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ITT Aide's Perjury Trial Could Disclose Data on Ties Among Firm, CIA, Chileans

By DAVID IGNATIUS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — A perjury trial that opens here today could prove embarrassing to the Central Intelligence Agency and a high official of the Chilean government.

The trial pits the Justice Department against Robert Berrellez, an executive of International Telephone & Telegraph Corp. Mr. Berrellez was charged last March in a six-count criminal information with lying to a congressional committee and a government agency about ITT's role in the 1970 Chilean election.

The Justice Department hopes to show that Mr. Berrellez perjured himself when he denied that ITT had worked to block the 1970 election of Salvador Allende, as president of Chile. But government officials worry that this prosecution could disclose new details about the tangled relationships between the CIA, ITT and certain prominent Chileans.

Several Sensitive Matters

Court documents available to the public outline several sensitive matters that could be disclosed at the trial, including:

—Contact in late 1972 between Chile's current foreign minister, Hernan Cubillos, and an ITT official to discuss matters relating to coming testimony about ITT's role in 1970 efforts to block Mr. Allende's election. Mr. Berrellez's attorney also has requested information about Mr. Cubillos's contacts with the CIA.

—Extensive discussions between CIA and ITT officials before and after Mr. Berrellez's alleged perjury. One CIA document, for example, expresses relief that Mr. Berrellez "got safely over" a question about his discussions with a Chilean about ITT contributions to a stop-Allende movement. Mr. Berrellez was later charged with perjury for these remarks.

The criminal information charging Mr. Berrellez includes a list of meetings between ITT and CIA officials in which a conspiracy was allegedly arranged to obstruct a 1973 investigation by a Senate subcommittee on multinational corporations of ITT's involvement in Chile.

This conspiracy charge cites a meeting in December 1972 in New York between Harold Hendrix, an ITT executive who was allegedly part of the conspiracy, and Mr. Cubillos. Biographical information on Mr. Cubillos made available by the Chilean embassy here states that he was at that time vice president of El Mercurio S.A.P. Co., a Chilean newspaper chain.

According to a report on the CIA's covert action in Chile published in 1975 by the Sen-

ate Intelligence Committee, the El Mercurio chain was "one institution in Chile which was used in a general anti-Allende effort." The report adds that "both the U.S. government and ITT were funneling money into the hands of individuals associated with the paper" during 1970 and after, apparently to oppose Mr. Allende.

In a subpoena request filed in federal court here earlier this month, Mr. Berrellez's attorney, Patrick Wall, requested from the CIA "all documents which reflect the relationship of one Herman (sic) Cubillos to the agency, including those describing: a) actions by him on behalf of the agency, and b) communications between him and the agency." The government has asked the court to quash that subpoena request, which also sought numerous other CIA documents.

Sealed at Government's Request

Some CIA documents have already been obtained by Mr. Berrellez's attorney, but most of these are sealed under a protective order requested by the government. One CIA document that was available from the court clerks earlier this month outlines a debriefing of an ITT official the day after one instance of Mr. Berrellez's alleged perjury.

The document was prepared by Jonathan G. Hanke, who has been identified by the Justice Department as a CIA official. In this memorandum, dated March 22, 1973, Mr. Hanke recounts his conversation the same day with ITT's Mr. Hendrix, in which Mr. Hendrix reviewed the previous day's testimony before the multinationals subcommittee.

In discussing Mr. Berrellez's testimony, Mr. Hanke notes "Berrellez apparently got safely over the question of his discussion with Arturo Matte reported in 17 September message. . . . This ITT memo recounted Mr. Berrellez's 1970 conversation with Mr. Matte, an anti-Allende Chilean, in which Mr. Berrellez said ITT was "ready to contribute with what was necessary" in the effort to block Mr. Allende's election.

An apparently relieved Mr. Hanke noted that "Berrellez explained away the phrase 'contribute with what was necessary' by saying that in Spanish it has a slightly different meaning and was essentially a courteous expression of concern." In its criminal charge, the Justice Department termed Mr. Berrellez's discussion of Spanish idiom "blatantly false and evasive testimony."

Mr. Hanke's internal CIA memorandum also notes that ITT's Mr. Hendrix had been asked by the subcommittee whether he worked in any way for the CIA. He denied such a relationship three times, Mr. Hanke notes. (Although he was named by the government as a conspirator in the alleged effort to block the Senate subcommittee's investigation, Mr. Hendrix wasn't indicted.)

Worked Closely With CIA

Previous disclosures have made it clear that ITT officials worked very closely with the CIA in efforts to block Mr. Allende's election. But Mr. Hanke's memo is the clearest indication that the CIA knew about alleged perjury by ITT officials immediately after it happened. And along with a long list of contacts between various CIA officials and various ITT officials prior to the 1973 testimony, the Hanke memo raises the question of whether the CIA helped organize the effort to mislead the subcommittee.

The case illustrates what has become an increasingly difficult problem for the Justice Department as it seeks to prosecute illegal activities by corporate executives and others abroad.

In such cases, which often touch on sensitive national-security matters, the defense attorney can threaten to disclose embarrassing information about the government's role in the alleged illegal activity. Such tactics are currently figuring in several foreign-bribery prosecutions, including one involving a former executive of Lockheed Corp.

What's unusual about the Berrellez case is that the government's own criminal charge is the chief source of the potentially embarrassing information. The same problem arose in the companion prosecution of Edward Gerrity, a senior ITT executive who will go to trial for alleged perjury later this year. The Justice Department recently notified Mr. Gerrity's attorney that it planned to drop three counts of that indictment. The three counts dealt with alleged perjury about ITT's 1970 dealings with executives of El Mercurio.

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