

STAT

**Page Denied**

Next 7 Page(s) In Document Denied

ARTICLE APPEARED  
IN TIME **AL**

WASHINGTON POST  
4 June 1986

## CIA Had Secret Agent on Polish General Staff

*Warsaw Aide Says U.S. Received Plans for Martial Law but Kept Them Quiet*

By Bob Woodward  
and Michael Dobbs  
Washington Post Staff Writers

At a secret, high-level meeting in Warsaw during early November 1981, a very agitated Soviet official announced to members of the Polish government and general staff that plans for the upcoming crackdown on the Solidarity trade union were somehow inexplicably leaking to the United States, according to informed sources familiar with U.S. intelligence reports. Everyone at this session voiced dismay, even outrage at the betrayal of such state secrets.

Polish Col. Wladyslaw Kuklinski, a senior staff officer involved in planning the martial law crackdown, joined in, expressing particular shock and distress, the sources said. He then left the meeting and gave a prearranged emergency signal to the Central Intelligence Agency station in Warsaw. Within hours the colonel, his wife and at least one son were "exfiltrated," the CIA tradecraft name for the undercover extraction of agents in danger.

Kuklinski had been a longtime human asset of the CIA who provided such superior intelligence about the planned crackdown and forthcoming imposition of martial law that the White House had "the operational blueprint," one U.S. source said. At one point, the source said, these plans were on President Reagan's desk.

In an interview in Warsaw yesterday with a Washington Post correspondent, Polish government spokesman Jerzy Urban volunteered information about the case, including naming Kuklinski and stating that he had been deeply involved in planning for martial law.

Urban said Kuklinski had been a CIA spy on the Polish general staff and claimed that the Reagan administration could have prevented the

imposition of martial law the next month, December 1981, by making public the then top-secret Polish intentions.

"The U.S. administration could have publicly revealed these plans to the world and warned Solidarity," Urban said. "Had it done so, the implementation of martial law would have been impossible."

The Polish decision to disclose hitherto secret details about Kuklinski, including revealing his name publicly for the first time, appeared designed to bolster the Warsaw government's contention that Reagan failed to do all he could to help Solidarity and was not interested in a peaceful solution to the Polish crisis.

U.S. sources denied that this would have been possible because, according to their account, the only key fact Kuklinski had been unable to provide was the date the Polish government planned to impose martial law.

The CIA considered the penetration of the Polish high command to be among their most important intelligence successes. Over a period of time, Kuklinski had provided stunning, timely information on various plans from the highest levels of the Polish government and general staff, U.S. sources said, but in the past some of those plans had never been executed.

"We had everything in the plan but the day," one U.S. source said, "and therefore there was no way to act."

But Urban, in the interview, said that Kuklinski was aware that Dec. 15 was a deadline for the implementation of martial law since large numbers of conscripts were due to be discharged from the Army at that time.

The declaration of martial law on Dec. 13, 1981, by Poland's military leader, Gen. Wojciech Jaruzelski, effectively ended the first experiment in trade union pluralism in a communist country.

Kuklinski and his family now live in the United States under new identities, according to two U.S. government sources. One of them described Kuklinski as "a very brave man who became an agent [for the CIA] not for money but because he detested what the Soviets and [Polish] military government had done to his country."

The source said that Kuklinski was convicted in Poland of espionage and the death sentence was imposed in absentia.

Kuklinski was able to provide the CIA with a copy of the final operational plan for the crackdown on Solidarity, according to U.S. sources. Copies of this plan, which did not have a date for implementation, were printed in the Soviet Union so that as few Poles as possible would know about it, the sources said.

On Dec. 23, 1981, in a televised speech on the crackdown in Poland that had taken place 10 days earlier, Reagan said: "It is no coincidence that the martial law proclamations . . . were being printed in the Soviet Union in September." At the time, some former intelligence officials and other experts suggested that Reagan's remarks were an unusual breach of official secrecy.

Urban yesterday said that Kuklinski knew such details as lists of internees, movements of Polish Army units, and the preparation of anti-Solidarity legislation to accompany the state of emergency.

As the one condition for speaking on the record, Urban insisted that The Washington Post should ask the U.S. administration about his account of one of the most mysterious episodes in the entire Solidarity drama.

The White House had no immediate comment last night.

The meticulously planned crackdown, which was accompanied by the internment of an estimated 5,000 union activists, followed 16 months of gathering tension between Solidarity and the Communist authorities.

Urban said the Polish authorities first became aware that Kuklinski was a U.S. agent when he failed to report for work on Nov. 6, 1981. His house, and the houses of his two sons, were found to be empty.

According to Urban, the Polish authorities assumed that the CIA had decided to "withdraw" Kuklinski along with his entire family from Poland in order to be able to reveal his information on the preparations for martial law without jeopardizing his safety. Urban said it was believed in Warsaw that Kuklinski was safely in U.S. hands from Nov. 7.

"The Polish authorities waited for some kind of announcement from Washington. But time passed and the United States was silent, so the plans were put into effect," Urban said. He described Kuklinski as "an operational officer in charge of planning martial law" on the Army general staff, but would not give his exact position.

Urban's version of the Kuklinski case differed sharply with a fragmented account that appeared in Newsweek magazine in December 1982, reportedly drawn from U.S. sources. According to the Newsweek account, which did not name the agent, the Reagan administration was unable to warn Solidarity about the imminence of martial law without putting the colonel's life in jeopardy. This claim was dismissed by Urban today as "nonsense."

His own analysis of the reasons for Washington's silence, Urban said, was that the Reagan administration appeared to believe that the imposition of martial law would result in a "bloody conflict" in Poland that the United States had no interest in preventing. He said that Reagan later became very angry at the ease with which Solidarity was crushed.

"This incident gave us an insight into Reagan's actions and sayings. Much of the love which he professes for Solidarity is insincere. He could have prevented the arrests and internments, but did not," Urban said.

The disclosure by the Polish government of an incident that would normally be hushed up by a communist country appeared to result in part from continuing political strains between Warsaw and Washington. Urban accused the Reagan administration of continuing to take a hostile attitude toward Poland by receiving exiled Solidarity leaders and expressing support for the Solidarity underground.

Asked why the information had not been disclosed beforehand, he replied: "It is not an easy or pleasant matter to reveal that the Americans had an agent so high in our headquarters or that a Polish colonel was an American spy. We were patient and had hopes that things could be worked out" between Washington and Warsaw.

Urban said Kuklinski was present at a high-level planning meeting for martial law a couple of days before his disappearance and was therefore particularly well-informed. The meeting was also attended by heads of all Army and government departments involved in the preparation of the highly secret operation, the existence of which was known only to a handful of people close to Jaruzelski.

The maintenance of strict secrecy was a key element in the success of the Polish government's plans to suspend, and eventually outlaw, a



**JERZY URBAN**

... calls colonel, who fled, a CIA spy  
massive social movement that numbered an estimated 10 million members by late 1981 without large-scale loss of life. Solidarity activists were caught completely by surprise when special police units began the mass arrests in the early hours of Dec. 13.

Besides raising questions about the Reagan administration's handling of the crisis, Urban's account also provided official confirmation that plans to implement martial law were well advanced by November 1981. Previously, Polish spokesman had insisted that the crackdown was a last-minute decision motivated by a call by Solidarity for street protests on Dec. 17.

*Bob Woodward reported from Washington and Michael Dobbs from Warsaw for this article. Staff Researcher Barbara Feinman in Washington also contributed to it.*

**Page Denied**

Next 4 Page(s) In Document Denied

AL

WASHINGTON POST  
24 January 1986

# U.S. Navy Planes to Begin Operations North of Libya

By Bob Woodward  
and George C. Wilson  
Washington Post Staff Writers

The Reagan administration yesterday ordered two aircraft carrier battle groups in the Mediterranean to begin flight operations north of Libya, Defense Department officials said.

The warplane operations, scheduled to begin from the carriers USS Saratoga and USS Coral Sea last night, were described by one administration official yesterday as "part of the war of nerves" between the Reagan administration and the Libyan leader, Col. Muammar Qaddafi. The Navy planes will be within range of Libyan radar as they fly training exercises but are under orders not to cross into Libyan airspace, the official said.

The carrier operations are the latest in a series of maneuvers by the administration in an attempt to show resolve against Qaddafi, who has been repeatedly accused of supporting international terrorism. Earlier this month, Reagan announced further economic sanctions against Libya.

At the same time, in White House meetings Jan. 6 and 7, Reagan also ordered that more money and manpower be devoted to the development of a CIA covert operation against Qaddafi and that an envoy be sent to Egypt for further discussions about coordinating possible military options, sources said.

Although there have been discussions within the administration recently about ambitious anti-Libyan military options, the sources said that at this point joint action by the United States and its Middle East allies would be undertaken only if Qaddafi attacks a neighboring nation or is found to be responsible for terrorist actions similar to the Dec. 27 attacks on the Rome and Vienna airports.

Some administration officials want to encourage Egypt to be more aggressive in confronting Libya, the sources said. These officials believe Egypt has been too reluc-

tant to request U.S. assistance in any potential anti-Qaddafi moves, said the sources, who spoke on condition that they not be identified.

Anti-Qaddafi feeling runs high in the Egyptian Defense Ministry, where the special envoy was expected to hold his discussions. But

---

*A U.S. official called the operations "part of the war of nerves."*

other officials in Cairo are reluctant to demonstrate any military alliance with the United States against another Arab nation because of the potential political repercussions in Egypt, the sources added.

A Pentagon team began initial military planning discussions in Egypt late last summer because of administration concerns about possible military and terrorist moves by Qaddafi in the region. The planning began following the hijacking of Trans World Airlines Flight 847 in June in which one American was killed and 39 others held hostage for 17 days.

Sources said that under a plan approved by the president last year, the CIA is working hard to develop a blueprint for undermining Qaddafi, but has been hampered by the absence of a large, well-organized and committed group of opposition forces either inside or outside the country.

One source spoke of the need for some "Qaddafi contras," a reference to the large, U.S.-backed rebel group trying to overthrow the Sandinista regime in Nicaragua. Within administration intelligence circles there is growing skepticism that the CIA's anti-Qaddafi plan will work because of the absence of opposition forces, due in part to Qaddafi's ruthless campaign to kill opponents anywhere in the world. There has been one estimate that it will take up to a year to get any CIA operation off the ground.

At the same time, the CIA wants to identify and cultivate potential successors to Qaddafi who are pro-Western. This problem is worsened by the strong anti-American sentiments prevailing throughout much of Libyan society, according to intelligence estimates.

"There are people in Libya, especially in the military, who don't like Qaddafi," one source said, "but most hate the United States."

Although Qaddafi claims the entire Gulf of Sidra and its airspace as Libyan territory, the United States recognizes territorial waters extending only 12 miles from the Libyan coast. Initially, U.S. planes are expected to begin flying north of the gulf but eventually work their way south within a week, the official indicated. The warships are authorized to sail in the Gulf of Sidra to reassert U.S. rights in the region.

The first indication of the exercises came yesterday when the Pentagon confirmed that the Navy had issued a "Notice of Intent to Conduct Flight Operations" through the International Civil Aeronautical Organization.

That document, which is not classified, says carrier flight operations will be conducted for a week within the Tripoli Flight Information Region, a sector of airspace extending scores of miles from Libya. The notice said all operations would be conducted in international airspace with aircraft operating either under visual flight rules "or within radar surveillance and radio communications of a surface or airborne radar facility."

According to one report, the last time Navy jets conducted operations within the Tripoli flight region was on Jan. 27 and 28, 1985. Qaddafi claimed at the time that the United States was planning to invade his country and cited a similar Notice of Intent.

White House officials denied reports that the current exercise was intended to provoke Qaddafi. In the past month, following the European airport attacks and accusations of Libyan complicity, activity in the Mediterranean has become more intense as Libyan forces were put on alert, the Soviet Union increased its surveillance of the U.S. Sixth Fleet and the United States increased its presence to more than two dozen Navy ships.

Two Libyan Mig 25 fighters flew next to a Navy EA6B electronic jamming plane outside the Gulf of Sidra last week but took no action. The incident was played down as routine by Defense Secretary Caspar W. Weinberger.

On Aug. 19, 1981, Navy fighters shot down two Libyan fighters above the Gulf of Sidra after the Libyans allegedly fired first.

*Staff researcher Barbara Feinman contributed to this report.*



ARTICLE APPEARED  
ON PAGE A-1

WASHINGTON POST  
8 July 1985

# CIA Covertly Aiding Pro-West Cambodians

By Charles R. Babcock  
and Bob Woodward  
Washington Post Staff Writers

Secretary of State George P. Shultz is scheduled to visit a Cambodian insurgent camp on the Thai-Cambodian border Tuesday, a sign of growing U.S. support for non-communist rebels fighting the communist regime installed in Cambodia by Vietnam. But according to informed sources, Shultz's public gesture is actually a complement to a program of covert CIA aid to the same insurgents.

According to these sources, the Central Intelligence Agency has been covertly providing millions of dollars a year since 1982 for non-military purposes to two noncommunist Cambodian resistance groups, including more than \$5 million this year.

The CIA's aid is funneled through Thailand, the sources said. The Reagan administration's goal is to

strengthen the two noncommunist resistance groups' position in their loose coalition with the communist Khmer Rouge.

The Khmer Rouge, under Pol Pot, were responsible for killing as many as 3 million Cambodians while they ruled the country from 1975 to 1979. Vietnam invaded Cambodia, removed Pol Pot and installed a puppet regime in Phnom Penh in 1979.

There is a congressional ban on aiding the Khmer Rouge, but liberal Democrats in the House have encouraged an effort to give aid openly to the noncommunist insurgents, proposing a grant of \$5 million in military assistance this year. Several intelligence sources insist that CIA officers in Thailand work closely with the Thai military to ensure that none of the covert aid gets to the Khmer Rouge, and that the

Thais themselves have set up stringent controls.

This modest covert-aid program is one sign of the Reagan administration's increasing willingness to offer support to groups fighting left-wing and communist governments in the Third World. Although the administration is still proceeding cautiously, many of its officials have begun to speak out about the need to help such insurgencies.

CIA Director William J. Casey, who made an unpublicized visit to the Thai-Cambodian border two months ago, told U.S. News & World Report in a recent interview, "Every U.S. president since Franklin Roosevelt has authorized support of rebels opposing an oppressive or illegitimate regime." He noted that Cambodia was being occupied by 170,000 Vietnamese troops.

In March, the Cambodian insurgents suffered a major defeat when Vietnamese forces overran their camps in Cambodia and forced them into Thailand. Thai and insurgent forces fought battles more than a mile inside Thailand when the Vietnamese spilled over the border.

Shultz is scheduled to visit a noncommunist resistance camp just inside Thailand "as a statement of support," a State Department official said. Shultz is on his way to the annual meeting of foreign ministers of the Association of Southeast Asian Nations (ASEAN), who have been asking the United States to get more directly involved in aiding the insurgents.

The United States has already become more involved in Thailand, where American military aid has tripled since the Vietnamese invasion of Cambodia, to nearly \$100 million a year.

This year, Congress has moved to provide overt military support to the noncommunist opposition in

Cambodia. Rep. Stephen J. Solarz (D-N.Y.) is pushing for \$5 million in such aid, although the House has yet to act.

Reagan administration officials at first opposed overt military aid, but recently shifted and are supporting a version of the Solarz provision, already passed by the Senate, that lets the administration decide whether to supply economic or military aid. At this point, administration officials say, they see no reason to provide military aid.

After Vietnam invaded Cambodia in late 1978, sources said, the Carter administration began a small program to support Thailand's efforts to counter Vietnamese and Soviet influence. The funds were used for noncommunist insurgent leaders' travel expenses and for upkeep of resistance camps near the Thai-Cambodian border.

The Reagan program began as the United States and ASEAN were pressuring the noncommunist groups to make a coalition with the Khmer Rouge.

China—which openly backs the Khmer Rouge—and ASEAN both supply the insurgent groups with guns and ammunition. U.S. funds go only for "nonlethal" aid, sources said.

Some sources say this claim is misleading because the U.S. aid frees up other money that can be used to buy military equipment. They also say that the Khmer Rouge benefit indirectly because the U.S. money for the other two resistance groups makes the whole coalition stronger.

Despite the "nonlethal" label on the secret U.S. aid, one knowledgeable source said that a CIA logistics expert had traveled to Thailand to discuss the ammunition needs of the noncommunists, and CIA officers work closely with the Thai military men who advise the insurgents.

The only current overt U.S. aid is about \$15 million a year in humanitarian aid to Cambodian refugees living at the Thai border.

Continued

Many officials acknowledge that the effort to strengthen the non-communist resistance is a long shot. One informed source said that "of course, if the coalition wins, the Khmer Rouge will eat the others alive."

The Khmer Rouge are the strongest of the three factions fighting the Heng Samrin regime the Vietnamese installed in Phnom Penh. Pol Pot has about 35,000 fighters, according to State Department estimates. The noncommunist group headed by former prime minister Son Sann has about 15,000 troops, and the one led by former head of state Prince Norodom Sihanouk has perhaps 9,000.

Support in Congress for anticommunist insurgent groups everywhere has been growing, as recent votes indicate. The House approved sending "humanitarian" aid to the contras, or counterrevolutionaries, in Nicaragua. The Senate repealed a ban on aid to rebels in Angola. And Congress consistently has voted more covert aid to Afghan insurgents—now about \$250 million a year—than the administration has requested.

A number of experienced U.S. intelligence officials who have worked in Southeast Asia are wary of new CIA involvements there. They say that maintaining meaningful control of both money and and covert operations is difficult if not impossible in a region where local intrigues magnify the dangers and uncertainties of all clandestine activities.

The most recent Reagan administration statement on overt aid came in a letter to the House Foreign Affairs Committee. It said the administration "welcomes the Solarz provision as an important signal to Hanoi regarding congressional and public attitudes toward Vietnam's illegal occupation of Cambodia and the threat it poses to its other neighbors."

*Staff researcher Barbara Feinman contributed to this report.*



ARTICLE APPEARED  
 IN WASHINGTON POST  
 PAGE A-1

WASHINGTON POST  
 13 January 1985

# U.S. Covert Aid to Afghans on the Rise

## Rep. Wilson Spurs Drive for New Funds, Antiaircraft Cannon for the Insurgents

By Bob Woodward and Charles R. Babcock  
 Washington Post Staff Writers

The Central Intelligence Agency's secret aid to the insurgents fighting the Soviet invaders in Afghanistan has mushroomed into the largest U.S. covert operation since the Vietnam war era, according to informed sources.

With Rep. Charles Wilson (D-Tex.) as a chief catalyst for the rapid escalation, Congress has nearly tripled the Reagan administration's initial request for the Afghan program to what will amount to about \$250 million for this fiscal year. This would amount to more than 80 percent of the CIA's annual expenditures for covert oper-

ations, the sources said. In addition, three other countries in the Middle East and Asia are expected to provide \$200 million. With this money, the annual aid package to the Afghan insurgents is approaching \$500 million. The sources also said that there is discussion that the insurgents could use \$600 million in the next fiscal year.

The Afghan operation and the manner in which it has expanded are becoming sub-

jects of heated controversy in the administration, the CIA and Congress.

A number of these officials, who do not want to be identified, said that the program has grown too much and too fast. These sources said it is in danger of getting out of hand and may trigger an escalation of Soviet military operations in Afghanistan.

Others, including Wilson and congressional supporters, said that the U.S. gov-

ernment is not doing enough, that equipment being used is second-rate and that the insurgents are not getting enough supplies and ammunition. Some have advocated supplying new, sophisticated U.S.-made ground-to-air missiles, but the CIA vetoed this, according to the sources.

Of particular controversy has been Wilson's successful effort to obtain money for the CIA to supply advanced, heavy anti-air-

craft cannon to the insurgents, a decision a number of officials view as a potential escalation.

By year's end, the U.S. program, which supplies weapons, ammunition, clothing, medical supplies and money for food, is expected to support an estimated 200,000 to 300,000 full- or part-time insurgents who are battling a Soviet army of 110,000 troops in what intelligence reports and various eyewitness accounts describe as one of the most brutal, savage conflicts of modern times.

"This is a program that is on the verge of blowing up," one intelligence official said. "It is an area of the world where there are

great tensions . . . . The blinking red lights are going off in that region now, [and] the focus is shifting from Central America."

One congressional critic of the escalation said, "We should have learned from Vietnam about over-technologizing primitive people." Another intelligence official said, "We're going to kill the program with success."

Though there are hundreds of cases documenting human rights violations by the invading Soviet army, the U.S. government now has confirmed reports that the CIA-supported insurgents drugged, tortured and forced from 50 to 200 Soviet prisoners to live like animals in cages.

In addition, congressional sources said that the insurgents may be assassinating Soviet military officers and administrators. U.S. intelligence officials said they cannot and do not control the operations of the resistance fighters and have no knowledge of any assassinations.

The large increases began in the fall of 1983 with a secret Wilson amendment to the defense appropriations bill rechanneling \$40 million of Defense Department money to the CIA for the Afghan operation, the sources said.

### Money Destined for Cannon

Part of this money was for the new, foreign-made, heavy anti-aircraft cannon. Another \$50 million for more supplies and weapons was reprogrammed at Wilson's initiative in the same way last July. The Senate, at the urging of Malcolm Wallop (R-Wyo.), chairman of the Senate intelligence committee's budget subcommittee, then took the lead in increasing the annual aid to the point where it is about \$250 million for fiscal year 1985.

The specific amount for 1985 is difficult to calculate, according to sources, because there is some unspent money from previous years that is expected to be used this year. But the sources said spending will range from \$250 million to \$280 million.

It is clear from interviews with more than 20 officials familiar with the Afghan covert aid program that over the last 18 months, while public attention has been focused on the CIA's activities in Nicaragua, Congress opened the dollar flow to this much-less-visible program.

By contrast, Congress last year cut off funding for opponents of the government in Nicaragua that was one-tenth the size, costing \$24 million a year and supporting 15,000 "contras" fighting the Sandinista regime.

Some in the Reagan administration and the CIA at first opposed the large increases in the Afghan operation and were not sure that the supply line, which runs secretly through neighboring Pakistan, could absorb the increased flow. But officials said that after facing years of public congressional hostility to the secret war in Nicaragua, the CIA finally went along and welcomed support in covert operations aimed at thwarting the Soviets in Afghanistan.

"It was a windfall to them," said one congressional intelligence official. "They'd faced so much oppo-

Continued

sition to covert action in Central America and here comes the Congress helping and throwing money at them, putting money their way and they decided to say, 'Who are we to say no?'

Increasing the Afghan program also gave Congress a chance to show it is not soft on communism and Soviet expansionism, congressional sources said. "Over the last two years," one senior administration official said, "as the Nicaraguan operation became the bad war, the one in Afghanistan became the good war."

The decision to supply the new anti-aircraft cannon, for use against Soviet helicopter gunships that are deployed against civilians and insurgents, has been especially controversial. One intelligence official said, "When this [weapon] gets in and if helicopters start getting shot out of the sky with regularity, we've got a problem . . . . A weapon like this could force the Soviets to become more indiscriminate in their use of force. They could begin much more bombing. [It could] change the equation radically."

Some intelligence officials cite Wilson's involvement with the new anti-aircraft cannon as an example of what the CIA calls "micromanaging" of their operations from Capitol Hill.

Wilson confirms his role on behalf of the Afghan resistance but declines to discuss the numbers relating to his legislative efforts. Wilson said in an interview that the new cannon, with armor-piercing explosive shells, "means there aren't going to be any more Soviet helicopters going back to Kabul [the Afghan capital] with holes in them. They're going down."

Of the covert aid package increase, Wilson said, "We're talking about peanuts. We're talking about

one B1 bomber. I'd give them five." (The B1B bomber costs about \$200 million.)

Wilson continued, "There were 58,000 dead in Vietnam and we owe the Russians one and you can quote me on that . . . . I have had a slight obsession with it, because of Vietnam. I thought the Soviets ought to get a dose of it . . . . I've been of the opinion that this money was better spent to hurt our adversaries than other money in the Defense Department budget."

House colleagues and members of the Senate tell of Wilson's dogged effort to secure support for the Afghans and the new anti-aircraft cannon. Sources said that Wilson even arranged a mule-breeding program for the resistance to haul the new cannon, ammunition and other supplies into the mountains of Afghanistan.

The sudden mushrooming of aid, through supply pipelines set up after the Soviet invasion in December 1979, also has created massive control problems. By some accounts, as little as 20 percent of the weapons and supplies reach the Afghan resistance because the material must travel through a long, complicated supply route. The CIA maintains that 80 percent is getting into the hands of the fighters.

Government and intelligence reports also show some cases of human-rights violations by the insurgents. One well-informed source said recently, "There are 70 Russian prisoners living lives of indescribable horror." Several administration officials said that the United States is going to have to face this problem.

According to two sources, the insurgents have made requests for assassination equipment and asked for information on locations of high-ranking Soviet generals and administrators. But there are no proven, clear cases of assassination. The CIA is prohibited by executive order from supporting assassination directly or indirectly.

One source said that the resistance is "not going to worry about a presidential executive order and they are certainly going to ask for sniper weapons and if they ask for them, they're going to get them."

CIA officials said that they have no way of preventing individual tribesmen or resistance leaders half a world away from taking such actions. "We don't control the operation," one official said. "We support it."

A December 1984 report from the Helsinki Watch Committee, an independent human-rights group, entitled "Tears, Blood and Cries, Human Rights in Afghanistan Since the Invasion, 1979 to 1984," describes terror tactics including torture and assassination that allegedly

are being used by both sides. The 212-page report devotes 172 pages to the Soviets and 16 pages to the resistance; the group apparently found substantial violations by the Soviets.

Through all of this, officials said the government of Pakistani President Mohammed Zia ul-Haq is walking a diplomatic tightrope because most of the covert aid is channeled through his country. Two key intelligence sources said that the massive increase in the covert program gives Zia leverage to demand more U.S. aid for his country. These sources voiced fears that, in the extreme, Zia's position might be so strengthened that he would request assistance in building his nuclear weapons, a goal at odds with U.S. policy and denied by Pakistan.

Many details of the Afghan covert aid program have been reported since the operation began during the Carter administration. But officials said the sudden increase in the last 18 months and the

lobbying of Wilson with the support of most members of Congress have allowed little time for the administration or the Hill to debate the consequences of various tactical decisions, such as the new anti-aircraft cannon, or the funding increases.

Wilson's efforts began in earnest after he and then-Rep. Clarence D. Long (D-Md.), longtime chairman of the appropriations subcommittee overseeing foreign aid who was defeated last November, returned from a trip to the Afghan resistance camps in Pakistan in August 1983. CIA aid to the insurgents was about \$30 million that year, and the agency had not requested an increase for the next fiscal year, according to sources.

In a recent interview, Long said the insurgents told him during the 1983 trip that "they wanted something to knock down helicopters." He said that Zia agreed the insurgents should have improved anti-aircraft weapons.

At the time, the insurgents had only machine guns, which often hit and damaged the Soviet helicopters but did not have the firepower to bring them down. In addition, the Soviet-made SA7, a shoulder-

Continued

launched, heat-seeking missile, one of the items purchased as part of the covert program, has turned out to be unreliable.

Long said that Zia suggested a new cannon and gave its name. "If it was American-made the Soviets would trace it to Pakistan and he [Zia] didn't want that. He suggested we get [foreign-made] guns . . . . He was perfectly willing to take a chance if it couldn't be traced back to him," Long said.

As the next step, Long said he asked Wilson to offer the Afghan aid increase amendment because Wilson was a member of the defense appropriations subcommittee and a member of the House-Senate conference committee that worked on the defense appropriations bill.

Wilson confirmed this, saying, "I was the instrument of Long's idea." Wilson said he came up with the amount for the initial amendment, and said he did this by pulling a number "right out of the sky." Other sources said it was \$40 million.

Wilson said he conferred with some officials at the CIA before, but they said that "they were shy about increasing their budget" more than had been approved by the House and Senate intelligence committees for other intelligence matters and operations. Budget increases usually come from the authorizing committees, which, in the case of the CIA, are the two intelligence committees. Because he is not a member of the House intelligence committee, Wilson said, "It was the only vehicle I had as a member of the House Appropriations Committee."

#### **Amendment Proceeded**

He and Long went ahead with the amendment with the purpose, according to Wilson, "of trying to demonstrate that money didn't matter because it was such a worthy cause." The first \$40 million increase was for clothing, boots, medical supplies and "rapid-fire cannons" for antiaircraft defense, sources said.

Wilson, who has made five trips to the region, said, "Every trip I made, the freedom fighters talked about bullets bouncing off HINDS [Soviet helicopter gunships] and how they needed armor-piercing explosive shells."

Wilson said it is unusual for a congressman to add money to a covert program and that he knows of no other such case.

"It was an easy sell," he said. Wilson reportedly had no trouble persuading the members of the House-Senate conference committee that the insurgents were fighting cou-

rageously and were not asking for food or medicine but some way to defend themselves against the gunships.

After the House-Senate conference approved the \$40 million amendment, Office of Management and Budget Director David A. Stockman sent a letter late last February requesting the House and Senate intelligence committees to approve the reprogramming. A source said that the administration went along because of belief in the Afghan program and because it was a comparatively small amount requested by the House Appropriations Committee, which generally has supported administration requests for the Pentagon.

The deputy undersecretary of defense for policy, retired Army Gen. Richard G. Stilwell, reportedly objected to the loss of the \$40 million from the Pentagon, and one source said that a Defense Department study described the new cannon as the wrong weapon for a guerrilla war.

In March 1984, the House intelligence committee approved a limited release of the money, while asking the CIA for a report showing that the advantages of the particular cannon outweighed its disadvantages.

On the Senate side, Barry Goldwater (R-Ariz.), then-chairman of the Senate intelligence committee, dug in his heels and refused to approve release of the money because he reportedly did not think it was the right weapon.

But Goldwater changed his mind in the first week of April 1984 after Deputy CIA Director John N. McMahon wrote the Senate and House committees to say that the CIA supported use of the weapon. One official said that the CIA was not familiar with the particular cannon and had to obtain one for testing.

Both committees then approved a limited test of nine of the cannons.

They are due to arrive in several months on the battlefields in Afghanistan, the sources said, and more will be provided if the weapon proves itself.

The cost of each new cannon, plus transportation and initial supplies of ammunition, is put at about \$1 million. Because the weapons are rapid-fire and the armor-piercing shells they use are expensive, some estimates suggest that millions of dollars will have to be spent to supply enough ammunition each year. Concern about this expense and the overall impact the new cannon may have in Afghanistan was expressed by a number of Republican and Democratic members of the Senate intelligence committee during a briefing on the matter last year, according to sources.

Several sources said that there is no effective countermeasure to the new cannon. On the other hand, the Soviets have been able to employ countermeasures against the SA-7 heat-seeking missiles, and many of those missiles supplied to the insurgents have turned out to be duds.

For his part, Wilson said the cannon will not amount to an escalation in Afghanistan, and the Soviets should be made to pay a high price. "I think it would be immoral not to help . . . . I don't want the resistance fighters to give away their lives too cheaply."

A number of congressional supporters wanted initially to supply U.S.-made Redeye or Stinger ground-to-air, heat-seeking missiles, but the CIA blocked that because those missiles could be traced too easily to the United States.

Wilson cites reports showing a pattern of the brutality of Soviet operations in Afghanistan, including massive bombing raids that have driven millions of Afghan people across the border to neighboring

countries, especially Pakistan. Wilson said that the Soviets have used booby-trapped toys to maim Afghan children as part of their terror campaign. Another official confirmed that there is such an intelligence report.

Congressional support for the Afghan covert aid program has been bipartisan and enthusiastic. Last fall both houses unanimously

Continued

passed a resolution saying it should be U.S. policy "to support effectively the people of Afghanistan in their fight for freedom." But to protect Pakistan, the pipeline through which most aid flows, the program has been covert and handled by the CIA.

Though there has been general agreement that the Afghan operation is a "good war," there has been disagreement about its specific objective going back to when the Carter administration began covertly supplying the insurgents after the Soviet invasion.

A senior official in the Carter administration said there were serious questions from the beginning. "The question was, do we give them [the insurgents] weapons to kill themselves, because that is what we would be doing. There was no way they could beat the Soviets.

"The question here was whether it was morally acceptable that, in order to keep the Soviets off balance, which was the reason for the operation, it was permissible to use other lives for our geopolitical interests."

### **General Agreement Remains**

Now, five years later, there remains general agreement that the insurgents cannot win, although the CIA has reports that the resistance has done well in the last eight months. But supporters of the program such as Sen. Wallop are troubled by the lack of clear objectives.

"I don't know anyone who believes we will overthrow the Soviet-supported regime in Afghanistan,"

Wallop said, "so what does anyone define as success? You have got to have in mind what you want to do, and we don't in this case."

Others criticize CIA management of the operation. One well-informed official said that resupplies of guns and equipment get doled out to the resistance groups after successful operations, almost as rewards, rather than as part of a well-orchestrated campaign. "This whole thing is conceived as a supply operation, not a war operation," the official said.

An administration official involved in Afghan policy said, "Our policy is to get the Soviets out ba-

sically . . . [we] have tied up about 1 percent of their Army . . . and the cost to the Soviets is about \$4 billion a year [and the] total cost since 1979 is about \$16 billion."

Other sources were skeptical about these numbers and note that the Soviets still would have the expense of maintaining that part of their army even if there were no Afghanistan war.

There is another theme that runs throughout interviews with officials, one that reflects the delicate nature of limited war. While denouncing Soviet actions and brutality, many officials noted, with varying degrees of emphasis, that the Soviets have imposed some limits on their actions.

"One of the important things is restraint," said one administration official, "and that includes restraint on our part . . . and restraint by the Soviet Union.

"You've got to consider what they haven't done to Pakistan and others . . . Afghanistan is on their border, and you have to believe the Soviets could, if they chose, march in with sufficient troops to do the job."

One congressional official called that statement "ludicrous," adding, "This represents the kind of self-delusion according to which the Soviets and we have an unspoken, gentleman's agreement to never go for the jugular.

"Since the Soviets have disproven this constantly, this view can only be held through a heroic effort of self-deception," the official said.

Many of those interviewed expressed concern that the money and supplies get passed through so many hands—"a board of Pakistani generals," in the words of one source—that the hundreds of millions of dollars are not accomplishing that much.

Alexander Alexiev, a Rand Corp. analyst who has visited the region for the Defense Department, said, "Corruption is rampant . . . Some of the political leaders live in fancy villas and have fat bank accounts, while the fighters don't have boots five years into the war."

He said he talked to one resistance leader who had only a hand-drawn map of the province that was his home base.

One senior member of the Senate intelligence committee, who said he will continue to support the program, said, "It's like tossing money over the garden wall."

*Staff researcher Barbara Feinman contributed to this report.*

ARTICLE APPEARED  
ON PAGE A-1WASHINGTON POST  
18 October 1984

# U.S. Had Reliable Warnings Diplomats Were Bomb Target

## *Explosives Were Tracked to Lebanon*

By Bob Woodward  
Washington Post Staff Writer

In the weeks before this September's terrorist bombing of the American Embassy annex in Beirut, the U.S. government had specific, reliable intelligence warnings that explosives had been shipped into Lebanon and were targeted against American Embassy personnel, according to informed intelligence sources.

U.S. and Israeli intelligence first tracked explosives and timed fuse bombs in mid-August. Days before the Sept. 20 bombing, they learned that the explosives were designated for use against Americans. A vulnerability assessment narrowed the possible points of attack to two facilities in east Beirut: the ambassador's residence in the southern hills, and the eventual target, the embassy annex to the north near the Mediterranean coast.

Reagan administration officials who have reviewed the intelligence and the details of the attack have found that the failure to take more aggressive security precautions was even more unsatisfactory than first reported. One official called it "inexcusable" and another "negligent." Sources said that too many U.S. security forces were deployed away from the annex, where the most American personnel were stationed.

The analysis of security after the bombing shows that terrorists on Sept. 20 could have had unimpeded access to the embassy from a side road that ran about 200 feet from the annex. No barricades were in place there. Fortunately, the sources said, the driver of the van carrying the explosives approached the building through the front gate and was slowed down along that route by security guards and by

concrete barriers around which he had to weave.

The explosives were detonated 30 feet before the van reached the annex, making the damage and death toll less than they might have been.

Sources said the new information about security lapses accounts in part for Secretary of State George P. Shultz's directive last week that he receive a daily briefing on embassy safety as part of a "full-court press" on new security measures.

In addition, the sources said intelligence reports show that some of the explosives are still in Lebanon and another attack is anticipated before the American presidential election. U.S. authorities, according to one source, most fear another attack against precisely the same target.

Under new security measures, all vehicles other than the ambassador's automobile entering the embassy annex in Beirut are stopped. Passengers and deliveries are then loaded into a shuttle service that runs from the gates to the annex, these officials said.

U.S. intelligence, working with friendly intelligence services including those of Israel and Lebanon, have traced the financing of the explosives to an elusive financial middleman with close ties to Iranians who have supported terrorism in the past.

The middleman is identified as Hassan Hamiz, a Lebanese with high-level contacts in the Iranian government. Hamiz was paid \$50,000 as part of the operation supporting the October 1983 bombing at Marine headquarters in Beirut that killed 241, according to intelligence reports.

Continued

STAT

2.

Hamiz is closely associated with Hussein Musawi, a leader of one faction of Shiite militants in Lebanon's Bekaa Valley. Musawi's cousin, Abu Haydar Musawi, was involved in obtaining the pickup truck used in the 1983 Marine bombing, according to intelligence reports. He heads his cousin's group called "Hussein suicide commandos," the reports say.

Intelligence has also established the identity of the driver of the van that carried the explosives in the most recent bombing. The driver apparently had two or three aliases, but officials said he has been traced to the militant Shiite movement called Hezbollah, or Party of God, which previously has been identified as the group responsible for the terrorist attack.

The group is a loose confederation. Sources this week cautioned that intelligence data, though concrete and believed to be reliable, is not strong enough to make a case in court.

Last January the Israelis arrested 12 terrorists, including some members of the Party of God, and obtained documents, money, operational structures and target information. But it is difficult for outsiders to get good information from the militant Shiite movements, particularly in advance. "It's like penetrating the top echelon of the Mafia," one source said.

This uncertainty, according to sources, is a major reason the Reagan administration has decided not to retaliate.

The sources said the CIA is more interested in learning about the ter-

rorists, their financing and communication, than in striking back. Though the CIA learned of the explosives shipment and the possible targets, officials said they did not know the timing of a possible attack. "We didn't know when—whether it was going to be that week or month," one source said. Another official said intelligence warnings without the time element can lose impact, creating what one official called "the cry-wolf problem."

Sources in several western intelligence agencies said this week that Syrian intelligence officers have not been implicated in the latest attack, unlike the 1983 Marine bombing and the April 1983 bombing of the U.S. Embassy in Lebanon.

Among the 13 individuals tied to those two earlier bombings were a Syrian intelligence colonel, a former PLO security officer and others belonging to the Syrian-controlled Thunderbolt terrorist organization.

The absence of Syrian intelligence assistance, according to one source, may in part account for the comparatively low death toll of last month's bombing, in which two Americans and at least 10 Lebanese were killed.

The CIA is continuing its investigation to learn more about those responsible for last month's bombing. The capacity to undertake such a probe has been enhanced significantly since the 1983 incidents. An information exchange network has been set up with the intelligence services, police and military of more than 100 countries.

**Page Denied**

Next 2 Page(s) In Document Denied

WASHINGTON POST  
12 May 1985ARTICLE APPEARED  
ON PAGE A-1

# Antiterrorist Plan Rescinded After Unauthorized Bombing

STAT  
STAT

*Sources Say Reagan Approved CIA Covert Training and Support of Squads*

*Set Up to Preempt Strikes at U.S. Facilities in Mideast*

By Bob Woodward and Charles R. Babcock  
Washington Post Staff Writers

Late last year, President Reagan approved a covert operation directing the Central Intelligence Agency to train and support several counterterrorist units for strikes against suspected terrorists before they could attack U.S. facilities in the Middle East, according to informed sources.

About four months later, members of one of those units, composed of Lebanese intelligence personnel and other foreigners, acting without CIA authorization, went out on a runaway mission and hired others in Lebanon to detonate a massive car bomb outside the Beirut residence of a militant Shiite leader believed to be behind terrorist attacks on U.S. installations, the sources said.

More than 80 persons were killed and 200 wounded in the car bombing in a Beirut suburb on March 8. The suspected terrorist leader escaped injury.

Faced with an indirect connection to the car bombing, alarmed CIA and Reagan administration officials quickly canceled the entire covert support operation, the sources said.

CIA personnel had no contact with those who actually carried out the car bombing, they said. According to one source, officials of the intelligence agency were upset that one of its most secret and much debated operations had gone astray.

Administration spokesmen had no comment yesterday.

Several intelligence sources said the incident revealed the hazards of trying to fight the "dirty" war of terrorism. Others questioned whether training and support of the covert units might have violated the longstanding prohibition against U.S. involvement in assassinations. One source, skeptical of the short-lived operation, called it "an illustration of how some people learn things the hard way."

Another source said Defense Department officials refused two years ago to give Lebanese units any counterterrorism training because of fears that "we'd end up with hit teams over there . . . . The concern was that when some have the capability it can be turned upside down and used offensively. The concern was that one faction would use it on the other factions."

Administration sources said that the congressional oversight committees on intelligence were briefed on the covert support operation in Lebanon after the president approved it late last year, although Reagan specifically directed that only the chairmen and vice chairmen of the Senate and House intelligence committees be informed.

Several sources said there is some question whether the new chairmen and vice chairmen who took over the committees in both chambers in January received full briefings on the operation. Administration sources last week insisted that they had.

Within weeks of the March 8 car bombing and the cancellation of the covert operation in Lebanon, both Robert C. McFarlane, the president's national security adviser, and CIA Director William J. Casey gave speeches saying the administration had the capability to preempt terrorist attacks.

Using the same language, both McFarlane and Casey said: "We cannot and will not abstain from forcible action to prevent, preempt or respond to terrorist acts where conditions merit the use of force. Many countries, including the United States, have the specific forces and capabilities we need to carry out operations against terrorist groups."

It could not be learned exactly what capabilities McFarlane and Casey were talking about. The CIA has extensive worldwide counterterrorist training operations

**Continued**



designed to help other nations defend against and react to terrorist attacks. McFarlane and Casey have declined to elaborate. McFarlane's speech was given here on March 25 and Casey's in Cambridge, Mass., on April 17.

Dozens of bystanders were killed and wounded in the March 8 car bombing in a Beirut suburb about 50 yards from the residence of Mohamamed Hussein Fadlallah, leader of the Hezbollah (Party of God), a militant Shiite movement. A number of Fadlallah's bodyguards reportedly were killed in the explosion.

No one publicly has claimed responsibility for the bombing. Some Shiites accused the Israelis, who denied any involvement.

Numerous U.S. intelligence reports have tied Fadlallah directly to the series of terrorist attacks on American facilities in Lebanon in 1983 and 1984. According to one report, Fadlallah participated in an Oct. 20, 1983, planning meeting of terrorists in Damascus, Syria, three days before the suicide bombing of the Marine headquarters compound in Beirut that killed 241 U.S. servicemen. Intelligence reports also say that on the night of Oct. 22, 1983, just hours before the bombing, Fadlallah received and blessed the man who drove the truck carrying the explosives in the suicide bombing.

Fadlallah's group also was responsible for the more recent Sept. 20, 1984, bombing of the U.S. Embassy annex in Beirut, according to intelligence sources. Fadlallah has denied involvement in these terrorist actions.

A Lebanese intelligence source said: "My service did the [March 8] Fadlallah bombing. I believe it was done to show we are strong . . . . You've got to stop terrorism with terrorism."

The Lebanese source said that the CIA would have nothing to do with a car bomb because of the danger to innocent people. But the source contended that the CIA knew it was being planned.

U.S. sources emphatically denied any advance knowledge of the bombing and said immediate steps were taken after it occurred to cancel the entire covert operation.

The plan to form and train three teams of Lebanese capable of neutralizing or disabling terrorists before they could make planned attacks on American targets was approved after years of internal debate and increasingly tough Reagan administration rhetoric about how to respond to the wave of devastating terrorist attacks abroad.

### Preemptive Strikes Difficult

The covert training and support program was set up under a presidential "finding" signed by Reagan. It specified that the teams of foreigners were to be used only with great care and only in situations where the United States had good intelligence that a terrorist group was about to strike. The teams were supposed to use the minimal force necessary to stop specific attacks. Several sources said this included the authority to kill suspected terrorists if that was the only alternative.

Conducting preemptive strikes is very difficult in practice, because they depend on intelligence information that is timely and accurate. However, sources said the U.S. capability to collect advance information on planned terrorist actions is improving.

After previous terrorist attacks on American facilities in the Middle East, U.S. officials learned they had had some clues, at times significant ones, before the event. But they were only discovered afterward, when analysts sorted through raw intelligence reports, communications intercepts and satellite photography.

Officials said the short-lived covert operation in Lebanon did not violate the presidential ban on involvement of U.S. personnel, directly or indirectly, in any type of assassination planning or operation. The prohibition dates to 1976, after congressional investigations uncovered such plots against Cuban President Fidel Castro and other foreign leaders.

Reagan administration officials reasoned that killing terrorists was "preemptive self-defense" rather than assassination, according to one source, who said, "Knocking off a guy who is about to kill you is no more assassination than a police-

man getting off the first shot at a man pointing a shotgun at him."

Secretary of State George P. Shultz and national security affairs adviser McFarlane were chief proponents of the covert plan in Lebanon, sources said.

### Shultz Urged Response

"State and the White House pushed this," one source said. According to this source, the final decision to approve the plan late last fall was made because of "Shultz's assertiveness and [Defense Secretary Caspar W.] Weinberger's reluctance to use force conventionally, and McFarlane's anger with terrorism."

Sources said that McFarlane was instrumental in developing a consensus from the disparate views of senior administration officials.

Shultz repeatedly has urged a strong response to terrorism, which he has called "barbarism that threatens the very foundations of civilized life." On the other hand, Weinberger has voiced reluctance to use military force without full public support.

Sources said that some senior intelligence officials opposed involving the intelligence agencies in what one official called "the ultimate covert action: an undercover hit squad." The revelations of previous assassination plots and the more recent public and congressional criticism of the CIA's involvement in a covert war against the leftist Sandinista government in Nicaragua made the CIA reluctant to undertake new operations, according to the sources.

The covert option was selected, the sources said, as a preferable alternative to the use of military force such as the guns of the battleship New Jersey or air strikes, which could kill or injure innocent civilians close to a terrorist camp.

The sources also said that training and supporting a covert team would avoid the possibility of live television coverage of U.S. military action and the visible use of American force in the Middle East, which previously had increased anti-American sentiment and more acts of terrorism. Compared with the alternatives, the sources said, a small team also would be the most cost-effective.

Continued

Two weeks after the unauthorized March 8 Beirut car bombing aimed at Fadlallah, McFarlane gave his speech that seemed to confirm the existence of some type of new counterterrorist capability. McFarlane said that in making a decision to react, "we need not insist on absolute evidence that the targets were used solely to support terrorism."

In his speech, "Terrorism and the Future of Free Society," McFarlane said he was outlining the "operating principles" of a presidential directive on terrorism. "Whenever we obtain evidence that an act of terrorism is about to be mounted against us, we have a responsibility to take measures to protect our citizens, property and interests," McFarlane said.

"Use of force in self-defense is legitimate under international law," he said. "It is explicitly sanctioned under Article 51 of the United Nations charter."

Sources said this speech and one given by Shultz on Dec. 9 in New York, "The Ethics of Power," were intended to express the rationale for administration policy.

Addressing an audience at Yeshiva University, Shultz said: "The Talmud upholds the universal law of self-defense, saying, 'If one comes to kill you, make haste and kill him first.' Clearly, as long as threats exist, law-abiding nations have the right and indeed the duty to protect themselves."

According to the sources, Reagan approved the covert "finding" authorizing CIA training and support for antiterrorist units in Lebanon just before Shultz gave the speech last December.

### **Mock-Up of Embassy Seen**

Two sources said that the Sept. 20 terrorist bombing of the U.S. Embassy annex in Beirut last year helped persuade officials that they had to develop some means of preempting planned terrorist attacks. After the fact, officials learned that U.S. intelligence agencies had overhead satellite photographs of what is thought to be the van used in the suicide bombing.

Those photos showed the vehicle outside a mock-up of the embassy annex that the terrorists were using for a practice run, sources said. Although the connection was established after the fact, the sources said that, in the future, this kind of intelligence might be part of the basis for a preemptive attack.

One source argued that the decision to use a covert team

amounted to recreating for the CIA a role it played in its early years, before the Watergate scandal and subsequent congressional investigations of the agency dampened its ardor for clandestine operations.

Accordingly, this source said, Reagan's decision to authorize the covert team was "the final curtain on the legacy of both Vietnam and Watergate." Of all the Reagan administration's decisions on national security, this source said, "It was the most tricky, the most controversial and sensitive . . . [It] took the most goading to get change."

But when the operation went astray after the Lebanese went ahead with an unapproved car-bombing, officials involved in the plan felt they had no alternative to

canceling U.S. support for the antiterrorist squads.

One official who favored creation of the units said: "If you take terrorism seriously, as we must, you've got to realize that it could get worse . . . . If we had informa-

tion on some terrorists involved in nuclear detonation practice, you've got to act. No choice. That is the type of issue we are going to have to face, and we better be ready."

*Staff researcher Barbara Feinman contributed to this report.*

**Page Denied**

Next 4 Page(s) In Document Denied

WASHINGTON POST  
16 May 1985

ARTICLE APPEARED  
ON PAGE A-35

## Shultz Labels Report By Post 'Blind Alley'

STAT

Secretary of State George P. Shultz said yesterday that a report in The Washington Post about a U.S. counterterrorist program that was terminated after an unauthorized car-bomb blast in Lebanon is "a blind alley."

"It's absolutely a blind alley . . . a story that's created a big hubbub about something that's not correct," Shultz said.

Questioned further, he said, "I don't want to get into it because I just haven't been able to inform myself well enough."

Until now he had declined all comment on the story. When someone mentioned the Central Intelligence Agency's denial as being pro forma, Shultz responded, "If the CIA denies something, it's denied."



ARTICLE APPEARED  
ON PAGE A-4

WASHINGTON POST  
23 June 1985

# CIA Denies Part in Bombing

*Agency Criticizes Post Article on Beirut Attack That Killed 80*

By Charles R. Babcock  
and Bob Woodward  
Washington Post Staff Writers

The Central Intelligence Agency says it was not involved in a Beirut car bombing that killed 80 people in March, and has criticized a Washington Post article last month on the incident.

The Post's May 12 article said that President Reagan directed the CIA late last year to train and support counterterrorist units, made up of Lebanese and other foreigners, for strikes against suspected terrorists before they could attack U.S. targets.

The story said that in March, members of one of those units, "acting without CIA authorization, went out on a runaway mission and hired others in Lebanon" to plant a car bomb outside the residence of a militant Shiite leader believed by intelligence sources to be behind terrorist attacks on U.S. installations.

The story said "CIA personnel had no contact with those who actually carried out" the bombing. But it added that "faced with an indirect connection to the car bombing," U.S. officials canceled the support operation.

The CIA, in a letter to The Post by spokesman George V. Lauder, published in the letters column today, said the story "gave the American public and the rest of the world the totally false impression that the U.S. government was involved in terrorist activity.

"This misleading theme has been picked up by a number of other journalists as fact and has even been cited by the Shiite terrorists as one of the motives for hijacking TWA Flight 847."

The letter comes as administration officials are concerned that some hostages from the hijacked

plane are reportedly in the hands of the group headed by the target of the March 8 bombing, Mohammed Hussein Fadlallah, leader of the Hezbollah (Party of God) militant Shiite faction.

Fadlallah, who was unharmed, has been tied in U.S. intelligence reports to the bombings of the Marine headquarters that killed 241 in 1983 and the bombing of the U.S. Embassy annex last fall.

The CIA letter to The Post added

that a House intelligence committee review of the incident concluded on June 12 that there was no CIA complicity in the bombing.

Two members of the committee said yesterday that the report did not directly address The Post article.

The report, they said, dealt with a resolution by House members who accused the CIA of financing hit teams because of the bombing. That resolution demanded CIA documents about the bombing.

Senior CIA and administration officials, before and after The Post article was published, confirmed the details.

One senior CIA official said the article was accurate, but he had a problem with "the way it got picked up . . . as if we had our own hit team out there."

CIA Director William J. Casey said in an interview in U.S. News & World Report last week that the Lebanese had asked the CIA "to help plan preemptive action. Before the bombing we were ready to consider helping them with planning of that sort of action if they did it in a surgical, careful, well-targeted way—if they really knew what they were doing."

He said that the CIA had given the Lebanese training and technical support to deal with terrorism. "But they do any operations themselves,"

Casey said. "We were not involved, and no one we trained was involved in the Lebanese car-bombing operation."

Asked in the U.S. News interview if the March 8 bombing led to a change of policy, as The Post and other news organizations reported, Casey said, "Well, we didn't like the way that situation was handled. So we pulled back from any involvement in the planning or preparation of operations."

CIA spokesman Lauder could not be reached for comment yesterday. CIA spokesman Patti Volz said the letter was not written until Friday, nearly six weeks after the story, because the CIA just learned about the House committee report. She said she "wouldn't address" questions on whether the letter was part of any administration effort to send a message to the TWA hijackers.

Several other publications, including The New York Times, The Wall Street Journal, Newsweek and

the Los Angeles Times, and CBS News later carried similar stories of the birth and cancellation of the administration's counterterrorism program in Beirut.

In his letter, Lauder said the CIA categorically denied any involvement with the bombing both before and after the article was published, and The Post ignored the denials. The Post article said administration spokesmen had no comment before publication.

The Post carried the public CIA denial in the middle of an article about congressional inquiries into the matter.

Lauder also quoted from the House report that said its review "leads to the conclusion that no U.S. government complicity, direct or indirect, can be established with respect to the March 8 bombing in Beirut."

STAT

STAT

STAT

STAT

Continued

2.

The House report is a public document, but was not printed in the Congressional Record or distributed to reporters, a committee staff member said. It said the committee review uncovered no evidence that government agencies "encouraged or participated in any terrorist activity in Lebanon."

It also said the committee discovered no evidence that U.S. intelligence had foreknowledge of the bombing.

The Post article was headlined: "Antiterrorist Plan Rescinded After Unauthorized Bombing." It did not say the CIA knew about or encouraged the bombing.

In the U.S. News interview, Casey also said he did not believe planning an operation that was likely to kill people amounted to assassination, which is illegal under U.S. law.

"If the Lebanese discharge their duty to protect the lives and property of their citizens as well as other nationals, and if in the course of doing that someone gets killed, are we assassinating that guy? No. We're helping the Lebanese perform a security function.

"If someone gets killed or hurt, well, it's a rough game. If you don't resist and take protective action against terrorists because you worry that there's going to be somebody who might say, 'Ah, that's assassination,' then terrorists can own the world, because nobody's going to do anything against them."

WASHINGTON POST  
13 January 1987

# Soviet Threat Toward Iran Overstated, Casey Concluded

By Bob Woodward and Dan Morgan  
Washington Post Staff Writers

CIA Director William J. Casey concluded in a revised intelligence assessment last spring that the Soviets were less likely to attack Iran or have influence in a post-Khomeini regime than the CIA believed in 1985, according to informed sources.

Casey's amended analysis appears to have called into question a primary White House rationale for the secret sale of U.S. arms to Iran, which President Reagan ordered in January 1986 partly to assist Iran against "intervention by the Soviet Union."

The 1986 Central Intelligence Agency assessment, called a Special National Intelligence Estimate (SNIE), was issued under Casey's name and endorsed by the heads of U.S. intelligence agencies. As such, it was intended to represent the best collective judgment of these agencies.

Casey has taken great pride in the formal intelligence estimates, having said repeatedly that they help guide administration policy, according to informed sources.

The 25-page, highly classified document substantially altered conclusions reached a year earlier by one of Casey's national intelligence officers, Graham Fuller, that there was a great threat to Iran from its Soviet neighbor. According to sources, Fuller's paper also stated that the Iranian government was weakening; the analysis emphasized efforts being made by the Soviet Union to gain influence in Iran.

Casey's revised assessment was issued to the White House before perhaps the most dramatic of the arms shipments to Iran in May 1986, when former national security adviser Robert C. McFarlane flew to Tehran with weapons in hopes of freeing U.S. hostages held by Iran-backed Lebanese extremists in Beirut.

One senior administration official who read the revised estimate said yesterday, "It essentially said that

the Russians are not coming to Iran."

Another source who recently reviewed the SNIE added, "It said the Russian threat was not that great, that the Soviets were not about to jump into Iran . . . . The urgency of the Fuller study had abated."

The Tudeh communist party, which Ayatollah Ruhollah Khomeini had outlawed in 1983, was inactive in Iran and seemed to have little influence, the SNIE concluded.

Some of this assessment was based on intelligence provided by the Iranian contacts being used by the National Security Council in the arms deal—the "moderates" the White House believed existed in the Khomeini regime.

It could not be established why the CIA decided to issue a revised SNIE last spring. The revision was undertaken at a time when some government analysts were skeptical of Fuller's earlier study and wanted a more comprehensive followup study.

Also in the spring of 1983 when the Tudeh party was closed down, the CIA secretly provided a list to the Khomeini regime of Soviet KGB agents and collaborators operating in Iran, sources told The Washington Post last year. Two hundred suspects were executed, 18 Soviet diplomats were expelled and the Tudeh party leaders were imprisoned. Well-placed sources said that Soviet influence in Iran has been insignificant since the Tudeh party was outlawed.

In another development yesterday related to the Iran affair, the chairman and ranking Republican member of the Senate Select Committee on Intelligence said they hoped to release a new report on its inquiry into the Iran-contra affair in the next two weeks.

Sen. William S. Cohen (R-Maine) and the committee's new Democratic chairman, Sen. David L. Boren (Okla.), said the panel planned to issue a shortened version of the report that the committee voted on Jan. 5 not to make public in the waning hours of the 99th Congress.

The Maine Republican said this version would probably contain a summary of the evidence, and "perhaps" a summary of the conclusions, including an assertion that the committee had uncovered no evidence to

this point that Reagan knew of a diversion of funds from Iran arms sales to rebels fighting the Nicaraguan government.

However, Cohen said during a luncheon meeting with reporters, the report would make clear that the committee had conducted only a "preliminary inquiry," not a formal investigation, and had not taken testimony from a number of key witnesses.

Cohen, who became vice chairman of the newly constituted intelligence committee in the new Congress, was the only Republican to vote against release of the earlier version of the report, portions of which have been widely reported. He said he did so because the report was not complete, the testimony of 12 witnesses had not been transcribed and the senators had not had a chance to examine all documents submitted by government agencies.

Cohen also expressed concern that release of the full 160-page report drafted by the committee staff would have tipped off potential future witnesses about the nature of testimony provided by others, thus possibly hindering subsequent inquiries.

Also yesterday, the CIA strongly denied a New York Times report that Iran and Iraq were fed "disinformation"—deliberately distorted or inaccurate U.S. intelligence data—to advance the Reagan administration's goals in the region. The article "is false," said CIA spokesman George Lauder, who said it would be "stupid" for the United States to provide false information to either side.

The Times report said the disinformation was provided to prevent either side from winning their bloody war, now in its seventh year.

One congressional source yesterday said that American intelligence, which was passed to Iran as a sign of "good faith" in efforts to free U.S. hostages, was generally accurate except for one occasion when "the Iraqi forces were described as stronger than they really were so that the Iranians would not attack."

Secretary of State George P. Shultz, traveling from Nigeria to the Ivory Coast yesterday, said of the disinformation charge, "That's news to me. So far as I know, any information that we've been giving to Iraq has been dead on the mark."

In other developments:

■ David M. Abshire, the president's special counsel on the Iran affair, met with Reagan yesterday and the White House later issued a statement saying Abshire discussed his objective of speeding up disclosure of infor-

mation to Congress, the independent counsel investigating the Iran-contra affair and the Tower Commission, which is reviewing the NSC. The statement said Abshire also discussed efforts to maintain a "bipartisan focus" during the inquiries. A spokesman said Abshire had no timetable for releasing information, and the statement made no mention of releasing details to the public.

■ The U.S. attorney in Manhattan said yesterday that independent counsel Lawrence E. Walsh does not wish to take over the case of 13 international businessmen accused of conspiring to sell more than \$2 billion in weapons to Iran.

The defendants in the case, who include a lawyer for Saudi billionaire Adnan Khashoggi and a retired Israeli army general, have argued that they believed their proposed sales would receive U.S. government approval, and have suggested links between individuals involved in the sting operation and those involved in the administration's arms sales.

U.S. District Court Judge Leonard B. Sand, who is handling the Iranian arms sting case, had asked prosecutors to inform him by yesterday whether Walsh planned to assume control of that prosecution as well as other contra-related probes that he has taken over.

---

*Staff writers David B. Ottaway, David Hoffman, Ruth Marcus and Waller Pincus and researcher Barbara Feinman contributed to this report.*

---



CONFIDENTIAL  
AL

WASHINGTON POST  
11 January 1987

# NSA Intercepts Show Millions Are Missing In Iran Arms Sales

*White House Wanted Shipments Monitored*

By Bob Woodward  
Washington Post Staff Writer

Congressional investigators have assembled a six-inch stack of National Security Agency communications intercepts that show millions of dollars were "either missing or slipping through the cracks" in the Israeli and U.S. arms shipments to Iran, according to an informed source.

As the arms sales operation was getting off the ground in September 1985, Lt. Col. Oliver L. North of the National Security Council staff requested that the NSA intercept telephone calls and messages of some of the main arms dealers and middlemen, sources said. This was because the White House wanted to monitor the transactions and because U.S. officials, including North, were suspicious of the middlemen.

In this era of microwave and satellite transmission of international telephone calls, the NSA has extraordinary ability to intercept phone conversations and other communications of specific persons by using computers to sort through information picked out of the airwaves and elsewhere.

Though the intercepts do not indicate that the missing money was being diverted to aid the contras fighting the government of Nicaragua, the documents vividly demonstrate that the Reagan administration had evidence it was involved with some shady and unreliable arms dealers, the sources said.

Several sources said the congressional investigators were surprised to learn that the Reagan administration would trust the middlemen with information about one of its most secret operations while refusing to inform the Senate and House intelligence committees.

In authorizing direct U.S. arms shipments to Iran, President Reagan said in a Jan. 17, 1986, intelligence order that "due to its ex-

reme sensitivity and security risks, I determine it is essential to limit prior notice and direct the director of central intelligence to refrain from reporting this finding to the Congress . . . ."

The intercepts show squabbling and unhappiness among the arms dealers and middlemen because of delayed payments and confusing payment procedures involving secret numbered bank accounts in Switzerland used by the Central Intelligence Agency, Israel and the arms dealers themselves.

"It was obvious from the beginning in September 1985 that there were financial problems and unhappiness galore," said one source.

As soon as the White House became involved in approving Israeli arms shipments to Iran in the fall of 1985, the sources said, North requested NSA "coverage" of the arms dealers. Manucher Ghorbanifar, an Iranian go-between who was probably the key player in arranging the arms transactions, was targeted by NSA, the highly secret intelligence agency that has the most advanced methods for intercepting communications, the sources said.

North made the request for NSA coverage to Charles Allen, the CIA's national intelligence officer for counterterrorism. Sources said it was approved by other officials, and the arms dealers went on a priority watch list of communications to intercept, translate if necessary, and forward to the CIA and White House.

A source familiar with the intercepts said that the NSA analysts accustomed to reviewing such communications found nothing necessarily unusual because millions of dollars frequently is siphoned off in commissions and other payments when large quantities of sophisticated arms are sold or transferred.

But apparently investigators working with Attorney General Edwin Meese III last November reviewed the intercepts and became suspicious that something unusual was happening with the money used in the arms shipments.

In a nationally televised news conference Nov. 25, Meese said, "In the course of a thorough review of a number of intercepts and other materials, this—the hint of a possibility that there was some monies being made available for some other purpose—came to our attention."

That was the day the White House announced that North had been fired from the NSC staff and his boss, Vice Adm. John M. Poindexter, Reagan's national security adviser, had resigned.

Sources said that in one example the intercepts and other intelligence showed that Ghorbanifar charged \$3 million in interest on a shipment of arms last spring. This was the transaction in which Saudi Arabian business Adnan Khashoggi, a group of Canadians and another Arab who has not been identified put up \$15 million. The \$3 million in interest was charged on the \$15 million for 30 days, a rate of 20 percent per month, the sources said.

In the first shipment involving 508 TOW antitank missiles that went to Iran in September 1985, the sources said Khashoggi deposited \$5 million in an Israeli Swiss account as a "bridge" loan. Evidence available to investigators shows that Khashoggi was repaid, that Iran paid at least \$6 million for the missiles, but Israel received only about \$2.5 million for the weapons, leaving at least \$3.5 million as profit to Israeli middlemen and Ghorbanifar.

In the November 1985 shipment of 120 Hawk missiles, the sources said Iran put up about \$42 million, but only \$18 million of that was paid to Israel, which supplied the weapons. As of mid-December 1985, \$24 million was in a Swiss account and investigators have been unable to determine what happened to it.

ARTICLE APPEARED IN  
 WASHINGTON POST  
 15 December 1986

# CIA Aiding Iraq in Gulf War

## *Target Data From U.S. Satellites Supplied for Nearly 2 Years*

By Bob Woodward  
 Washington Post Staff Writer

The Central Intelligence Agency has been secretly supplying Iraq with detailed intelligence, including data from sensitive U.S. satellite reconnaissance photography, to assist Iraqi bombing raids on Iran's oil terminals and power plants in the war between the two nations, according to informed sources.

The information has been flowing to Iraq for nearly two years. During the same period, the Reagan administration was secretly selling arms to Iran in an effort to free the American hostages in Lebanon and gain influence with factions in the Iranian government.

In August, the CIA stepped up the initiative with Iraq by establishing a direct, top-secret Washington-Baghdad link to provide the Iraqis with better and more timely satellite information. One source with firsthand knowledge said the Iraqis receive the information from satellite photos "several hours" after a bombing raid in order to assess damage and plan the next attack. This source said the intelligence information is "vital" to Iraq's conduct of the war.

CIA Director William J. Casey met twice this fall—once in October and again in November—with senior Iraqi officials to make sure the new channel was functioning and to encourage more attacks on Iranian installations, the sources said.

Iraq has mounted a series of precision air attacks against Iran in recent months, concentrating on oil terminals, oil pumping stations and power plants—all with the intent of destroying Iran's economy and its ability to continue the war, which entered its seventh year this fall.

The revelation that the administration has been sharing intelligence data with the Iraqis at the same time that it was shipping arms to the Iranians raises new questions about the administration's policy on the Persian Gulf war.

One well-placed U.S. government official said that the administration policy of arms for Iran and satellite intelligence for Iraq was "a cynical attempt to engineer a stalemate" in the war.

An administration official said yesterday that any intelligence assistance to Iraq was for "defensive" purposes, designed to keep either side from winning or losing the war.

White House spokesman Daniel Howard said yesterday there would be no comment on this report. "We don't comment on intelligence matters," he said.

On Nov. 13, in his first detailed public statement on the Iranian affair, President Reagan said one of the key goals of his Iranian initiative was "to bring an honorable end to the bloody six-year war between Iran and Iraq." Denying a "tilt" in U.S. policy, Reagan said his administration did not favor or support "one side over the other."

Since the secret U.S.-Iranian arms deal was disclosed in early November, Iraq has stepped up its attacks. On Nov. 25, Iraqi warplanes bombed Iranian oil tankers at Larak Island, which is about 750 miles south of Iraq and in the Strait of Hormuz. This was apparently the greatest distance flown by Iraqi

planes in any raid during the war. On Dec. 5 the warplanes bombed Iran's Neka power station, which is located close to Iran's Soviet border.

On Saturday, Iraqi radio reported that its warplanes attacked Tehran for the first time in seven months, striking an anti-aircraft defense system and a power plant, and in a separate raid hit troop concentrations and ammunition depots in northwestern Iran.

Intelligence estimates show that Iraq overall has at least a 4-to-1 advantage in the major types of military equipment including tanks, missiles, and combat aircraft. Iraq also has about 1 million regular ground troops compared with 250,000 regulars for Iran.

Nonetheless, Iran's population is roughly three times Iraq's. The Iranians have used "human waves" of young, irregular soldiers in the war, which has claimed about 1 million dead, wounded or captured.

An administration official said that Iraq had been discouraged from any attempt to destroy Iran's economy. The officials said, for example, that the United States had tried last year to apply diplomatic pressure on Iraq not to wipe out Iran's Kharg Island oil terminal.

Several years ago, the terminal handled 90 percent of Iran's oil; now it moves less than 50 percent.

In his Nov. 13 speech, Reagan said the administration opposed the violence of the Iran-Iraq conflict. "The slaughter on both sides has been enormous, and the adverse economic and political consequences for that vital region of the world have been growing," Reagan said. "We sought to establish communications with both sides in that

senseless struggle, so that we could assist in bringing about a cease-fire and, eventually, a settlement. We have sought to be evenhanded by working with both sides . . . We have consistently condemned the violence on both sides."

Sources said that as far back as 1984, when some people feared that Iran might overrun Iraq, the United States began supplying Iraq with some intelligence assistance. Iraq reportedly used the intelligence to calibrate attacks with mustard gas on Iranian ground troops, distressing U.S. officials, who condemn chemical warfare.

But the sources said the information from U.S. satellites was not supplied regularly until sometime in early 1985. For the next 18 months the information was supplied through Washington channels as needed by the Iraqis, particularly after an Iraqi bombing raid.



It could not be established yesterday in what form the Iraqis initially received the intelligence data. Officials said it could have been actual intelligence satellite photos, or simply selected portions, artists' drawings done from the photos or detailed verbal descriptions.

The direct Washington-Baghdad link, established in August, was accomplished by way of a special intelligence unit in the U.S. Embassy in Baghdad, one source said. Two sources said that the Iraqis now receive selected portions of the actual photos that are taken by U.S. reconnaissance satellites and on some occasions, U.S. reconnaissance aircraft.

In mid-August, just after the direct channel was installed, Iraq executed a surprise bombing raid against the Iranian oil terminal at Sirri Island that Iran supposedly thought was safe from attack.

The direct link with Baghdad ap-

parently was set up shortly after the release of the Rev. Lawrence Martin Jenco from Lebanon and the third U.S. shipment of arms to Iran.

Sources said that in early October, Casey requested a meeting with Iraqi Foreign Minister Tariq Aziz, who was at the United Nations in New York. A few days later, the sources said, Casey's request was granted and he met Aziz and Iraq's ambassador to the United States, Nizar Hamdoon. Casey, who was aware of the still-secret Iranian arms dealings, told the two Iraqis he wanted to make sure that they were happy with the flow of intelligence, and he also encouraged more attacks on economic targets, the sources said.

Later in October, the United States sent a fourth shipment of arms to Iran, and on Nov. 2, hostage David P. Jacobsen was released. The next day, a pro-Syrian Lebanese magazine disclosed the secret U.S.-Iran initiative.

After the disclosure, Ambassador Hamdoon requested and received another meeting with Casey. The two met in Washington about two weeks ago, the sources said, and Casey had no apology to offer for the Iran initiative but pledged that the secret channel for satellite data would remain open to Iraq.

---

*Staff researcher Barbara Feinman contributed to this report.*

ARTICLE APPEARED  
ON PAGE AL

WASHINGTON POST  
4 December 1986

## Carlucci Launched CIA Operation in Yemen That Collapsed

By Bob Woodward  
Washington Post Staff Writer

Frank C. Carlucci, who was appointed Tuesday as President Reagan's new national security adviser in the midst of controversy over White House covert operations gone awry, once supervised one of the Central Intelligence Agency's unpublicized failures in the Third World, according to informed sources.

In 1979, as deputy CIA director, Carlucci was urged by President Jimmy Carter's national security adviser, Zbigniew Brzezinski, to set up a top secret CIA paramilitary effort against South Yemen, a Marxist nation on the Arabian peninsula that was threatening to topple neighboring, pro-Western North Yemen, the sources said.

Working with British and Saudi Arabian intelligence agents, Carlucci set the operation in motion to harass South Yemen and thwart any expansionist ambitions. But the plan ended in disaster about a year into the Reagan administration, after Carlucci had become deputy secretary of defense, when a CIA-trained team of about a dozen Yemenis was captured trying to blow up a bridge in South Yemen. Under torture, team members betrayed their CIA sponsors before they were executed, which ended the operation in 1982, sources said.

The episode provided Carlucci with a firsthand understanding of the hazards of secret undertakings, according to sources who worked with Carlucci at the time. Consequently, the sources said, the new national security adviser supports covert operations but is aware of the potential for disastrous consequences.

Carlucci had no comment yesterday.

The South Yemen operation, according to a number of sources familiar with it, is a case study of CIA covert action and its relation to the political agenda of senior White House officials, in this instance, national security adviser Brzezinski.

In the wake of the furor over National Security Council officials secretly selling arms to Iran and diverting the profits to aid the contra rebels fighting the government of Nicaragua, five senior sources directly involved in the South Yemen affair said the case has a

special meaning in retrospect. As one of the sources put it, "There were unrealistic grand strategic goals that the White House thought could be accomplished through a covert action. And they were trying to fix a lot of things; many, too many, that had nothing to do with South Yemen."

As pieced together by numerous sources, both in and out of the government, the Yemenis became a U.S. national security priority on Feb. 23, 1979, when South Yemen made an unsuccessful three-pronged attack against North Yemen in an effort to seize airstrips and roads in a bid to overthrow the government. Almost immediately, Carter notified Congress that he would ship \$390 million in planes, tanks and other arms to North Yemen.

About the same time, Carter signed an intelligence order, known as a "finding," secretly calling for a study of possible operations against South Yemen. Brzezinski pushed for a covert mission in part because he felt the United States had been too passive in responding to Cuban activities in 1977 and 1978 in Zaire and Somalia.

Although then-CIA Director Stansfield Turner approved the operation, he pronounced it "hare-brained." But others in the agency were more enthusiastic, and wanted to bind the CIA closer to Saudi intelligence with a joint operation. Furthermore, as one source put it, some senior officials in the Carter White House held "almost a 'comity of nations' view that our allies, particularly the conservative ones that distrusted and were suspicious of Carter, needed a joint operation to prove we would be tough."

Because Vice President Walter F. Mondale, while a U.S. senator, had been a member of the Church committee that investigated CIA excesses in the 1970s, Mondale was widely viewed as anti-CIA and Brzezinski believed "it's important for the CIA to see Fritz Mondale take a stand for some sort of paramilitary action," according to sources.

Mondale evidently agreed, because he not only supported the covert operation and military shipments to North Yemen, but also at one point during a White House meeting pounded the table and declared, "We've got to get aid into North Yemen."

Carter signed a second secret finding, authorizing the operation. Partly because of Turner's skepticism and partly because the CIA director was preoccupied at the

time with negotiations over the SALT II strategic arms limitation treaty, "Brzezinski wanted Carlucci to run it . . . Brzezinski structured it so he could get Carlucci to do it," one source said.

And so Carlucci traveled overseas to begin setting up the operation. In an effort to maintain security, Carlucci and his assistants from the CIA directorate of operations attempted to decree that the 30 Yemenis trained for the operation were not to know that the agency was behind the effort.

But once the training began, sources said the Yemenis apparently were told in an effort to give the operation credibility by reassuring the operatives that the United States was supporting it.

After the preparations, one team of Yemenis was secretly sent into South Yemen. But the operation ended tragically with capture and confession. A second team that had been "inserted" into South Yemen for a similar paramilitary operation was withdrawn and the operation was ended.

In late March 1982, prosecutors in the South Yemen capital of Aden demanded the death penalty for 13 Yemenis on trial for alleged involvement in a sabotage conspiracy. Eleven members of the group, the prosecution alleged, had been trained by the CIA in neighboring Saudi Arabia with the intent of paving the way for "reactionary and imperialist military intervention" in South Yemen.

Three weeks later, the government in Aden announced that all 13 members of the "gang of subversion" had pleaded guilty to smuggling explosives to blow up oil installations and other targets.

Three had been sentenced to 15-year prison terms, the government added, and 10 had been executed.

*Staff researcher Barbara Feinman contributed to this report.*

CLASSIFIED  
AL

WASHINGTON POST  
19 November 1986

# CIA Curried Favor With Khomeini, Exiles

*Sources Say Agency Gave Regime List of KGB Agents*

By Bob Woodward  
Washington Post Staff Writer

The Reagan administration's secret overtures and arms shipments to Iran are part of a seven-year-long pattern of covert Central Intelligence Agency operations—some dating back to the Carter administration—that were designed both to curry favor with the regime of Ayatollah Ruhollah Khomeini and support Iranian exiles who seek to overthrow it, according to informed sources.

In 1983, for example, the CIA participated in a secret operation to provide a list of Soviet KGB agents and collaborators operating in Iran to the Khomeini regime, which then executed up to 200 suspects and closed down the communist Tudeh party in Iran, actions that dealt a major blow to KGB operations and Soviet influence there, the sources said. Khomeini also expelled 18 Soviet diplomats, imprisoned the Tudeh party leaders and publicly thanked God for "the miracle" leading to the arrests of the "treasonous leaders."

At the same time, secret presidential intelligence orders, called "findings," authorized the CIA to support Iranian exiles opposed to the Khomeini regime, the sources said. These included providing nearly \$6 million to the main Iranian exile movement, financing an anti-Khomeini exile group radio station in Egypt and supplying a miniaturized television transmitter for an 11-minute clandestine broadcast to Iran two months ago by Reza Pahlavi, the son of the late Shah Mohammad Reza Pahlavi, who vowed, "I will return."

One well-placed intelligence source said that this support of the anti-Khomeini exile movement is "just one level above [intelligence] collection," and that the money involved was equivalent to the "walking-around money" frequently distributed in American political campaigns. Administration officials stressed that the CIA operations are not intended to bring about Khomeini's downfall but are aimed primarily at obtaining intelligence about his regime through the exile groups.

The White House and administration spokesmen declined to comment on these CIA operations. Vice Adm. John M. Poindexter, the president's national security affairs adviser, told a television interviewer Sunday that "I don't want to confirm or deny any other operations" and added that "we aren't seeking the overthrow of the Khomeini regime."

Press and broadcast reports from Iran have repeatedly accused the U.S. government of backing anti-Khomeini exile activities. Informed sources said that the Khomeini regime knows many of the details of the CIA operations because it has agents inside the Iranian exile groups.

Some of the Iranian exiles in Paris said it is well-known within their groups that they have received CIA money. Sources also said that some of the CIA money was used to speculate in currency markets in Switzerland.

Administration sources said that all CIA programs concerning Iran have been designed with several objectives: to build bridges to potential Iranian leaders, to use the exiles for information about what is happening in Iran, to develop independent intelligence sources, to win friends, to diminish Soviet influence and to keep pressure on the Khomeini regime by demonstrating that the exile and dissident opposition is active.

Iran is strategically vital because of its oil supplies, warm-water ports on the Persian Gulf and proximity to the Soviet Union. Iran's political turbulence and the possibility that one of the exile groups could some day assume power justifies a U.S. strategy that proceeds on several tracks, according to several administration officials, and that view is shared by some former U.S. intelligence officers.

"I have no knowledge that the Reagan administration is giving money to the Iranian exile groups, but I see no reason not to give them money and at the same time extend a hand to Khomeini," Stansfield Turner, CIA director in the Carter administration, said Monday. "Playing both sides of the fence is not unusual, as long as they did not fund any exile group to the extent that they would try to overthrow the [Khomeini] government. There is not a prayer that they could do that."

But one well-placed administration source said the CIA operations involving Iran were ad hoc and inconsistent, rather than being the result of a coherent U.S. strategy. "The U.S. does not have a policy but a series of actions," said the source, who described the administration as "groping in a maze" on the Iran issue.

Despite the CIA efforts to curry favor with the Khomeini regime, Iran continued to encourage violence against American interests, sources noted. For example, intelligence shows that Iran directly supported the October 1983 bombing of the Marine Corps barracks in Beirut in which 241 U.S. servicemen were killed. This was less than a year after the CIA received a list of KGB agents in Iran from a Soviet defector and gave the names to the Khomeini regime. Sources said that the British intelligence service also participated in the operation that revealed the Soviet agents in Iran.

Administration officials said that more recent overtures made under President Reagan to "moderates" in Tehran have stopped Iranian government sponsorship of terrorist actions against Americans.

In January 1981, when Reagan took office and 52 Americans returned after 444 days' captivity in Tehran, the CIA had already begun under President Carter a number of anti-Khomeini operations. One was designed to gather intelligence about Iran and support Iranian exiles, sources said; another was a more ambitious plan that one senior source said was designed to inflict "punishment" on the Khomeini regime, which was holding the U.S. hostages.

Under Reagan and his CIA director, William J. Casey, the first major Iranian operation was intended to support an exile group headed by the shah's former naval commander-in-chief, Rear Adm. Ahmad Madani. The Madani group received several million dollars, but proved too independent by insisting on control of their own anti-Khomeini operations, and the CIA connections were soon dissolved.

In 1982, the CIA began supporting the main Iranian exile movement, the Paris-based Front for the Liberation of Iran (FLI). Headed by former prime minister Ali Amini, the FLI advocates Khomeini's ouster and since 1983 has called for restoration of the Iranian monarchy.

The CIA has given the FLI \$100,000 a month. But beginning about two years ago, two members of the National Security Council staff, Lt. Col. Oliver North Jr. and Vincent M. Canistraro, became involved in supervising the CIA operation after hearing allegations that the FLI was mismanaged and ineffective.

The allegations included charges that some FLI members were providing useless and questionable information to the CIA and that CIA funds were being used to speculate in currency markets in Switzerland. Consequently, the FLI member functioning as liaison with the CIA was ousted in 1985. His successor, however, was discovered to be a former communist who advocated hostage-taking and who was a suspected Khomeini informer, according to U.S. and Iranian sources.

That liaison was removed earlier this year, and the CIA appointed one of the shah's former cabinet officers as the new overseer of the FLI money, the sources said.

Neither the CIA nor the White House ever seriously believed that exile groups were strong enough to overthrow Khomeini, sources said, and none of the current operations includes paramilitary support.

As part of the FLI support, the CIA also provides equipment and \$20,000 to \$30,000 a month for the organization's Radio Nejat, or Radio Liberation, which broadcasts anti-Khomeini programs for four hours a day from Egypt to Iran, according to U.S. and Iranian sources.

As the links to the exile groups were being built, the CIA received an unexpected windfall of intelligence information in Iran through the defection of Vladimir Kuzichkin, a senior KGB officer in Tehran whose job it had been to maintain contacts with the Tudeh party. Kuzichkin defected to the British in late 1982 and was debriefed later by the CIA, giving the United States details of Soviet and Tudeh operations in Iran.

The CIA then provided Khomeini with lists and supporting details of at least 100 and perhaps as many as 200 Soviet agents in Iran, sources said. After arresting and executing most of the alleged agents, Khomeini outlawed the Tudeh party on May 4, 1983, and expelled the 18 Soviet diplomats believed to be involved in KGB operations. Many Tudeh members were arrested, including the party's secretary general and six central committee members, and they were forced to make televised confessions that they spied for Moscow.

One well-placed source said the CIA action was intended to cripple KGB operations in Iran while offering "a gesture of good will" to Khomeini.

There were reports at the time of an upheaval in the Tudeh party, but it was not known that the CIA had a role. The role of Kuzichkin also passed largely unnoticed except for a 1985 column by Jack Anderson and Dale Van Atta reporting that the defector had brought with him two trunks full of documents about the KGB and the Iranian communist party. The column reported that the British "secretly turned the information over to Khomeini."

A CIA memo of May 17, 1985, saying that the United States was lagging behind the Soviets in cultivating Iranian contacts for a post-Khomeini era, was apparently one of the first actions that led to Reagan's decision to begin secret overtures to the Iranians and eventually to ship them arms this year.

A recent CIA-supported operation was the sudden appearance on Iranian television two months ago of Reza Pahlavi, son of the late shah. That clandestine anti-Khomeini broadcast was made possible by the CIA, which provided technical assistance and a miniaturized suitcase transmitter, the sources said. The broadcast disrupted two channels of Iranian television for 11 minutes at 9 p.m. on Sept. 5. It is not known whether the shah's son knew that the CIA had provided support for the broadcast.

The Khomeini regime apparently was aware of or suspected a U.S. role in the clandestine appearance and responded with a radio broadcast of its own, declaring that "the terrorist government of Reagan . . . in a disgraceful manner was the vanguard of this puppet show."

*Staff researchers Barbara Feinman and Ferman Patterson contributed to this report.*

3: ARTICLE APPEARED  
ON PAGE A1

WASHINGTON POST  
5 October 1986

# State Dept. Plan Urged Libya Coup

## Reagan Policy Vetoed Efforts to Encourage Gadhafi Assassination

By Bob Woodward  
Washington Post Staff Writer

A State Department working paper used last August in drawing up the Reagan administration's plan of deception and disinformation against Libyan leader Moammar Gadhafi advocated a strategy that could lead to "a coup or assassination attempt" against Gadhafi by his own military or other opponents.

The memo, circulated by the State Department on Aug. 6 in advance of a White House meeting of officials at the assistant secretary level, stated, "The goal of our near-term strategy should be to continue Gadhafi's paranoia so that he remains preoccupied, off-balance . . . [and] believes that the army and other elements in Libya are plotting against him—possibly with Soviet help. Believing that, he may increase the pressure on the [Libyan] army, which in turn may prompt a coup or assassination attempt."

The final directive approved by President Reagan in mid-August did not mention assassination. Instead, it ordered covert, diplomatic and economic steps designed to deter Libyan-sponsored terrorism and bring about a change of leadership in Libya.

Administration officials have said explicitly that the overall administration policy does not directly seek assassination of Gadhafi, although some officials acknowledge that that could be one outcome. A 1981 executive order signed by Reagan directs that "no person employed by or acting on behalf of the United States government shall engage in, or conspire to engage in, assassination."

An administration official yesterday issued the following White House response: "The document in question is a working paper with no standing as administration policy. Moreover, any inference in the document that a policy option was ever considered to promote the assassination of Gadhafi is wrong. Support for assassination in any form has never been and is not now a part of administration policy."

The statement added, "Advocating change in a governmental regime is not the same as advocating assassination. To associate the two is irresponsible."

Several senior administration officials privately criticized the ambiguity of overall policy toward Gadhafi, which they see as aimed at removing him without directly employing necessary or likely means for doing so. "They want him out but not the dirty hands," said one ranking administration official.

Similarly, some sources said administration officials failed to realize that spreading disinformation to deceive Gadhafi would also mislead the American news media and public. They also said that the policy of deception and disinformation grew out of an overreaction by administration officials to a new intelligence report on Gadhafi's state of mind.

The intelligence report delivered in July to Secretary of State George P. Shultz and Central Intelligence Agency Director William J. Casey, said Gadhafi had acted so bizarrely in a meeting with Yemeni officials that he seemed to be going out of control and might be on the verge of a nervous breakdown. Some administration officials saw in this an opportunity to increase psychological pressure on Gadhafi, whom they were determined to oust if they could.

Subsequent, more reliable intelligence indicated that the initial report was exaggerated. Gadhafi actually sat through the meeting with the Yemenis in silence, apparently sulking in a corner, according to sources. Such behavior is not unusual for the mercurial Libyan leader, according to government specialists, but by the time the Gadhafi behavior was understood, a crucial interagency review was under way.

Keenly attentive to Gadhafi's every step, fearing a resurgence of his terrorist plots and wishing to capitalize on the deterrent value of the April 14 U.S. bombing raid on Libya, the administration seized on the original report of the Libyan's instability and went into high gear.

The State and Defense departments, the CIA and the White House began to consider what steps might be taken to keep up the pressure on Gadhafi and jar him psychologically as part of another phase of the yearlong effort to covertly undermine his regime.

Although there was other evidence that Gadhafi was in a depression after the U.S. raid, sources cite the administration's tendency to jump to conclusions from tentative or single intelligence reports as indicative of the handling of Libyan intelligence information.

"It's no longer rational," said one intelligence official. "The use and sifting of [intelligence reports] does not have the clear-headed, dispassionate eye that is required."

But Casey, for one, wanted more action and more results, according to sources.

Richard Kerr, the CIA's new deputy director for intelligence analysis, and Thomas Tweeten, the senior operations official for the Near East and Asia, went to work, according to sources. Escalation of the psychological war against Gadhafi was proposed.

The 17th anniversary of Gadhafi's revolution was coming up on Sept. 1. He was supposed to make a speech to mark the occasion, an important symbolic event. U.S. officials speculated on the possibility of frightening him into not appearing. There was reliable intelligence that he had moved Libyan military headquarters from the coast inland nearly 500 miles to Kufrah. He was obviously fearful, officials concluded, and wanted the headquarters to be less accessible to U.S. carrier-based bombers.

Inside the intelligence community and within the State Department and the White House, the debate began. Could Gadhafi be caused to lose confidence in himself? If he could be kept in hiding for the anniversary, what impact would it have on the Libyan people? Or on the Libyan military that is supposed to be restive and unhappy with their leader?

The officials involved in these discussions knew that Casey Shultz and other top officials were frustrated that the CIA effort to undermine and overthrow Gadhafi had not succeeded. "We had a policy that was working well, deterring terrorism, but [senior administration officials] wanted to go further and change the regime," said one source.

A seven-page memo dated Aug. 6 from the State Department's office of intelligence and research was distributed to senior middle-level officials in preparation for an upcoming interagency meeting. It was this memo that proposed the "real and illusory events" and speculated that enough pressure on Gadhafi might prompt him to so press his own military and other Libyan elements that they could attempt to assassinate him.

One recipient of the memo was Lt. Gen. John H. Moellering, assistant to the chairman of the Joints Chiefs of Staff, according to sources. They said that Moellering expressed dismay within the Pentagon and to Adm. William J. Crowe, Jr., chairman of the Joint Chiefs, that the administration might be embarking on a dangerous course. He argued that such a plan could be the equivalent of waving a red flag in front of the unstable Libyan leader.

He and others also expressed concern that U.S. officials were discussing actions designed to prompt an "assassination" despite what they took to be a ban on U.S. government participation in such plots.

On Aug. 7 at 4:30 p.m., the Crisis Pre-Planning Group (CPPG) met at the White House situation room. There senior representatives from the CIA, the State Department and White House endorsed the overall plan outlined in the State Department memo and other planning documents.

Vincent M. Cannistraro, a veteran CIA operations officer and director of intelligence on the National Security Council staff, and Howard R. Teicher, the director of the office of political military affairs in the NSC, supported the disinformation and deception plan, the sources said.

Informed sources said that they understood that White House na-

tional security affairs adviser John M. Poindexter approved the general principles and approaches of the State Department memo, but the reference to prompting an "assassination attempt" was removed.

A meeting with the president to consider the next steps on Libya was scheduled for Aug. 14. This was the National Security Planning Group (NSPG), the Cabinet-level discussion involving Reagan and his top advisers.

Before the meeting, Poindexter sent the president a three-page memo outlining the next steps and saying that a key element of the strategy was to combine "real and illusory events—through a disinformation program—with the basic goal of making Gadhafi think that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the U.S. is about to move against him militarily."

This section of Poindexter's memo reflected the Aug. 6 State Department proposal for "a sequenced chain of real and illusory events . . . ."

Sources said Reagan approved the overall plan and that it was made formal in a National Security Decision Document he signed. That document does not mention assassination, and the only deception was to be directed abroad and at Gadhafi.

Poindexter's aide Teicher was, according to sources, the only non-Cabinet-level official at the Aug. 14 NSPG meeting. He was the notetaker for the one-hour session.

White House officials said that Teicher was one of the officials who spoke with The Wall Street Journal before its Aug. 25 story that said "the U.S. and Libya are on a collision course again," and painted a picture of impending U.S. military action in response to Gadhafi's alleged renewal of terrorist plots.

Teicher has said he spoke with one author of the Journal story before its publication but that he did not leak anything and the author already had all the details.

The White House has taken the position that the Journal article was "generally correct" but that the information was not authorized for release. One White House official said recently that information pro-

vided the Journal was part of a "Lone Ranger operation" by one or more officials but not Teicher.

After The Washington Post disclosed details of the administration's deception campaign against Gadhafi last week, administration officials disputed the suggestion—contained in Poindexter's August memo to Reagan—that Gadhafi was "quiescent" on the terrorist front at the time the campaign against him was being planned.

The most recent administration position on whether Gadhafi was stepping up terrorist plans last summer was provided Thursday by a senior administration official who said that in July the intelligence was tentative—"it didn't say that he [Gadhafi] was going to go off and bomb something or go off and take somebody hostage or hijack an airplane. It wasn't that kind of hard intelligence, but there were little pieces that indicated he was beginning to move."

Intelligence experts said the U.S. intelligence agencies and the White House were on the lookout for anything on Gadhafi. Said one well-placed expert, "The intelligence machinery was cocked, a hair-trigger . . . . Five Libyans arriving in Paris with five suitcases became an intelligence report.

"It just wasn't hard," said this expert, who has firsthand knowledge of the reports. "Poindexter would not have said 'quiescent' to the president if that was not the case . . . . At the same time there was indication that the Libyan infrastructure was being reassembled" after so many Libyan diplomats allegedly involved in terrorism were expelled from European capitals.

He added, "The administration and the intelligence agencies are paranoid about Gadhafi and for good reason."

He said some members of the administration are not skilled at interpreting raw intelligence, saying it is an art form and that many officials are inclined to overstate the Libyan problem.

At the same time, sources said the administration had dozens of reports showing meetings and travel by Libyans that were deemed suspicious.

A senior administration official said the increased number of intelligence reports hinting at terrorist activity in part reflects a vastly improved intelligence collection system and the high priority assigned to reports of possible terrorist incidents, especially involving Libya, a known and proven sponsor of terrorist plots.

Continued

STAT



He said, there are "lots of 'heads up' reports and that does not necessarily mean there is renewed activity . . . . We are just better and more attentive . . . . Also, our ability to disseminate it is better."

One former head of a U.S. intelligence agency said it is his understanding that the intelligence on Libya and Libyan activities is not of a very high quality and attributes the disagreements to the weakness of the information. He added, "When the intelligence is good and incontrovertible, there is agreement. You get disagreements when no one has enough good information."

Reagan and other administration officials on Thursday denied any intent to have the disinformation appear in the U.S. news media. At the same time, they acknowledged that there was a plan to deceive Gadhafi.

Whether the White House deliberately attempted to spread disinformation, or whether one aide without authorization passed on the disinformation to U.S. news media, officials said that a simple fact was overlooked: It is impossible to have a high-level, high-visibility effort of deception aimed abroad without some or all of the information appearing in the U.S. media.

A former CIA officer said that the agency normally undertakes small, low-level disinformation campaigns in a few countries or a single country. But in the current anti-Gadhafi plan, the former officer said, "the fire of disinformation was supposed to sweep across the Middle East and Europe . . . and no one was supposed to notice? They were kidding themselves."

The recirculation back into the U.S. news media of disinformation planted abroad by the CIA is often referred to as "blowback." But one source familiar with the administration strategy said that what happened in the latest Gadhafi ploy was "blow-front" because the launch of the idea, intentional or not, was in the U.S. media.

*Staff researcher Barbara Feinman contributed to this report.*

## HOW PROGRAM ON LIBYA DEVELOPED

- **April 14:** U.S. bombing raid on Libya.
- **July:** New intelligence report questioning the mental stability of Libyan leader Moammar Gadhafi triggers interagency review of U.S.-Libyan policy.
- **Aug. 6:** State Department group circulates to interagency group a memo proposing a disinformation and deception campaign and suggesting such a campaign could trigger an assassination attempt on Gadhafi by his military or other opponents.
- **Aug. 7:** Crisis Pre-Planning Group of officials from State, Central Intelligence Agency, Defense Department and White House meet at White House to endorse overall plan outlined in original State Department memo.
- **Aug. 12:** Reagan gets three-page memo from Adm. John M. Poindexter, his national security affairs adviser, summarizing a proposed program of disinformation against Libya.
- **Aug. 14:** Reagan meets with Cabinet-level National Security Planning Group and approves the program as outlined by Poindexter.
- **Aug. 25:** The Wall Street Journal reports that the United States and Libya are on a "collision course" and that U.S. military action against Libya is impending.
- **Aug. 26:** White House spokesman Larry Speakes describes the Journal report as "authoritative" and major television networks and newspapers report stories similar to the Journal account.

STAT

✓  
**ARTICLE APPEARED  
 ON PAGE A1**

WASHINGTON POST  
 2 October 1986

# Gadhafi Target of Secret U.S. Deception Plan

*Elaborate Campaign Included Disinformation That Appeared as Fact in American Media*

By Bob Woodward  
 Washington Post Staff Writer

In August the Reagan administration launched a secret and unusual campaign of deception designed to convince Libyan leader Moammar Gadhafi that he was about to be attacked again by U.S. bombers and perhaps be ousted in a coup, according to informed sources and documents.

The secret plan, adopted at a White House meeting on Aug. 14, was outlined in a three-page memo that John M. Poindexter, the president's national security affairs adviser, sent to President Reagan.

"One of the key elements" of the new strategy, the Poindexter memo said, "is that it combines real and illusionary events—through a disinformation program—with the basic goal of making Gadhafi *think* [word underlined in the original] that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the U.S. is about to move against him militarily."

It was an elaborate plan: "a series of closely coordinated events involving covert, diplomatic, military and public actions," according to Poindexter's memo. Military officers expressed some reservations about the plan, and intelligence specialists were deeply divided about its potential efficacy. The plan was the latest phase of the administration's policy, first adopted last year, to try to topple Gadhafi, a known instigator of terrorist acts targeted by the administration as a threat that has to be removed.

Beginning with an Aug. 25 report in The Wall Street Journal, the American news media—including The Washington Post—reported as fact much of the false information generated by the new plan. Published articles described renewed Libyan backing for terrorism and a looming, new U.S.-Libya confrontation. But U.S. intelligence officials had actually concluded in August that Gadhafi was "quiescent" on the terrorist front, according to the Poindexter memo. The only "confrontation" was the one generated by the administration plan, according to sources and administration planning papers.

During September, however, U.S. intelligence agencies assembled evidence that Libya had begun planning a significant number of terrorist attacks, and some senior officials are concerned that this is in part a response to the administration's latest campaign against Gadhafi. Of greatest concern to U.S. officials are reports considered reliable but still inconclusive that Libya had a direct hand in the Sept. 5 attack on Pan American World Airways Flight 073 at the Karachi airport in Pakistan and provided logistical sup-

port for the terrorists, according to informed sources.

When the administration's secret deception plan was launched in August, officials acknowledged in internal memos that it might provoke Gadhafi into new terrorist acts. But senior officials decided that the potential benefits of the operation outweighed this risk.

The objective of the plan was to keep Gadhafi "pre-occupied" and "off balance" and to portray him as "paranoid and ineffective" so that, as the memo put it, "forces within Libya which desire his overthrow will be emboldened to take action."

## Press Told of New Intelligence on Terrorism

Poindexter's three-page memo to Reagan outlining the plan was drafted in preparation for a National Security Planning Group (NSPG) meeting convened to consider the next steps the administration would take against Gadhafi. The NSPG is the key Cabinet-level forum in which Reagan and his top aides discuss and make decisions on the most sensitive foreign policy matters.

The president, Poindexter and nine other key officials met at the White House to discuss this plan at 11 a.m. Thursday, Aug. 14. Sources said the basic plan was approved and codified in general terms in a formal presidential decision document. Details of the plan were left to Poindexter, the State Department and the Central Intelligence Agency.

Soon after the meeting administration officials told reporters that the United States had new intelligence indicating that Gadhafi was again stepping up his terrorist plans, following a four-month lull after the April 14 American bombing raid against Libya.

But Poindexter's memo to Reagan just before the Aug. 14 meeting painted a less alarming picture: "Although the current intelligence community assessment is that Gadhafi is temporarily quiescent in his support of terrorism, he may soon move to a more active role."

Other sources confirmed that there was no significant, reliable intelligence in mid-August to suggest that Gadhafi was stepping up his terrorist plans.

But the State Department and the CIA concluded that it might be an opportune moment to execute the *coup de grace* against the Libyan leader.

A White House planning document sent to CIA Director William J. Casey before the Aug. 14 meeting said: "Gadhafi's aura of invincibility has been shattered, his prestige is badly tarnished and his grip on power seems precarious."

But administration analysts evidently were of two minds. The Poindexter memo to Reagan written at the same time said: "Most intelligence estimates conclude that in spite of new tensions and Gadhafi's own shock, depression and impaired performance following the April 14 raid, he is still firmly in control in Libya."

Continued

STAT

## Mining Libyan Harbors Weighed, Rejected

Senior administration officials have been frustrated that Gadhafi has been able to remain in power despite a presidentially authorized, year-long CIA effort to oust him.

Over the summer, the administration considered but rejected mining the harbors of Libya, sources said. The anti-Gadhafi forces that the CIA had been supporting proved weak and disorganized, the sources said. All of the efforts against Gadhafi were apparently thwarted by his personal security force and a network of informers in Libya and among Libyan exiles.

Officials acknowledged in their internal discussions that the deception plan was risky. "Gadhafi may lash out against Americans and regional friends with terror and subversion," said the White House memo sent to Casey. But the administration concluded that potential benefits outweighed any dangers. "There are risks," that memo said. "However, the benefits of a successful policy demand that every appropriate effort be made to achieve our objectives."

Senior officials said Reagan, Casey and Secretary of State George P. Shultz are particularly determined to remove Gadhafi. As Poindexter said in his August memo, the purpose of taking additional steps against Libya was to deter terrorism, moderate Libyan policies and "bring about a change of leadership in Libya . . . ."

The administration has concluded that, as the Poindexter memo said, "any alternative leadership to Gadhafi would be better for U.S. interests and international order."

The mid-August plan approved by Reagan did not specifically call for the planting of false stories in the U.S. media. A State Department planning memo, however, did provide that "U.S. government backgrounds media on 1) three-ring circus in Libya with infighting among groups jockeying for post-Gadhafi era, 2) threat of resurgent terrorism . . . ."

The secret plan also called for "foreign media placements" by the CIA.

When a report appeared on the front page of The Wall Street Journal on Aug. 25 stating without qualification that "The U.S. and Libya are on a collision course again," it was embraced publicly by Poindexter and White House spokesman Larry Speakes, who called the article "authoritative." On the basis of those endorsements, other news organizations, including The Post, carried reports summarizing the information that initially appeared in the Journal. In subsequent days administration officials both affirmed and denied that there was new evidence of Libyan-backed terrorism, or that a new confrontation was in the offing.

Yesterday, in response to a question to the White House about stories published in August on Libya, one official said: "The media deceived itself and the stories were hyped. There was no intent that the administration's actions in military exercises and so forth become public."

The Journal's Aug. 25 story reported as fact various administration plans that were actually part of the deception plan described in the August memos. The report did not mention deception, the key ingredient in the plan.

The paper quoted "a senior U.S. official" as saying of Gadhafi: "There are increasing signs that he's resumed planning and preparations for terrorist acts." According to the Poindexter memo to Reagan, there were no such signs.

## Contingency Plans Were Months Old

The Journal wrote: "The Reagan administration is preparing to teach the mercurial Libyan leader another lesson. Right now, the Pentagon is completing plans for a new and larger bombing of Libya in case the president orders it." In fact, the administration only had contingency plans for new military action that were several months old, and nothing new was being done, sources said.

The Journal report said that the administration was considering action through the African country of Chad to put pressure on Gadhafi, who has annexed a portion of Chad with about 6,000 Libyan troops.

According to the Journal, "The deputy commander in chief of the U.S. European Command, Gen. Richard Lawson, quietly visited the poverty-stricken desert nation [of Chad] earlier this month to see whether [Chad] President [Hissene] Habre, with U.S. and French help, might be able to expel the Libyans."

In August, a State Department planning paper on the deception plan said: "Lawson's trip to Chad later this month provides an opportunity for disinformation to reach Gadhafi that the U.S. and France are developing contingency plans for a 'Chad Option.'"

Lawson visited Chad on Aug. 12 and 13, but State Department officials said recently that the United States never formally had discussions with France about joint action against the Libyan forces there. France has tacitly accepted the partition of Chad.

The Chad aspect of the deception plan apparently grew out of a National Security Council memo dated Aug. 7, proposing that the United States attempt to "shame France into asserting itself" in Chad, a former French colony. The document suggested communicating through "military-to-military channels and not through the political channels which failed earlier this year . . . . Given the stated desire of some [French] general officers to cooperate with us against Gadhafi, we might actively encourage them to sell the proposal to their civilian leadership."

After the Journal and other news reports appeared describing the purported U.S. proposal to take joint action in Chad, sources said, the French voiced concern to the State Department. Instead of frightening Gadhafi, sources said, the disinformation scuttled possible cooperation with the French on Chad in the near future.

## 'Overburden and Spook Libyan Defenses'

The August plan had a high-visibility military component. The White House memo to Casey said: "Overt DOD [Department of Defense] operations will also be required to give credibility to rumors that the U.S. intends to take further military action." The memo said there would be "unilateral and joint exercises designed to deceive, overburden and 'spook' Libyan defenses."

U.S. and Egyptian forces conducted military exercises, called "Seawind," in the region in August. Sources said that the exercises were carried out in a particularly provocative manner, sending aircraft into the Tripoli Flight Information Region so they would appear on Libyan radar, though the most provocative action, crossing Gadhafi's self-proclaimed "line of death" into the Gulf of Sidra, was not undertaken.

"There's a fine line between harassment and provocation," said one source who considered the August initiatives potentially dangerous.

**CONFIDENTIAL**

The administration plan specified that two U.S. diplomatic missions be given an anti-Libyan spin. One was a visit to European capitals by Vernon A. Walters, the U.S. ambassador to the United Nations; the other a visit by Assistant Secretary of Defense Richard L. Armitage last month to Libyan neighbors Algeria and Tunisia. Walters' mission, which followed the publication of the Journal report and Speakes' description of it as "authoritative," was billed as a briefing on the new U.S. evidence of Libyan sponsorship of terrorist acts. In fact, European sources told Washington Post correspondents in London and Bonn, Walters offered no such evidence to the Western allies.

The Armitage trip, according to a planning memo, would provide a "similar opportunity for disinformation."

Other portions of the plan included attempts to make it appear that the United States was flying across the "line of death" by using deceptive radio communications. Another aspect of the plan involved deceptive aircraft carrier operations to mislead Libya about the intent of U.S. forces to operate near its territory.

The CIA undertook placements of false information in the foreign media. Other covert techniques involving communications, U.S. aircraft and submarines were planned.

One planning document said that the false information should include articles showing that the Soviet Union was planning a coup in Libya. It said, "Libyan intelligence should be provided photography of Libyan dissidents meeting with Soviet officials in Paris, Baghdad, etc."

The U.S. intelligence community has been sharply divided over the new tactics against Gadhafi, according to informed sources. Some Libyan experts in the CIA are concerned that the administration's psychological warfare against Gadhafi will backfire, or already has. In this view, the U.S. plan is only feeding Gadhafi's desire to be at the center of events, and has likely fueled his terrorist schemes and plans to extend his rule in North Africa beyond Libyan borders.

### **Adm. Crowe Voices Concern About Plan**

The possibility that Libya did promote the Sept. 5 hijacking of the Pan Am jetliner in Karachi is cited by some specialists who fear the consequences of the U.S. deception plan, though there is no evidence that U.S. actions triggered the hijacking, which is the sort of terrorist act that Gadhafi has organized in the past.

Sources stressed that U.S. intelligence agencies do not yet have conclusive proof of Libyan involvement in the Karachi hijacking, but said there are ominous signs of such complicity. Salman Taraki, an Arab with a Libyan passport, was arrested in Pakistan five days after the hijacking, and an intelligence report said that he had claimed he was on a "special mission" for an operative of the Libyan intelligence service. Taraki apparently was stranded by accident in Pakistan and unable, as planned, to leave the country before or after the hijacking that left 21 persons dead, the sources said.

Taraki and the four hijackers are in Pakistani custody and are undergoing interrogation. Sources said that Pakistan is supplying the United States with some information.

Reagan has publicly promised to take military action again against Libya, as he did in the April 14 raid, if that country is directly connected to other terrorist acts against U.S. installations or targets. The week after the raid, Reagan said, "If their government continues its campaign of terror against Americans, we will act again."

At the Aug. 14 meeting of Reagan and his top national security advisers, Adm. William J. Crowe Jr., the chairman of the Joint Chiefs of Staff, voiced concern about the plan, according to sources, questioning whether it was an appropriate use of military resources. He said that there was great danger in saying or implying that the United States was going to take dramatic steps, then failing to follow through. Crowe argued that this would lessen the deterrent value of the April 14 raid and any other ongoing efforts to deter Gadhafi.

Though a variety of reservations was voiced during the hour-long meeting, sources said that the strong anti-Gadhafi sentiment in the administration overrode other considerations.

At one point, according to a source, Reagan made a joke about the Libyan leader's well-known proclivity for wearing ostentatious and colorful clothing. The president quipped, "Why not invite Gadhafi to San Francisco, he likes to dress up so much."

Shultz rejoined: "Why don't we give him AIDS!"

Others at the table laughed.

---

*Staff researcher Barbara Feinman contributed to this report.*

STAT

ARTICLE APPEARED  
ON PAGE A1NEW YORK TIMES  
3 October 1986

# Administration Is Accused Of Deceiving Press on Libya

By **LESLIE H. GELB**

Special to The New York Times

WASHINGTON, Oct. 2 — The Reagan Administration faced a growing controversy today over reports that it had made selective disclosures of news and "disinformation" about Libya and its leader, Col. Muammar el-Qaddafi.

The issue arose after a report by Bob Woodward in The Washington Post today that the Reagan Administration had devised a policy that included leaking to the press false information designed to convince Colonel Qaddafi that his country was about to be attacked by the United States or that he was about to be overthrown in a coup.

In a new development, Administration officials said today that the "disinformation" program did not originate with a memo written by Adm. John M. Poindexter, President Reagan's national security adviser, as The Post's account said. They said the campaign grew out of a mid-August State Department document to the White House laying out a "deception" campaign. That document represented a consensus of a series of interdepartmental meetings, the officials said.

## Erroneous News Reported

The Post also said The Wall Street Journal, The Post itself and other newspapers had carried erroneous news reports "generated by the new plan."

Today the White House denied it had tried to plant false news reports, but a spokesman confirmed that the Administration had a policy designed to harass and ultimately remove Colonel Qaddafi.

In a meeting with columnists today, Mr. Reagan "challenged the veracity" of The Post's report. But he also acknowledged that there were "memos back and forth" on the subject of dealing with Libya. The President also denied that the Administration had any intention of provoking terrorists attacks by Libya.

## August Memo Described

As recounted by officials today, the August memo called for a "disinformation" or "deception" campaign to bring attention to Colonel Qaddafi's continuing terrorist activities, to exaggerate his vulnerability to internal opposition and to play up the possibility of new American military action against him, according to Administration officials.

This was the first of at least three key memorandums from several different agencies that officials said recommended a disinformation plan, yet failed to specify how it would be carried out.

But a range of officials insisted today that in the meetings held to discuss these documents, the participants spoke of passing on exaggerated information only in the foreign press. Even regarding the foreign press, the officials said, neither the memorandums nor the discussions provided any guidelines on whom to contact or what exactly to say.

The result, the officials said, was that one or more of their colleagues took it upon themselves to give what they knew to be inaccurate information to the American press as well.

As these news reports appeared, the White House spokesman, Larry Speakes, "generally" confirmed them, based on what he said today was the advice of Admiral Poindexter.

Admiral Poindexter endorsed the memorandum written by the State Department after an interdepartmental meeting of a body called the Pre-Crisis Planning Group, the officials said. He then had his staff rewrite it in three pages for Mr. Reagan before a National Security Planning Group meeting. This is an informal Cabinet-level group over which Mr. Reagan presided on Aug. 14.

## A Trail of Documents

This Poindexter memo thus became the second document in the trail of documents dealing with the subject of "disinformation" as a means of shaking the Qaddafi Government.

Shortly thereafter, the Poindexter memorandum was once again rewritten as a Presidential directive and

signed by Mr. Reagan. This was the third and final document on the subject, according to officials familiar with the memos.

The goals as set forth in this directive were in keeping with the long-standing policy of increasing Colonel Qaddafi's "anxiety" about his internal strength and American military power, deterring him from undertaking new acts of terrorism and ultimately toppling him from power.

The principal means outlined in the directive was the disinformation or deception campaign.

"We just didn't focus on the issue in the memos," said an official familiar with them, "but just lying to the American press is something we would never do."

## 'On a Collision Course'

Nonetheless, on Aug. 25, The Wall Street Journal published an article beginning, "The U.S. and Libya are on a collision course again."

The day the article appeared, a senior White House official with the President in California generally confirmed it. But officials of the Pentagon, State Department, Central Intelligence Agency and even the White House in Washington said on that day that the Journal article was an exaggeration.

The next day Mr. Speakes described reports seeking to tone down The Journal's article as the product of "mid-level State Department officials" who did not know what they were talking about. He said the real decision-makers, such as Admiral Poindexter and Secretary of State George P. Shultz, were in California.

But officials said today that Mr. Shultz was also dismayed by The Journal's article and had made his feelings known to Admiral Poindexter. That day and after, State Department spokesmen and other officials there and in other departments were careful not to endorse The Journal's article.

In any event, The Journal's report set off a spate of similar accounts about new evidence on Colonel Qaddafi's terrorist network, about the Administration's seeking to provoke Colonel Qaddafi into an attack on American ships then on a routine exercise in the eastern Mediterranean, about the colonel's sanity, and about active coup efforts in Libya. These were precisely the points officials said had been called for in the memos recommending the disinformation campaign.

## Unintended Chain of Events

But the news accounts set off a chain of events that officials said was neither intended nor expected by the policy memos and discussions of mid-August. The intent, they said, was twofold. The first was to let the naval exercises and other military activity "speak for themselves." The second was to have the various rumors and threats about Colonel Qaddafi appear in the European, Middle Eastern and North African press.

In those news centers, the reports could have their impact on Colonel Qaddafi without being directly traceable to the Administration. Having the reports appear overseas would also diminish expected European concerns that the Administration was preparing to bomb Libya once again.

Continued

American planes had bombed Libya on April 14. This was done after strong evidence had accumulated about Libyan involvement in a terrorist attack against a discotheque in West Berlin, in which two Americans were killed and many wounded. Official European reaction to the American attack was sharply negative.

In mid-August the Administration was once again engaged in trying to enlist European cooperation against Libya. These efforts, officials said, were derailed by The Journal's article and similar ones that followed.

One such effort sought to enlist France in a joint military campaign in Chad to drive out Libyan forces in that country. The French Government told the State Department no after The Journal's article.

#### Walters Made European Tour

The other effort was by Vernon A. Walters, the chief American representative to the United Nations. He was set to tour major West European capitals to enlist support for tightening sanctions against Libya. Most news reports at that time in late August and September said, based on Administration officials, that he was carrying new and convincing evidence that Colonel Qaddafi was behind recent acts of terrorism.

Officials said Mr. Walters had no new and hard intelligence information to convey, and that in any event, the news articles had already soured the European allies on his mission.

But in California and in Washington, the battle was still raging over whether

The Journal's article was correct and whether there was hard and conclusive evidence.

At one point, Mr. Speakes said the article was "authoritative but not authorized." A senior White House official added that there was "hard evidence." He did so only after trying to say simply that the evidence was of "varying credibility."

At that time, more than a dozen officials in Washington were saying that there were "indications" of renewed terrorist activity, that these reports were stronger and weaker in different cases, but that it had become extremely difficult to prove Libyan involvement. That was because Colonel Qaddafi had apparently stopped using his embassies overseas to do the work and was working through Libyan airline offices and third parties.

#### Who Leaked Information?

Much of the confusion in late August and September, as again today, surrounded the question of who leaked the information in The Journal's article. White House, State Department and Pentagon officials almost unanimously pointed the finger at Howard Teicher, a member of Admiral Poindexter's staff responsible for political-military affairs. Mr. Teicher, officials said, was asked about this and responded that he had spoken to the author of The Journal's article. But he reportedly added that the author had already obtained all the basic information from other officials.

The officials said Admiral Poindexter had never accused or reprimanded Mr. Teicher.

But Mr. Speakes today continued to stand by his earlier statements that The Journal's article was "generally correct."

But the accuracy of that statement depends on the reading of The Journal's article, as Mr. Speakes sought to point out. The front page part of the article is a series of unattributed assertions about "collision," "new evidence," new military action and the like. But the continuation of the account on inside pages is stated in a more careful and restrained manner and is attributed, and the information is similar to that provided by a number of Administration officials at the time. That second part of the article was generally considered accurate then and now.

That leaves open the question of whether the exaggerated thrust of the article and of similar articles that followed was deliberately inspired by senior Administration officials as a matter of policy in accord with the disinformation campaign.

#### Memo's Existence Not Denied

Today, a senior Administration official did not deny the existence and authenticity of the Poindexter memo as described in The Post's report, nor did he deny that there were other memos about the disinformation effort.

"We have got an analysis going on comparing memos that we have with the story to find out exactly what memo it is," he said.

But as to disinformation campaign in the United States, he said, "That simply is not the case, and that is unequivocal."