INFORMATION ON OTHER CASES INVOLVING THE HUMAN RIGHTS OF SEVERAL US CITIZENS.

IN ADDITION, THE PRESIDENT HAS ASSIGNED THE INTELLIGENCE OVERSIGHT BOARD CERTAIN SPECIFIC REVIEW TASKS WORKING WITH THE DEPARTMENTAL AND AGENCY INVESTIGATIVE BODIES. ALL AGENCIES INVOLVED ARE IN THE PROCESS OF SECURING DOCUMENTS RELATING TO THESE INQUIRIES AND ARE COOPERATING FULLY IN THE INVESTIGATIONS.

I HAVE BEEN AS CANDID AS POSSIBLE IN THIS HEARING, ALTHOUGH THERE ARE LIMITS TO WHAT I CAN RESPONSIBLY SAY IN A PUBLIC FORUM. SPECIFICALLY, I CANNOT AND WILL NOT TALK IN UNCLASSIFIED, OPEN SESSION ABOUT INTELLIGENCE SOURCES AND METHODS. I WILL BE HAPPY TO DO SO IN CLASSIFIED SESSIONS.

I TAKE THIS POSITION NOT OUT OF SOME ABSTRACT DEVOTION TO SECRECY BUT BECAUSE IN A VERY REAL SENSE, IT IS ESSENTIAL FOR THE PROTECTION OF THE LIVES OF THE PEOPLE WHO ASSIST THE INTELLIGENCE COMMUNITY AND OUR OWN NATIONAL SECURITY INTERESTS. INDEED, OUR SUCCESS DEPENDS ON OUR ABILITY TO PROTECT THE IDENTITIES AND ACTIVITIES OF THOSE INDIVIDUALS WHO AGREE TO WORK WITH US ON A CLANDESTINE BASIS. IN AGREEING TO DO SO, THEY PUT THEMSELVES AT GREAT PERSONAL RISK. IF WE FAIL TO SATISFY THIS FUNDAMENTAL OBLIGATION TO OUR SOURCES, WE WILL FIND FEW PEOPLE WILLING TO SUPPORT OUR EFFORTS.

TO CONCLUDE, LET ME REFLECT IN A LARGER SENSE ON THE ROLE OF THE INTELLIGENCE COMMUNITY IN A DEMOCRATIC SOCIETY.

AT THE DIRECTION OF US POLICYMAKERS, WE PROVIDE INFORMATION ON SUCH DIFFICULT ISSUES AS CIVIL WARS, TERRORISM, NARCOTICS, WEAPONS PROLIFERATION, ORGANIZED CRIME, AND INSTABILITY RELATED

TO REGIONAL, ETHNIC, TRIBAL, OR RELIGIOUS CONFLICT.

IT IS A CONTINUING DILEMMA THAT IN COLLECTING VITAL INFORMATION ON SUCH TOPICS WE DO NOT NECESSARILY FIND OUR SOURCES AMONG THE PRISTINE, THE HONORABLE, AND THE ELEGANT.

WE DO NOT, HOWEVER, USE THIS OR ANY OTHER RATIONALE FOR OVERLOOKING OR COVERING UP CRIMES.

WE FULLY ACCEPT THE NECESSITY OF BEING HELD TO HIGH STANDARDS OF CONDUCT.

WE ALSO RECOGNIZE THAT THE UNIQUE CHALLENGES WITH WHICH THE INTELLIGENCE PROFESSION MUST GRAPPLE MAKE IT ALL THE MORE IMPORTANT TO ENSURE CONTINUOUS AND PROPER EXECUTIVE AND CONGRESSIONAL OVERSIGHT OF PAST, PRESENT, AND FUTURE INTELLIGENCE AND COVERT ACTION PROGRAMS.

THIS CONCLUDES MY REMARKS.

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