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# Pentagon Acts on Dynamics Director

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WASHINGTON, Sept. 26 — The Defense Department said today that it had begun proceedings to revoke the top-secret security clearance of Lester Crown, the biggest shareholder and an influential board member of the General Dynamics Corporation, because of his involvement in a 1972 bribery case.

If the move is successful, Pentagon officials said, General Dynamics would be responsible for denying Mr. Crown access to any classified information. If the company failed to do so, its own security clearance could be jeopardized.

"It means he can't deal with us on any classified material," said Glenn Flood, Pentagon spokesman. "You can't say it would force him off the board. It's up to General Dynamics how to handle it."

An aide to Representative John D. Dingell, Democrat of Michigan, who first raised the issue about Mr. Crown in February, said the removal of the clearance "would mean that he'd have to get off the board; he couldn't handle classified information, and I assume that the board deals with a lot of classified stuff."

Pentagon officials said the move reflected a new policy of being "more selective" in granting military contractors access to classified information. That policy, they said, was part

of a broader effort to cut back on the number of security clearances in the military and industry in the wake of a Navy spy scandal disclosed earlier this year.

General Dynamics, the third-largest military contractor, makes the F-16 fighter plane, the M-1 tank and the Trident nuclear submarine, among other weapons.

The Pentagon said there was no particular reason that a board member would have to have security clearance, but Mr. Crown, who has 8.9 million shares, or 21 percent, of General Dynamics stock, has been a particularly influential board member. For example, he played a key

role last May in choosing Stanley C. Pace as the successor to David Lewis as chief executive.

Mr. Crown, who is 60 years old, has also been an influential behind-the-scenes figure in the company's internal strategy as it coped with investigations by a number of Congressional committees and Government agencies. He has been on the board for 11 years.

Lloyd N. Cutler, a lawyer representing Mr. Crown, issued a statement saying that the Pentagon move had "no justification" because Mr. Crown had never been charged with violating the terms of his clearance. He added, "Mr. Crown has held a clearance continuously for 13 years. He has scrupulously observed the terms of that clearance." Mr. Cutler

said the action would be contested in a Pentagon administrative proceeding. A General Dynamics spokesman declined to comment.

Kathleen A. Buck, a Pentagon legal counsel, disclosed the Pentagon move today at a hearing before a House Armed Services subcommittee that is investigating how Mr. Crown was granted a clearance after admitting in 1974 that he had contributed to an industry fund that attempted to bribe members of the Illinois Legislature.

Mr. Crown was named an indicted conspirator in the case and granted immunity from prosecution in exchange for testimony.

The Pentagon lawyer said that Defense Secretary Caspar W. Weinberger last February ordered a review of Mr. Crown's clearance after the matter was raised by Mr. Dingell.

The investigation found that Mr. Crown's "admitted misconduct" and the fact that it was not disclosed to the Pentagon until 1982 violated new Pentagon standards for granting access to secret information.

She acknowledged that the Defense Industrial Security Clearance Office had investigated the bribery case in 1983 and decided to continue his clearance. But she said the new guidelines, which generally prohibit clearances for those who admit to felonious conduct, "reflect our determination to strengthen significantly the security posture of our industrial security program by being more selective in the award of personal security clearances."

Mr. Flood, the Pentagon spokesman, said the new guidelines were issued by Deputy Defense Secretary William H. Taft 4th in August as part of an effort to tighten security following the Navy spy scandal last spring.

He said that after an administrative hearing, the final decision on Mr. Crown's clearance would be made by Under Secretary of Defense Fred C. Ikle, who is responsible for security.

The effort to remove Mr. Crown's security clearances is the latest in a string of troubles for General Dynamics that have included allegations of fraud, overpricing, and illicit foreign payments.