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CIA official told probers Casey skirted 'bureaucrats'

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WASHINGTON — William J. Casey, the "last great buccaneer" of swashbuckling spies, became impatient with the cautious "bureaucrats" and "shoe salesmen" of the modern CIA he headed and looked to Lt. Col. Oliver L. North to run the Iranian arms deals, a senior CIA official said in a transcript released yesterday.

Clair George, the CIA's deputy director for operations, or covert activities, testified in private before the congressional Iran-contra committees Aug. 5-6 that Colonel North came up with "endless harebrained schemes" to free the hostages. He said that one North idea, to buy the freedom of the hostages for \$1 million each, was a "scam."

Documents released by the investigative panels show that a bribery scheme concocted by Colonel North, involving a Lebanese informant for agents of the Drug Enforcement Administration and financed with \$2 million that was to be provided by multimillionaire H. Ross Perot, fell apart after the informant absconded with \$200,000 — without producing the hostages.

Mr. George also disclosed that he has been questioned extensively by the office of Lawrence E. Walsh, the special prosecutor probing the Iran-contra affair, about two missing CIA

cables that sounded an early alarm that the U.S. was shipping weapons to Iran as part of an arms-for-hostages trade in late 1985.

Explaining that under normal procedures it would have been impossible for the documents to bypass his desk, he said when asked if the cables were destroyed, "I don't know." Referring to a cable from an agent in Portugal who reported that Richard V. Secord, a middleman in the arms deals and the contra supply network, said that the United States was "trading missiles for hostages," Mr. George said that he never saw it and that if he had, "that one would have grabbed me."

One possibility, he said, was that "a cabal of people engaged in a cover-up to sort of send a cable like that, somehow get all the copies of it, and make it disappear." But such a feat would be difficult even for him, a 32-year CIA veteran with 20 years of overseas covert experience: "Even I couldn't fast enough whip up a cable like that and pick up all the copies and make sure no one had seen it."

The documents are important because they warned of an arms cargo, and its purpose, in a November 1985 shipment to Iran that the CIA was asked by Colonel North to help expedite. Mr. George said that he learned of the request after the fact and that at the time he thought the shipment involved oil drilling equipment, not arms.

From the outset of the Iran arms deals, he said, top-ranking CIA officials were kept in the dark, and no one in the operations division he headed knew in mid-1985 that other U.S. officials had begun conversations with Manucher Ghorbanifar to seek help in freeing the hostages.

"We knew less about what was going on in Washington than we did overseas," he said.

CIA professionals had long viewed Mr. Ghorbanifar as "uncontrolled," "dishonest and untruthful," and had taken the unusual step in 1984 of issuing a "burn notice" advising all CIA agents not to deal with him.

Mr. George said that once it became clear that the operation would proceed with Mr. Ghorbanifar, he refused to deal with such "a bum" and told Mr. Casey of his view. The CIA director responded by putting Charles Allen, an official with no overseas covert experience, in charge of the CIA liaison with Mr. Ghorbanifar and Colonel North on the operation.

In his testimony, Mr. George provided insights into how Mr. Casey viewed himself and his agency. Mr. Casey was "the last great buccaneer from OSS," the Office of Strategic Services that was the predecessor of the CIA, Mr. George said.

"I'll let you in on a secret," he told

the panels. "The way to handle Bill Casey was outflank him to the right, charge him with being less than adventurous, suggest that maybe he really wasn't ready to take the high risk. . . ."

In Colonel North, Mr. George said, Mr. Casey saw a like-minded man of action, one who "had guts in approaching anybody, anywhere, anytime, in any conditions, without any concern about their title, rank. You know, we all grew up that you don't just storm into the CEO's office the third day with the company, and Ollie did it. Bill Casey liked Ollie North. We all did."

But liking and believing were two different things where Colonel North was concerned, Mr. George said. Exaggeration was another North trademark: "Everything was his. 'The world is mine. I'm going to see the president. I'm going to see the king. I'm going to fly down to Central America and have a private conference. How would you like some tickets to a Redskins game?'"

And despite the apparently close relationship between Mr. Casey and Colonel North, Mr. George said he does not believe that Mr. Casey authorized a broad, "off the shelf" private covert network that Colonel North has claimed the CIA director planned for global operations beyond the jurisdiction of Congress.

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