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Pelton case fuels debate on leaks

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BALTIMORE - An eight-foot round bronze plaque of an American eagle, the symbol of the country's military might, is mounted on the front wall of Federal Courtroom 5C where Ronald William Pelton will be tried today for allegedly selling some of the most sensitive US intelligence secrets to the Soviets.

Pelton, a 44-year-old Maryland resident and father of four, is accused of selling classified information that he gained while working for 15 years with the National Security Agency, the top-secret US department that collects and decodes intercepted communications of foreign governments.

His trial, which began last week with the selection of jurors, has already triggered a controversy between the Reagan administration and the American press over the sensitive issue of informing the public about intelligence operations without jeopardizing national security.

The information that Pelton is accused of selling to the Soviet Union is so highly classified that it prompted CIA Director William Casey last week to threaten The Washington Post and NBC News with criminal prosecution for breaking stories about it. Moreover, government lawyers have sought to keep details of what Pelton may have actually turned over to the Soviets out of the trial.

Despite Casey's protests, the Post last Wednesday reported that the information Pelton allegedly turned over to the Soviets compromised a "highly successful" US operation that used sophisticated technology

to intercept Soviet communications. Two days earlier, NBC correspondent James Polk reported that the operation, code-named "Ivy Bells," involved a top-secret underwater eavesdropping operation by US submarines, inside Russian harbors.

Although the Post, after a conversation between its board chairman Katharine Graham and President Reagan, deleted a sizable amount of detail on the compromised technology from its article, the White House later announced that the CIA was reviewing the article to determine if it should be referred to the Justice Department for prosecution under the law that prohibits disclosure of classified intelligence information.

Some, including Sen. Patrick J. Leahy (D-Vermont), vice chairman of the Senate Select Committee on

Intelligence, view Casey's protests as an attempt to clamp down on all leaks of sensitive information. "The Post printed what was at least common gossip around town, and nothing more," Leahy said.

"There is a true frustration on the part of this administration to shut down the leaks. But the vast majority of them are coming out of the administration; they ought to be putting their own house in order before going after the press and raising real constitutional problems."

The Reagan administration is reportedly considering measures to stop such leaks, including reducing the number of people with access to classified material, creating an FBI task force to investigate unauthorized disclosures, and increasing the use of polygraph tests.

While the debate about First Amendment rights and national security became heated in Washington last week, Pelton sat nervously in a fifth floor federal courtroom listening to US Judge Herbert F. Murray advise prospective jurors to avoid reading any press accounts about the trial.

Although Pelton faces life imprisonment if convicted on the six counts of disclosing and delivering national defense information to the Soviets, it is unlikely that the jury will be told in any detail about what top-secret items Pelton is accused of selling.

Both the prosecution and defense in the case have agreed not to reveal any of the secret information for which Pelton allegedly received \$35,000 from the Soviets. The government listed the items in an exhibit that Judge Murray sealed after Attorney General Edwin Meese stated in an affidavit that disclosure of the items "would damage the security interests of the United States."

Financial troubles cited

However, other documents filed in the case and testimony at pre-trial hearings provide a portrait of Pelton as a financially troubled man who allegedly sold his only remaining asset, US intelligence secrets, to pay his debts.

His arrest last Nov. 24 followed six hours of FBI interrogation, during which, the government now says, Pelton provided a partly detailed confession.

Pelton's lawyers contend that his statements were improperly gained because he had no lawyer present, that he was under the influence of alcohol and drugs during the interrogation and that he thought the government was planning to offer him immunity in exchange for a full accounting of what he had supposedly turned over to the Soviets.

The court papers also raise disturbing questions about the government's failure to pick up Pelton's trail until five years after he first approached the Soviets.

During that period, he allegedly made several visits to the Soviet embassies in Vienna and Washington without being detected and opened negotiations with the Soviets with two anonymous telephone conversations that were intercepted by the United States but never identified as being Pelton's voice.

In addition, in April 1979, three months before leaving his position as a communications specialist at the National Security Agency, Pelton filed for bankruptcy in Baltimore. On his form, he listed having \$64,000 in debts and less than \$10 in cash assets. Also, he later admitted that for a couple of years during his employment with the agency he had not filed any income tax returns.

Had they been known by his superiors, his personal financial failings would have surprised those bosses who recalled Pelton's adeptness as the budget officer for his department during the mid-1970s.

A "wheeler-dealer"

One of his superiors, Phillip C. Ambler, said Pelton was known as a "wheeler-dealer" and "extremely assertive" among the agency's middle managers because of his ability to protect the department's several million dollar budget from being cut.

After giving up his budgetary duties in 1976, Pelton became deeply involved in the super-secret world of Soviet intelligence. In 1978, according to court documents, he authored "a classified document concerning technical information about the Soviet Union."

Although nothing about the report's contents has been made public, it was the information in the report that was the basis of Pelton's apparent importance to the Soviets.

Pelton allegedly traveled to Vienna in October 1980 and January 1983, staying each time three or four days at the apartment of the Soviet ambassador to Austria within the Soviet Embassy's compound. For about eight hours a day on both visits, it is alleged, Pelton was debriefed by a Soviet intelligence officer named Anatoly Slavnov.

Providing written answers to the Soviets' written questions, Pelton later allegedly confided to FBI agents, he was "questioned about every area of sensitive information to which he had access" at the agency, including "all of the programs" outlined in his 1978 report.

Ironically, the man who ultimately put federal agents on Pelton's trail was one of the first Soviet agents that Pelton allegedly

had contact with in January 1980.

According to government documents, Pelton, "acting almost on impulse," decided to call the Soviet Embassy in Washington. Although he did not identify himself, Pelton told the Soviet officials that he had information to discuss with them. Both that phone call and another one made later that day were intercepted and recorded by US agents. The taped conversations are expected to be played for the jury at Pelton's trial this week.

A meeting was scheduled for the next day, Jan. 15, at the embassy. At that time, according to one FBI affidavit, Pelton "agreed to provide sensitive information relating to United States intelligence activities in exchange for payments."

In all, Pelton allegedly received \$35,000 for the information.

In an apparent effort to show his good faith at his first meeting with the Soviets, Pelton "provided information relating to a US intelligence-collection project targeted at the Soviet Union," the FBI affidavit states.

Links to Yurchenko alleged

One of the Soviet officials who allegedly briefed Pelton in Washington was Vitaly Yurchenko, who served as chief security officer for the Soviet Embassy from 1975 to 1980.

Yurchenko was also a high-ranking official in the KGB, the Soviet intelligence agency. Yurchenko was obviously adept at his work. After Pelton allegedly spent the day inside the Soviet compound, Yurchenko had him shave off his beard and put on work clothes in an effort to avoid possible detection by US surveillance.

Last August, Yurchenko, having risen to the No. 5 position in the KGB, defected to the West. Among other things, he told US agents of his contacts with a former employee of the National Security Agency who had provided valuable intelligence information. Yurchenko professed, however, not to know the name of the man.

In early November, Yurchenko renounced his defection and returned to the Soviet Union. But his story about the former National Security Agency employee had set off a feverish search inside the US intelligence community about who might have sold the information to the Soviets. US agents began to target Pelton as a suspect by Oct. 15; court records show that on that date the FBI sought authorization to tap phones at Pelton's apartment, two businesses in Silver Springs, Md., where he had worked in recent months, a Georgetown health club he had joined and his girlfriend's apartment.

The court records do not indicate what information those government taps may have produced. The next month, on the Sunday before Thanksgiving, Pelton received a midmorning phone call from David Faulkner, an FBI counterintelligence agent.

Faulkner told Pelton that he wanted to discuss with him a matter of "extreme urgency." By that midnight, Pelton would be arrested and charged with selling top secret US intelligence to the Soviets.