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Former ISU student's struggle with CIA

by Nancy Meyer

All of us make decisions in everyday life, most of the time without giving serious thought to the future consequences that could result.

One day in 1965, Verne Lyon, then a senior in aerospace engineering here at Iowa State, made a fateful decision, which on countless occasions over the years, nearly destroyed his life.

While interviewing for a job with whom he thought were two representatives from an engineering firm, Lyon received a surprise: the two men were actually members of the Central Intelligence Agency—and wanted Lyon to work for the CIA.

"They wanted several informants on campus and I happened to be one of their prospects. At this time, the Vietnam War situation was really getting wound up and engineering students were being threatened with the draft or getting drafted. Some of the major corporations were offering draft deferments but these could not be guaranteed," the former Boone native explained.

Lyon said the two men told him he would be paid \$300 a month and would receive a guaranteed draft deferment if in return, he would report back to the CIA all campus anti-war movements and protests, names of dissidents, both foreign and domestic, names of persons who regularly attended anti-war meetings, and other campus activities in opposition to our government, country and situation in Vietnam.

Campus spy

"My first reaction to this proposal was 'Wow, sounds fantastic! I could be a spy on campus.' "

"Also, the money sounded great," he continued. "I was tending bar back in Boone on weekends to earn money for school and I was driving an old junker of a car that I'd had all through high school. Three hundred dollars relieved me of having to worry about money during my senior year, even though I kept working in Boone for a disguise."

Lyon said in addition to these two reasons, guaranteed draft deferment was a strong incentive to accept the CIA's offer.

"Guys were being shipped over there by the truckload. I didn't want to be sent to Vietnam and get shot to pieces. I'd gone to school to become an engineer and I wanted to pursue that profession."

"Even though I didn't really like my informant work after a while, I thought I was serving my country in a way other than killing people over in Vietnam. At the time, that was very important to me," he stated.

Lyon said he isn't sure why he was one of the few to be approached, but after years of contemplating it, he thinks a friend who went into naval intelligence recommended him. Also, he believes a few of his ISU professors were asked by their friends in the government to identify students who might be beneficial to the agency.

"It has a secret process of selecting future employees, of course, but I think that's probably how the agency discovered me."

Although the CIA's charter in the mid-Sixties prohibited any CIA activities within U.S. borders, the actual agreement under which Lyon worked was called the Domestic Contract Service.

"What I was doing was illegal and I basically understood that at the time," he admitted. "But I wondered how the government could say it was illegal superficially, and then go ahead with its practices anyway."

Before Lyon graduated, the CIA approached him with an offer to join its Junior Officer Training program. This would have led to a career for him in the agency.

"I declined the offer because I was going to have my degree," he said, "and I wanted to spend my life being an engineer. So I accepted a job with McDonnell Douglas Corporation in St. Louis, working on the Gemini Space Program."

Lyon said he thought once he graduated, his ties with the CIA would cease. He was very wrong.

Explosion, arrest in St. Louis

Not long after Lyon began working at McDonnell Douglas, an explosion occurred at the St. Louis municipal airport. A small part of airport under construction was damaged by the blast. Verne Lyon was accused of being the "intellectual author" of the act.

"An anonymous phone call to federal authorities tipped them off that I was supposedly responsible. So they came out to McDonnell Douglas and arrested me. I was charged with committing this act, a federal crime, and then released on \$500 bail with no travel restrictions. Five hundred dollars!" he exclaimed.

Lyon came back to Iowa for a few months, until he was recontacted by his original recruiting officer in the CIA.

"He proceeded to tell me how

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sorry the agency was for getting me involved in the St. Louis incident, that the CIA was certain I had not been connected in any way and that the matter would be straightened out but that it would take some time. In the meanwhile, he told me, the agency had plans," Lyon said.

After subsequent calls from the agency, Lyon finally received a definite plan of action, one that would change the rest of his life.

"The agency called me and said, 'Look, here's our plan. You're going to essentially become our man in Havana.' Now in the mid-Sixties, Cuba was not exactly welcoming Americans to Cuba with open arms. After the Bay of Pigs fiasco, the October missile crisis and the murder of Che Guevara, Castro's right hand man, relations were a little strained, to say the least," he noted.

Lyon said that in order for the CIA to insert him safely into Cuba, it had to get the Cubans to invite him, under contract.

"The last thing I wanted to do at that point was go to Cuba. Aside from the fact Americans weren't welcome, I didn't even speak Spanish. But the CIA was the only entity that could clear me of the St. Louis mess so I didn't see where I had much choice in the matter."

Armed with a portfolio of newspaper clippings of the St. Louis incident and of him being amateur rocketeer since he was a kid, Lyon and the CIA approached the Cubans through their diplomatic representatives in Canada. The agency presented Lyon as an aerospace engineer who, instead of working on destructive weaponry, would like to use his talents in constructive ways. Therefore, he's up in Canada dodging the draft and being persecuted for his anti-war stance.

"This was my cover. I was an anti-war activist, aerospace engineer. It took the Cubans almost an entire year to verify my 'cover.' During that time, I was undergoing the training I would need for my foreign assignment," he explained.

Acceptance by Cubans

"Finally in 1968, almost a year to the day we had first approached them, a contract invitation came down. I was to work in Cuba's Atmospheric Physics Institute in the Cuban Academy of Sciences for two years and I was to direct its cloud insemination program."

Lyon explained Cuba had a six month dry spell, and Castro had built some small dams and lakes around the island. These lakes and reservoirs needed to be filled with water during the dry season. In order for rain to fall, the clouds had to be seeded.

Lyon said the initial agreement between himself and the CIA was that at the end of his two years of service in Havana, Lyon was to politely tell Castro that he had done his part, but Castro's revolution "wasn't really my cup of tea," and come home, supposedly to find the St. Louis incident cleared up.

"It didn't quite work out that way, unfortunately," Lyon said. "I had fallen in love with a Cuban woman, and the month I was supposed to go home, we got married. I informed the CIA that it wasn't just me who had to leave the island but that I had a wife. Immediate reaction from the agency was, 'Get a divorce.' I refused, so its suggestion was that I renew my contract for two more years, which the Cubans were eager to do. In the meantime, the agency told me plans to get both of us off the island would be worked on." (To this day, Lyon's wife and son are still in Cuba.)

No defendant, no trial

Meanwhile, a trial for the St. Louis explosion had been scheduled about six months after the incident. John Tannehill, an ISU associate professor of aerospace engineering and longtime acquaintance of Lyon's, was asked to testify, along with another ISU professor.

"Verne and I had been classmates in high school together and were both aerospace engineering majors here at ISU but we more or less lost track of one another after our sophomore year. I graduated a year earlier than him so I was never aware of his involvement with the CIA."

"The only information I would have been able to give in my testimony was that Verne and I used to build amateur rockets together when we were about 15 years old. I wasn't aware of these other activities," Tannehill explained.

Tannehill didn't have to worry about even telling that much, because there was no trial.

"We arrived in St. Louis for the trial and Verne wasn't there. Subsequently, there wasn't one, so we flew back home," he said.

Lyon explains: "I'm not sure why the CIA pulled that stunt. It had no intention of letting me attend the trial because then my records would have had to appear, a lot of people would have had to surface and many CIA secret plans would have been exposed."

"The whole thing just fell into a limbo state then. Their set-up had succeeded in getting me to keep working for them and I didn't see much I could do about it. If you asked me to prove the whole thing I couldn't, because I would need agency people and records to substantiate my statements, and they're not about to do that," he explained.

Lyon said he has an idea of who actually made the anonymous phone call to federal authorities in St. Louis, but declined to release the name of the person.

"I can tell you this much though," he said. "People like him are very, very common in the agency. They're called triple haters. This is a man who works for the CIA under contract and today he might be disguised as a baker, tomorrow he might run a motel and the next day he'll be out setting somebody up like in my situation. That's all the man does."

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Cuban cover blown

It's 1970 and the place is Havana. A Mexican diplomat working secretly for the CIA for years was arrested by Cuban counter-intelligence. Because he had diplomatic immunities, Cuban officials couldn't detain him so he was deported to Mexico. One day his quarters in Havana were searched and quite a bit of evidence was found: radios, codebooks, transmission schedules, etc. In addition to this, the man confessed and named names. Lyon's name was one of them.

"From that point on, Cuban counter-intelligence was on to me. I received word from Washington that I hadn't been compromised but was told to lay off activities for a while anyway. I did and nothing unusual happened. I didn't realize I was under surveillance however. I resumed my activities and still nothing happened. In 1971, I resigned from the CIA. Cuban counter-intelligence didn't come knocking on my door until 1974," Lyon reported.

"What I did notice was that anytime I left the country, my wife and son would never be given permission to leave with me. So I was forced to maintain residence in Cuba because I knew how slim the possibilities were of getting them out once I left permanently."

So, from the time of the Mexican diplomat's arrest, until Cuban counter-intelligence arrested him in 1974, Lyon was under surveillance.

"Any good counter-intelligence group would observe someone for that long. The group wants to get as much information as it can: how widespread the network is, who does he contact, how does he get the information out of the country, what sort of targets has he been assigned to and so forth."

After his initial arrest by the Cubans, Lyon was held for 30 days, released and told he was being deported to Jamaica.

Lyon said he was put directly on a plane for Jamaica, only possessing the clothes he was wearing at the time. Officials gave him no opportunity to gather his belongings. As a result, Lyon lost all of the records he kept in addition to his clothes, money, personal mementos, etc.

"I had a lot of high-ranking friends in Cuba who probably saw to it that I was deported instead of shot. Also, I think Castro weighed what he should or should not do with me. And deporting me was probably the worst punishment I could have received. By deporting me instead of shooting me, the CIA headquarters immediately saw red and concluded I was working for Cuba at the time."

"Needless to say, it was a dangerous situation to be in because at the time I resigned, I knew quite a bit of information that the agency didn't want leaked out."

To verify the conclusion of his double agency, Lyon said, the CIA had to put him someplace where he could be monitored. But first the agency had to get hold of him.

Refuge sought in Canada

Canadian friends of Lyon's persuaded him to come to their country. When he arrived in Winnipeg, Lyon went through several months of debriefing by the Royal Canadian Mounted Police. The RCMP then wrote to Prime Minister Trudeau, recommending Lyon for political asylum.

"Momentarily after I arrived in Canada, the CIA knew I was there. The RCMP knew the CIA wanted me so that's why they recommended me for political asylum. The RCMP wanted the power to say, 'No, you can't have him.' Relations were not good between the two groups," Lyon explained.

"Well, the Immigration Department of Canada, instead of Trudeau, replied by saying it didn't want me residing in Canada, so the question had to be resolved

by the federal court system of Canada. It was decided against me. I was allowed to stay only until I could find another country that would accept me."

Before and after the decision, numerous attempts by both the CIA and FBI to kidnap Lyon failed, the strongest attempt occurring in December of 1975.

Lyon was in Canada for 16 months, corresponding with government personnel, trying to obtain his freedom of information clearance.

"I was corresponding with the National Security Agency, the FBI, the CIA, the State Department, my congressmen, my senators. Everyone in the United States government knew where I was.

"In fact, the consulate general sent a cable to Henry Kissinger saying, 'Everyone's asking why we're not extraditing this man. What can we tell them?' Kissinger never answered him. To my knowledge, no extradition was ever sought because the U.S. government knew too many secrets would come out."

Lyon said the Canadian government decided after 16 months, he had brought too much trouble to the country. A representative from Trudeau's office told Lyon he must leave the country as soon as possible, but he would be able to leave unhindered from any Canadian officials. The pressure to find a country increased. Peru proved to be that country.

According to Lyon, the Peruvian government owed him some favors from the past. He was told all he had to do was get to Lima and he'd be provided with diplomatic safe conduct protection, asylum and residence for six months. Lyon accepted it and flew straight to Lima. The only condition placed on him by the Peruvian government was to stay out of the country's politics. Lyon said he was only too willing to comply.

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"One of the reasons I chose Peru was because it had fairly good relations with Cuba and I thought that would help facilitate getting my wife and son to Lima."

"Another thing I knew, though, was that many of the people in the Peruvian military establishment, that's comparable to our CIA, [were] indeed on the CIA payroll. I found out later that they had begun planning to kidnap me from Peru the moment I arrived," he noted.

Realizing the danger in staying in Peru, Lyon appealed to Sweden, where he also had friends, to let him establish residence.

Kidnapped

He was kidnapped late one night after leaving the Swedish ambassador's home in Peru.

"I had to walk four blocks to the nearest taxi stand to catch a taxi to my home. I hadn't made it more than two blocks when an old American station wagon pulled up and four guys with guns jumped out and threw me in the back of the car. They drove straight to the Lima airport where a non-stop flight to Miami was held up. They kicked everyone out of the first class section, threw me in there with four other agency people and the plane took off immediately."

"In Miami, I was taken off the plane, put in a federal detention center overnight and was forced to appear before a federal magistrate the following morning, who ordered my return to St. Louis. I got to St. Louis and was greeted with all kinds of television cameras. The story had already hit the area."

Lyon said the frustrating thing was that he was being accused of a crime he didn't commit, and the U.S. government was committing illegal acts to prove his alleged guilt.

"I was kidnapped from Peru in violation of the Organization of American States treaties and in violation of a bilateral extradition treaty between the United States and Peru. The only reason they kidnapped me when they did was because Sweden was on the verge of granting me political asylum.

The CIA probably figured it would have been harder to grab me out of Stockholm than out of a banana republic in South America."

Just like when he was deported from Cuba, all Lyon had with him when he was kidnapped were the clothes he was wearing.

"Everything I had to my name was lost. While in Canada, I was able to compile a few documents, photos, letters and things to hopefully serve as proof of my innocence later, but everything was left behind."

On trial

"So I show up in St. Louis and they say, 'Alright, you're going on trial for what happened in the airport 12 years ago.' I told them they had to be kidding but they assured me they were quite serious," he half-jokingly said.

At the trial, the government proved there had been an explosion. According to Lyon, that's all they actually proved.

"What they couldn't prove was that I had anything to do with it. They had no witnesses, nothing. The little evidence they did have was circumstantial and had been obtained illegally, at that."

Lyon was convicted anyway.

"I wish everyone in America could have been in that federal courtroom and seen the type of people who are put on federal juries. Or had a chance to see the FBI agent walk in wearing his \$400 suit, swear on the Bible and point and say calmly, 'We believe he did it.'"

"Well, my defense subpoenaed my files from the CIA. In addition, the judge issued the strongest subpoena in his power, ordering the CIA to produce my files. The agency refused. Instead, it sent two of its top attorneys with a letter from a high ranking executive office, maybe President Carter's, and they met with the judge for three hours," he said.

"The letter and the two representatives told the judge that neither he nor the court was going to see my files, for reasons of na-

tional security. The judge was told to squash the subpoena for my files and convict me. And that's exactly what happened. I was not permitted to present any defense whatsoever. The jury knew no details about my CIA involvement. All it heard was that I had been arrested for the airport incident and then jumped bail."

"The same government that had hired me and then prosecuted me denied me the right and means to defend myself."

Lyon was sentenced to 17 years in the federal maximum security prison at Leavenworth, Kan. After serving a partial sentence, Lyon was able to file an appeal. The appellate court overturned his conviction on grounds of insufficient evidence.

"When I heard the decision, I thought, 'I'm finally free!' My attorney told me that the federal prosecutor had just come to him and said the prosecution didn't want to take the option of retrying me. But, it would look bad for the prosecution if it made a public statement saying it wasn't going to retry him."

Federal law says if retrial does not occur within 90 days, the defendant can file for dismissal of the charge for lack of prosecution.

"We agreed to take this route and waited 120 days, just to play it safe. We then filed a motion with the court saying prosecution did not occur within 90 days, so we [sought] dismissal of the charge."

The same judge who repealed the earlier subpoena ordered a new trial. The media were not permitted access to the trial. Lyon's lawyer filed another motion claiming the judge missed the deadline and was prejudiced against the case. The motion called for a new judge to preside, if there was going to be a new trial.

"He was the senior judge and proceeded to tell us he indeed was going to be the same one to hear my case. So it was the same fiasco all over for round two. Same trial, same courtroom, same judge, same lack of evidence. In fact, there was even less evidence because the appellate court

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wouldn't let the prosecution present any of the evidence it had used in the first trial. It was extremely short, needless to say," Lyon said.

Convicted again

"Well, the case went to the jury and the prosecutor walked over and shook my hand, saying he was sure it was going to result in my favor. When the jury's verdict came back guilty, he seemed just as stunned as I was.

"I can't tell you for sure how they arrived at the verdict. However, they weren't ordered to be secluded for the two days the trial went on, so maybe enough of them were influenced by the public to cast a guilty vote," Lyon said.

Lyon did not give up. His defense filed another motion to the appellate court, but were turned down. They made a plea to the Supreme Court to hear the case, but received another refusal.

"After that, there wasn't much I could do so I sat in Leavenworth for 68 months," he said.

Lyon said much of his time in prison was spent in solitary confinement, the longest stretch being 14 days. The reason?

"I told the guards and warden what I thought of them. I wrote articles about the prison that were published—articles on such topics as the millions of dollars it makes through prison industries. The administration didn't like that kind of publicity so I was thrown in the hole quite often."

"No windows, no normal lighting. There was a bulb fastened behind a wire screen 12 feet up on the ceiling that stayed on 24 hours a day. There was a concrete slab to lie on and a hole in the floor to relieve yourself. You could chase cockroaches if you wanted. That was about it."

By federal law, prisoners are required to serve one-third of their sentence before they're eligible for parole. Lyon was granted parole May 24.

"When I went before the parole board, the people on it told me my parole wasn't being opposed. This told me that the CIA, after monitoring me for the five and one-half years I was in prison, no longer considered me a Cuban agent. So the agency must have told the Justice Department that if it wanted to release me on parole, the CIA wouldn't oppose it."

Lyon says he finds it impossible now to get back into his profession as an aerospace engineer because he can't get security clearance from the government. Even if he was able to obtain clearance, Lyon said his chances of getting an engineering job are slim because of the charges against him and his prison record.

"I've sent out 70 resumes and have gotten 50 responses. All of them say the same thing: We have nothing at this time that fits your qualifications but we'll keep your resume on file."

Parole requirements are such that the parolee must have residence and a job or be actively seeking employment. Upon hearing that he was up for parole, some friends of Lyon's in Des Moines found him a place to live and a job.

Lyon, now 39, is the coordinator of Our Community Kitchen, a soup kitchen located at Hawthorn Hill in Des Moines. Some of his duties include planning the daily menus, ordering food and scheduling drivers' routes to other soup kitchens around Des Moines. He is on parole for two to five years.

Former prof remembers

P.J. Hermann, one of Lyon's aerospace engineering instructors at Iowa State, remembers: "He was somewhat of a rebel but not in the style of causing trouble at campus demonstrations or something like that. More in the sense of just not liking being told what he should or should not do. He wasn't bad by any means. Just unwilling to conform to a certain extent. Some people are just that way.

"He was an average student from what I remember but he must have been an underachiever here in my classes because I understand he performed quite well in his later jobs."

Hermann explained what he thought the reason for this could be. "It might have been due to his attitudes. He himself knew what he was capable of in the classroom but he wasn't about to do it for the purpose of getting good grades or satisfying someone else. Following this line of thought about Verne, his story stands up very well," he observed.

Hermann said he had no prior knowledge of any agencies being on the LSU campus back when Lyon became involved. He said he first learned the complete story when Lyon came up to Ames this past summer and told him.

"My reaction was, 'Remarkable!' It's a pretty fantastic story. It's the kind that one couldn't create unless it were actually true. However, I'm not going to believe it or disbelieve it. I'm just going to take it as a piece of information until I hear something different," he remarked.

"The film never ends"

Lyon said he hasn't seen the movie *Three Days of the Condor*, but his brother, Gary, who was also present, had. The movie's plot is about a government researcher being chased by a CIA-like agency for knowing too much about a group of employees that had been murdered by the agency.

"Verne's version is mild compared to that movie," Gary said. "But the difference between the movie and his situation is that for him, the film never stops, the lights don't come on, it never ends."

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Lyon will lecture on his experiences and future plans Sept. 26 at 6 p.m. in the Memorial Union.

My plans after the 26th are a bit unsure but something will have to give, either way. The government has messed up my life so much, just from one decision I made when I was 22 years old, and now it could care less. I'm just a number to it now, but I think it owes me some kind of retribution; getting my family to the U.S., permitting me to practice my profession again, or something."

Lyon said the purpose of the lecture is to "tell everything I can. I want to warn the students and alert the administrators that this activity is going on all across the country. I want to warn them what they could be getting into."

Since Lyon's involvement with the CIA, President Reagan has signed a law which makes it legally possible for the CIA to conduct business inside the U.S.

A poster decorates one of the walls in Lyon's office. It says: "It will be a great day when our schools get all the money they need and the Air Force has to hold a bake sale to buy a bomber."