

Possible Cover-Up to Shield Nazis Is Focus of Renewed U.S. Inquiry

By RALPH BLUMENTHAL

Confronted with evidence that key files were tampered with, the Government has reopened investigations into a possible cover-up involving suspected Nazi war criminals living in America.

The investigations are being conducted by the Justice Department and the General Accounting Office. They concern allegations of a conspiracy to protect former Nazis and collaborators who may have been smuggled into the United States by American intelligence agencies for cold war operations against the Russians.

Charges that the American authorities mishandled investigations of war criminals date back at least 10 years. But the G.A.O. concluded in 1978 that it could find no evidence of a conspiracy to impede the inquiries. Nearly 200 cases remain under investigation by a unit of the Justice Department, the Office of Special Investigations.

Documents Under Review

Congressional investigators are also reviewing new information provided by a former prosecutor in that office, including long-secret military documents setting forth links that American intelligence agencies had with Nazis and their East European collaborators.

Episodes described in the documents and other information collected by the former prosecutor, John Loftus, include these cases:

¶ An Army officer working in intelligence after World War II acknowledged allowing some Nazi collaborators to falsify their applications for American visas in exchange for providing intelligence information.

¶ Some former Nazis entered the United States through lightly patrolled Canadian and Mexican border crossings while others were routed through Argentina and other cooperative Latin American countries.

¶ Other former Nazis arrived on cargo planes, after being listed on the waybills as freight.

¶ One collaborator accused of killings was identified and barred from emigrating to America on five separate occasions by American counterintelligence agents. Yet with the help of other agents, he finally gained entry to this country.

Mr. Loftus first made public on the CBS News program "60 Minutes" last Sunday his charges that hundreds of Nazi collaborators were illegally brought into the country after World War II to form an anti-Soviet spy army. Masterminding the efforts, he said, was a highly secret covert operations agency close to the State Department called the Office of Policy Coordination.

Mr. Loftus, who has written a book about his findings as a war crimes investigator, provided a draft of the book and documents to Representative Barney Frank, a Massachusetts Democrat on the Immigration Subcommittee of the House Judiciary Committee. The book is tentatively scheduled for publication later this year.

Mr. Loftus is now himself the subject of Justice Department inquiries into his disclosure of possibly confidential material, according to a department official. Mr. Loftus, now in private law practice in Boston, denied releasing any material not properly cleared by intelligence authorities.

'Just Provided Records'

"I just provided Congress records they were supposed to get four years ago," he said.

In the reopened Government investigations, the Justice Department announced last week that its criminal division was looking into the removal, apparently by the Defense Department, of certain intelligence information from at least two files in military archives.

The files were checked by the General Accounting Office, an investigative arm of Congress, as part of its conspiracy inquiry from early 1977 to May 1978. They dealt with two Byelorussian émigrés under Justice Department investigation for atrocities in the Nazi-occupied region of western Russia. The two, Emmanuel Jasiuk and Franz Kuchel, have since died.

The tampering was discovered a year later by Mr. Loftus, who found material that the accounting office later said it had never seen. Mr. Loftus also found a note in one of the files: "Do not disclose to G.A.O. until notified to do so." The note was signed only "General Counsel" and the Justice investigation is aimed at learning where the directive originated. One Justice Department official said the Defense Department was queried months ago but had been slow in responding.

Denials From Two Departments

Both the Justice and State Departments denied last week that they had attempted to impede any investigation.

The accounting office, basing its finding only on material it had been shown, concluded in May 1978 that no "widespread conspiracy" existed to frustrate investigations of people suspected of being war criminals. But it found that nine suspected war criminals had worked for and been paid by the Central Intelligence Agency or the State or Defense Departments.

After the disclosure last week that the files had been tampered with, Representative Peter W. Rodino Jr., chairman of the House Judiciary Committee, called on the accounting office to reopen its investigation and the office complied.

"It looks like we were misled," said John Tipton, the accounting office's senior evaluator who also headed the 1978 investigation. The withholding of the material from him last time, he said, "would lead to the fact that there might be a conspiracy, yes."

'Started Making Our Contacts'

Meanwhile, he said, "We've already started making our contacts" for the reopened inquiry. He called the task "pretty big — big as hell" but said he had no idea yet how long it might take.

To the annoyance of the House Immigration Subcommittee, the 1977-78 investigation took 14 months, about half of which, Mr. Tipton said, was consumed in gaining access to the intelligence files. This time, he said, a new statute provides that access to files can be barred only on the ground of national security by Presidential decree.

The flurry of new investigations comes about a decade after a series of disclosures raised questions about sus-



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John Loftus, a former Justice Department prosecutor, charged that suspected Nazis had been illegally admitted into the United States.

pected war criminals in America and the effectiveness of investigations by the Immigration and Naturalization Service. After Congressional hearings principally instigated by former Representative Elizabeth Holtzman, now the Brooklyn District Attorney, the Office of Special Investigations was created in 1979 to centralize the cases.

According to Alan Ryan Jr., director of the office, his staff is currently investigating 197 people suspected of being war criminals to determine if they lied about their past to gain entry to the country or win citizenship. A total of 548 cases have been investigated through April and charges have been brought against 26 people. Seven of those are facing deportation and four others facing action died. No one has yet been deported.

Mr. Loftus served with the office as a prosecutor from May 1979 to May 1981, principally investigating Byelorussian émigrés who were suspected of participating in atrocities during Nazi rule from 1941 to 1944, when the region was recaptured by Soviet forces. On "60 Minutes" and in other interviews last week he said he had learned that at least 300 Byelorussian Nazis were now living in the United States, having slipped in as displaced persons or been smuggled in by American intelligence agencies for what proved to be largely abortive anti-Soviet spy operations.

Considerable information on the Byelorussian community was gathered by a 26-year-old French-born Jew who worked undercover for the special investigations office. The aide, Marc Masurovsky, said that while posing as a historical researcher with a grant from the National Endowment for the Humanities, he met with Byelorussian émigré leaders in this country to track down and authenticate original 1940's documents needed for the prosecutions.

The documents and other information

provided to the Judicial Committee offer new insights into links between American intelligence agencies and some of the Nazi émigrés, according to Mr. Loftus and Congressional staff members familiar with the material.

One document cites the case of an Army intelligence officer who acknowledges permitting Nazi collaborators to falsify visa applications in exchange for intelligence information.

Clandestine Recruitment

Another account tells of a State Department officer who came across a clandestine American recruiting effort aimed at some of the Nazi collaborators. Thinking he had uncovered improper efforts by the Office of Special Operations of the C.I.A., he was delighted to blow the whistle on a rival agency. However, it turned out to be an operation of his own Office of Policy Coordination.

"It was comical," Mr. Loftus said. "There's a document by an Army intelligence officer saying, 'Here's one arm of the C.I.A. hunting Nazis and another recruiting them.'"

Much of the recruiting, according to Mr. Loftus, was carried out by the policy coordination office under Frank Wisner, a wartime intelligence official who was appointed director by Secretary of State George C. Marshall in 1948. Although Mr. Wisner's office was funded by the C.I.A. and was eventually merged into the agency, it operated independently and even today, Mr. Loftus said, its files remain partly inaccessible to the C.I.A.

Among those who benefitted from this dichotomy, according to documents, was Stanislaw Stankievich, a former district deputy of the Byelorussian Central Council in 1944 who reputedly carried out orders of the Nazi S.S. to massacre Jews.

In camps for displaced persons after the war, he applied for immigration to America but each time, according to Mr. Loftus, American counterintelligence "kept blowing the whistle on him." However, Mr. Loftus said the records showed that other American agents directed him to other possible entry points. Although formally barred by a immigration court decision, he finally gained entry as a farmer with the help of a little cardboard flag on his application identifying him as an employee of Radio Liberty, sponsored by the C.I.A. He later became a citizen and died recently in Queens while a Federal investigation was pending.

Another former Justice Department prosecutor has questioned whether the latest round of investigations can resolve the questions.

"History has shown that neither Congress nor Justice can handle this," said Martin Mendelsohn, a former deputy director of the special investigations office. What was needed, he suggested, was a top-level White House investigation by the President's national security adviser.

However, a White House spokesman said yesterday that there were no plans to take the investigation away from the Justice Department.