

SPECIAL REPORT

The Strange Case of Eerik Heine and the CIA

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In the high-ceilinged main courtroom of the Federal building in Baltimore, Chief Federal Judge Roszel C. Thomsen listened intently as the lawyers before him argued their case.

On the surface it was a routine case: Civil Action No. 15952, a complaint in damages for slander, Eerik Heine, plaintiff, v. Juri Raus, defendant. It seemed to be a petty dispute between two members of the Estonian community.

But at one point, Judge Thomsen leaned forward and said:

"If further information were revealed, it might expose the entire U.S. counter-espionage apparatus."

Clearly Heine v. Raus was something special.

Over the last 17½ months, the file on Civil Action No. 15952 has grown into a documented tale of intrigue as gripping and as puzzling as any spy story.

The plaintiff, Eerik Heine, is a 46-year-old Estonian. He now lives in Rexdale, Ont., a suburb of Toronto, and by his own story of his life is one of the great freedom fighters of all time. On three separate occasions, he said in his suit, Raus accused him of being a Communist and an agent of the K.G.B., the dread Soviet secret police.

Raus, the man accused of slandering Heine, is an admitted agent of the Central Intelligence Agency and, in CIA's own words, "was instructed to disseminate such information . . . so as to protect the integrity of the Agency's foreign intelligence sources."

Raus is 39, lives at 6508 Osborne Rd., Hyattsville, Md., and is an engineer for the Bureau of Public Roads and national commander of an Estonian veterans' organization, Eesti Vabadussõjalaste Liit (the Legion of Estonian Liberation, Inc.)

Heine is asking \$10,000 in compensatory damages and \$100,000 in punitive damages in the suit, filed in the U.S. District Court in Baltimore on Nov. 6, 1964. He is represented by two Washington attorneys, Ernest C. Raskauskas and Robert J. Stanford.

The importance of the case began to emerge when, early in January, 1965, Raus' answer was filed through Hogan & Hartson, a Washington law firm.

His attorneys were Paul R. Connolly, a top trial lawyer, and E. Barrett Prettyman, Jr., former assistant U.S. Attorney General, former White House special assistant and a major figure in negotiations for the release of the Bay of Pigs prisoners.

The statements he had made about Heine, Raus said in his answer, were made in his official capacity as commander of the Estonian Legion and, he added, he "was in possession of responsible information received by him from an official agency of the United States government."

The CIA was not mentioned, however, until a year later.

Raus' charges created a bitter split in the Estonian community in North America, which numbers some 20,000 to 30,000 persons. August Kuklane of 4714 St. Thomas Ave., Baltimore, a contractor and Maryland commander of the Estonian Legion, recalled in a recent interview his reaction when he first heard the charges.

"I have such a feeling as someone hit me on head," he declared.

Kuklane said he put the issue very forcefully to both men. "I pointed my finger at Heine and I told him, 'You know what that means. If you are guilty, it means the rope.' And I told Yuri Raus, 'If this man is innocent, you have done a deadly sin.'"

Legal Dilemma

Members of the Estonian community urged Heine to file suit so that the truth or falsity of the accusations could be learned.

For Judge Thomsen the case has posed a legal problem.

EERIK HEINE



U.S. judge has ever faced. Raus has claimed absolute privilege because, he says, he was acting as an official of the U.S. Government. Further he is bound by a secrecy agreement with the CIA which apparently prevents the court or Heine's lawyers from inquiring into the nature of his duties as a CIA agent.

In a hearing on March 11, Connolly summed up the dilemma faced by Judge Thomsen:

"If indeed the plaintiff is an innocent law-abiding citizen, a dedicated fighter for his homeland, if he is a person who has all his life opposed the Soviet Communist conquest of his homeland and has fought Soviet principles and something has been said of him to damage his reputation, it is indeed a monstrous thing that has happened to him.

"On the other hand, if this man posing as a freedom fighter, posing as an Estonian partisan against Soviet rule in his homeland, if he has in fact been a Soviet agent, then what has happened to him is no more than any American I think would believe was his just desserts.

"The difficulty in approaching such a case is that at the outset we do not know which is true, and if we could try the issue of whether it is true or not, perhaps that particular issue would be satisfied; but the law and the Supreme Court itself has established a clear-cut principle that prevents inquiry . . ."

One-Sided Story

Under strict instructions from the CIA, Raus is prevented from telling his side of the story. In a court hearing last week, his attorney, Prettyman, said he was even more eager

than Heine to have the full truth made public. But at this time only Heine's story is available.

Long before the CIA involvement in the case was made public, Connolly and Prettyman began the preparation of their defense by taking a deposition from Heine. They questioned him on Feb. 27 and March 1, 2, and 3, 1965. The 924-page transcript of the deposition, now on file in the court, gives Erik Heine's detailed story of his life.

According to Heine's story he was captured by the Russians three times, escaped twice, spent some seven years in Russian prisons and once made a daring 5,000 mile trip across the north of Russia while there was a price on his head as a guerrilla fighter.

The line of questioning during the taking of the deposition indicates the attorneys might have a question as to whether the man who calls himself Erik Heine is, in fact, really Erik Heine. One version of the stories circulating about him, he himself said, is that the real Erik Heine died in the forests of Estonia as a freedom fighter and that he has been replaced by a superbly clever Soviet agent.

"They say I am not I," he commented.

Heine's Story

The following account of the life of Erik Heine, then, is based on the deposition and on a lengthy interview with the plaintiff in Rexdale, where he lives in a four-bedroom, \$18,000 bungalow with his wife, who is a registered nurse, and a 70-year-old woman he identifies as his mother:

Erik Heine was born Sept. 15, 1919 in Tartu, Estonia to the wife of the owner of northern Europe's largest piano manufacturing plant.

He first came to public attention in August of 1940 when the Communists, in the process of taking over the country, hung the Red flag from the Tartu city hall.

"When they raised the Red flag on the city hall, I went with a couple of my young friends to try to pull that down, the Red flag and put up our Estonian tri-color," he says in the deposition.

"We struggled there in these corridors and in the tower there. We were pulled down by these Communists and on that day when we struggled there, the three, four youths that we were, thousands of people gathered around when news got out that we were there, thousands of people gathered around that city hall, and they began to sing our national anthem and these Communists were struck with terror and we used that moment to slip out of there, the crypt, and we were free, but not for long."

The NKVD put Heine's parents under house arrest and spread the word that they would be killed if he did not surrender. He gave himself up.

Tale of Torture

When asked about his experiences at the hands of an NKVD major named Marrazian, he replied:

"Methods of torture, the beatings, the worst agony was that they used electricity, especially on the sexual organs.

"And two times I was taken out from my prison and led to a nearby forest where they had a secret execution place, and two times they, you know, made a mock killing or mock shooting. They put me on the edge of that grave, and then, you know, first time only they had rifles on their shoulder, and I waited for when it comes, and nothing comes; the second time they even fire, but not at me, but to subdue me so that I tell about these activities they suspected I was a part of."

While Heine was in the Soviet prison in Tartu, his parents emigrated to Germany — this was during the period of peace between the USSR and Germany established by the Molotov-Ribbentrop Pact — and he and several other prisoners were exchanged for German Communists in April 1941.

When war broke out between Germany and the USSR, Heine was trained as an officer by the Germans, had his blood type tattooed inside his left arm and was assigned to an Estonian unit of the Waffen SS — the crack frontline troops of the German army. After service in the Ukraine, he was sent back to Estonia and became a member of the political police — which, he insists, was sharply distinct from the Gestapo.

In 1944, he returned to the army and fought in the front lines.

Capture and Escape

He was asked during the taking of the deposition how many Russians he had killed.

"You know, sir," he replied, "we were not that kind of people that kept records like the Russians about their killings. I may say, maybe a hundred, maybe 200, who knows."

But the overwhelming firepower of the Soviets proved too much and the front in the southern part of Estonia — near his home town of Tartu — collapsed.

Heine was captured and spent the winter of 1944-45 in a Russian slave labor camp where, he said, the prisoners lived in subhuman conditions and where death from beatings, starvation and murder by criminal prisoners was an everyday occurrence.

At the height of a snowstorm in March of 1945, he said, he crawled through the four barbed wire fences surrounding the prison — across what the prisoners called the "death zone" — and escaped. From there, he walked and rode trains across northern Russia, heading always toward the west, toward Estonia.

To keep from starvation, he said, he stole food — and it was the theft of a loaf of bread that led to his capture outside of Leningrad.

He was transferred with a group of Estonian prisoners to a camp in Estonia, from which he escaped into the forests, where he became a member of a small guerrilla band, he said.

Describes Killing

Under questioning by Raus' attorney, Heine told how he became a member of the guerrilla band.

"You have to know that to get full force you have to kill with your own hands a government officer or soldier and that I did that same year. I killed a district of Viljandi officer. . . .

Q. When did you have this killing when you had to do it with your bare hands?

A. He was still alive, wounded severely, and I shot him myself.

Q. You then went up to the car and shot him?

A. Yes.

Q. Where?

A. In the face.

Sentenced to Death

In August of 1947, Heine said in the deposition, he went alone 2,500 miles across Russia in an attempt to rescue an Estonian woman from a Siberian deportation camp. But, he said, she was afraid to accompany him so, instead, he brought four adults and two children safely back to Estonia.

In 1950, he said, while he was attending a music festival, agents of the Soviet secret police pounced on him.

He was sentenced to death, he said, but the sentence was commuted to 25 years in prison and he spent the next six years in a variety of Russian prisons. What is publicly known about what happened to Heine during those years comes almost entirely from his own story as told in the deposition. He was released as a prisoner of war in November, 1956, learned that his mother was then living in Canada and joined her there in 1957.

He was also reunited there, he said, with Elsa Varres, a tall, handsome woman with dark blonde hair and flashing blue eyes, whom he had not seen since they were in a camp in Germany, and they were married in Toronto on Dec. 28, 1957.

Heine's life during the next seven years was almost totally devoted to the cause of Estonian liberation.

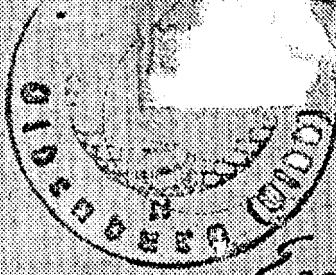
"I had a feeling God Almighty had something for me," he said in an interview, "—some kind of mission—some kind of work put upon me. Otherwise why save me through all those horrible things—all hunger, pain and torture?"

Subject of Book

In a long series of interviews, he told his life story to Arved Viirald, an author and the husband of his wife's sister. A fictionalized account of his life, which Heine refers to as "my autobiography," has been published in both Estonian and English under the title, "Rain For the River," and it has helped to make Heine well known among Estonians.

He has also worked, without significant success, to get support for a plan to send propaganda materials into Estonia by way of balloons. He hopes to continue with this project when his lawsuit against Raus has come to an end.

Some members of the Estonian community have found this activity disturbing because another man several years ago represented himself as a staunch anti-Communist, sought



Erik Heine

Unterschrift des Passinhabers
Signature of bearer
Signature du titulaire

Es wird hiermit bescheinigt, daß der Passinhaber die im Lichtbild dargestellte Person ist und die Unterschrift darunter eigenhändig vollzogen hat.
It is hereby certified that the bearer is identical with the person on the photograph and that the signature has been given in his own hand.
Il est certifié que le titulaire est la personne représentée par la photographie ci-dessus et que la signature est autographe.



den 3. März 1966
the / le
W. Heine

Unterschrift / Signature / Signature

Nr. B 0986055

Erik Heine says this German passport was issued to him shortly after his release from a Soviet prison.

support for a similar balloon project and was then exposed as a Soviet agent.

The only reference to that incident in the court papers now on file, however, was when Heine was asked, during the taking of the deposition, if he had heard of the man, identified as Arthur Hamann. He said he had read about him in the Estonian newspapers, but had never seen or corresponded with him.

Heine's activities as an advocate of Estonian liberation came to a climax of sorts in the spring of 1963.

In March of that year, he completed a 2½-hour, 16-mm. film about the Estonian guerrillas, called "Legendi Loojad" or, in English, "Creators of Legend."

Toured Country

He then toured the United States,

showing the movie and lecturing, primarily to Estonian audiences, on his experiences as a guerrilla. It was shown in Baltimore May 18 and in Washington May 19, 1963.

The only hope for Estonia, he told his audiences, is the complete overthrow of the Communist world.

"I am," he said during a recent interview in the book-lined living room of his home in Toronto, "a Goldwater man."

It was during his tour of the United States, he said, that he first began to hear the rumors that he was a K.G.B. agent although the first of the three specific instances of alleged slander cited in his complaint occurred in New York on Nov. 9, 1963.

The beginning of Heine's lecture tour coincided with another incident that brought him into prominence in the United States. Heine, he describes himself as "a fighting man,

not a politician," he ran for a position on the 35-member board of the Estonian Cultural Council, the central agency for Estonian groups in Canada, in May, 1963.

He received 400 or 500 votes more than his closest competitor—he terms it a "landslide"—and could then expect to be named the president of the council. But, because of the rumors about him, he said, he declined that post. He is, however, one of some 60 candidates in another election to be held next month.

With financial help from Estonian acquaintances who were eager to learn the truth or falsity of the charges against him, Heine filed suit in November of 1964.

Accuses Raus

He asserts that Juri Raus accused him of being a Communist and a K.G.B. agent on Nov. 9, 1963 at a meeting of the board of the Legion of Estonian Liberation in New York; on July 4, 1964, at an Estonian gathering at Laurel Acres, Pasadena, Md., and on or about Sept. 4, 1964, at a gathering at Estonian House in Baltimore.

In his answer, filed on Jan. 3, 1965, Raus admitted that he had said, at the New York meeting, "that he was in possession of responsible information received by him from an official agency of the United States government to the effect that the plaintiff was a Soviet agent or collaborator. . . ."

He also admitted speaking to Kukulane, the Baltimore Estonian, on an earlier occasion than the dates mentioned in the suit "in substantially the same terms," but he denied making the statements at the times mentioned in the suit.

In an affidavit filed a few days later, Raus said that he was born and reared in Estonia, that he was 38 years old, that he came to the United States as an emigre in 1949 and that he is now a naturalized citizen.

At that time, he said, he was a GS-12 in the Bureau of Public Roads at a salary of \$10,605 a year and that he was married and had two children, aged five and two. His only other income, he said, was \$1,000 a year received as a captain in the Army in the court record until January of 1966.

Privilege Claimed

The CIA was not mentioned until long after the taking of the Heine deposition in February and March of last year. That was on Jan. 11 of this year, when Raus' attorneys filed a motion for summary judgment. They claimed he had absolute privilege because he was acting as an official of the United States government.

Attached to the motion was a one-page affidavit signed by Richard Helms, deputy director of Central Intelligence, in which he said:

"On those occasions specified in paragraphs 5, 6 and 7 of the complaint, the defendant, Juri Raus, was in possession of information furnished to him by the Central Intelligence Agency, and when he spoke concerning the plaintiff

on such occasions he was acting within the scope and course of his employment by the Agency on behalf of the United States."

The motion filed by Prettyman and Connolly said:

"Under these circumstances, there arises in favor of the defendant an absolute privilege which precludes, even under a showing of actual malice, any possibility of recovery by the plaintiff. As a matter of law, the defendant is entitled to judgment."

They were on good legal grounds. In a number of cases, the Federal courts have held that it is in the country's interest to protect government officials from libel or slander suits for things they say in the course of their official duties — even if they speak falsely and with malice.

But in this case — the first the opposing attorneys know of involving the CIA — there was the added element of secrecy, imposed by law on the CIA.

Judge Disturbed

In their reply, Heine's attorneys, Raskauskas and Stanford, argued that it was unfair to permit the defendant to add a totally new element to his defense more than a year after the suit had been filed.

"He leads this Court to believe that he has extremely limited resources from which to conduct this litigation, and nowhere does he suggest, that in the event that his then subsisting defenses proved to be fictions, he has the majesty of the United States, the money of the CIA, and the mockery of absolute privilege hovering on a stand-by basis, to be thrust upon this Court and the plaintiff in the case of need," they said.

Judge Thomsen seemed deeply disturbed by the dilemma he faced. At one point, he said:

"... I think that the plaintiff is entitled, assume the plaintiff is a Communist, assume he is everything you say, every body has some rights in this country. . ."

And later he added:

"All people in the United States, just as Mr. Justice Frankfurter said, 'There are some things you cannot do to a dog,' . . . and I think it applies in this case. . . . You are not going to persuade this court that there is anybody in this country who does not have some rights."

CIA Affidavit

On April 4, responding to the concern expressed by the judge, Raus' attorneys filed a new affidavit signed by Helm in which he gave more details of Raus' employment by the CIA. He said:

"For a number of reasons, including his past history and his position as National Commander of the Legion of Estonian Liberation, the defendant has been a source to this Agency of foreign

intelligence information pertaining inter alia to Soviet Estonia and to Estonian emigre activities in foreign countries as well as in the United States.

"The Central Intelligence Agency has employed the defendant from time to time — concurrently with his duties on behalf of the Bureau of Public Roads — to carry out specific assignments on behalf of the Agency . . .

"On those occasions specified in paragraphs 5, 6 and 7 of the complaint, the defendant was furnished information concerning the plaintiff by the Central Intelligence Agency and was instructed to disseminate such information to members of the Legion so as to protect the integrity of the Agency's foreign intelligence sources. Accordingly, when Juri Raus spoke concerning the plaintiff on the occasions about which complaint is made, he was acting within the scope and course of his employment by the Agency on behalf of the United States . . .

"After a personal review of the Agency's activities pertaining to Eerik Heine, I have reached the judgment on behalf of the Agency that it would be contrary to the security interests of the United States for any further information pertaining to the use and employment of Juri Raus by the Agency in connection with Eerik Heine to be disclosed . . .

"I am herewith directing Juri Raus to make no further disclosures concerning his employment by the Agency or relating to this matter without specific authorization by proper officials of the Central Intelligence Agency."

Attached to the affidavit was a secrecy agreement signed by Juri Raus on May 29, 1963 in which he promised never to divulge information obtained because of his association with the CIA without written permission.

Where's the Answer?

During the hearing last Thursday, Judge Thomsen seemed several times to be on the verge of granting Raus' motion for summary judgment based on his claim of absolute privilege. But he ended the hearing with a request for one more attempt to see if the CIA is able to provide any further information.

It was then that he expressed his concern that the revelation of any more about the case "might expose the entire U.S. counter-espionage apparatus."

What is the whole truth about Eerik Heine?

In the more than a thousand pages already in the court record, there is no satisfactory answer. At this stage of the case, in fact, Raus relying on the defense of privilege, has not even asserted that the things he said about Heine are true.

Because of the secrecy surrounding the case, the full story of Eerik Heine, Juri Raus and the CIA may never be told.