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THE SPY WHO GOT AWAY

Edward Lee Howard was a C.I.A. recruit bound for Moscow. Dismissed, he eluded the F.B.I., defected and left U.S. intelligence efforts compromised. Now it has been learned that another ex-C.I.A. agent was aware of the betrayal.

By David Wise

IN THE SILENCE JUST BEFORE TWIlight in the desert near Santa Fe, the sky changes colors, shading to pinks and reds, and the sunset casts an orange glow on the golden snakeweed, the prickly pear cactuses and the juniper trees. The Sangre de Cristo mountains turn purple, then swiftly black. Suddenly, the first stars appear and the night belongs to the coyotes, the chirping toads and the owls.

On just such a night a little more than a year ago, with the clouds racing past a quarter-moon, Edward Lee Howard, a 33-year-old former officer of the Central Intelligence Agency, slipped away from agents of the Federal Bureau of Investigation and vanished.

On Aug. 7 of this year, he surfaced in Moscow, granted political asylum by the Russians. According to intelligence officials, Howard betrayed the methods used by the C.I.A. to contact its spies — "assets" in intelligence jargon — in the Soviet Union, leading directly to the arrest of one such C.I.A. asset, Soviet defense researcher Adolf G. Tolkachev, whose execution was announced a week and a half ago by Tass, the Soviet news agency. Howard's information also may have led to the expulsion from Moscow of several American intelligence agents and the detention of other Soviet citizens who were working for the C.I.A.

Howard is the first known C.I.A. man to have defected to the Soviet Union in the 39-year history of the agency. His defection was, perhaps, the greatest embarrassment ever suffered by the C.I.A. But a second former C.I.A. man, whose identity and role have been a tightly guarded secret, is also a key figure in the case. The second man is William G. Bosch.

F.B.I. agents tracked Bosch down on South Padre Island, at the southernmost tip of Texas, near the Mexican border. For four days, they interrogated him, even as other agents maintained a 24-hour surveillance on Howard in Santa Fe, N.M. According to intelligence sources, Bosch finally told the F.B.I. that on a visit to the island, Howard confided to him that he had sold secrets to the K.G.B. in Europe and sought to enlist him in further espionage plans. The officials said Bosch also told the F.B.I. that the two men discussed taking a trip to the Soviet Embassy in Mexico.

But in a day of high drama, at the very moment that F.B.I. agents were questioning Bosch, Howard was planning his successful escape from his home in the New Mexico desert.

Edward Lee Howard has been charged with conspiring to violate the espionage laws by his visit to South Padre Island. Bosch, who, like Howard, left the C.I.A. under a cloud, has not been charged. But his statements provided the key evidence that enabled the Department of Justice to file a criminal complaint against Howard. Bosch, who lives in the Los Angeles area, has declined to comment.

Former Director of Central Intelligence Stansfield Turner has said that United States intelligence was "very badly hurt" by Howard, who had "very critical information about operations inside the Soviet Union."

Another intelligence official put it more bluntly: "He wiped out Moscow station."

To understand the Howard case, one must step through the looking glass into the murky world of counterintelligence, where nothing is quite what it seems and not every question has an answer.

One thing is clear, however. The Howard case vastly embarrassed the C.I.A. and the F.B.I. Behind the scenes, there has been a good deal of finger-pointing between the two agencies — each blaming the other.

The existence of a second man in the case is only one of many startling aspects that surround the affair. While many facets of the case remain unclear, an in-depth investigation, including dozens of interviews with Howard's family, friends, associates, neighbors and Government officials, among them a number of persons in the intelligence agencies, has revealed other surprising information, much of which has not previously been disclosed:

- Edward Howard and his wife, Mary, were both employed by the C.I.A.'s Directorate of Operations, the agency's clandestine arm. They were trained by the agency to operate in Moscow as a husband-and-wife spy team.
- Only one F.B.I. agent was watching the Howards' house on Sept. 21, 1985, as Mary Howard helped her husband escape by driving home with a dummy in the front seat, a dummy made of clothes shaped in a human form and topped with a wig stand for its head. In the darkness, the agent apparently mistook the dummy for Howard — a ruse that gave the ex-spy a 24-hour head start.
- Mary Howard further aided her husband's escape by playing a tape recording of his voice over their telephone that fooled F.B.I. agents, who were wiretapping the phone, into believing he was still at home.
- Mary Howard was with her husband at an Austrian ski resort near the Swiss border on Sept. 20, 1984, during a trip when the F.B.I. believes he met with K.G.B. agents. But she insists he was only gone from their hotel room for a short time and maintains she never had any knowledge of his alleged spying for the Russians. For a year after her husband vanished, Mary Howard declined to talk

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interviewed for the first time by this reporter.

■ Both the C.I.A. and the F.B.I. were sharply criticized by the President's Foreign Intelligence Advisory Board for their handling of the Howard case, and both agencies have officially reprimanded a number of employees involved.

The Howard case did more than compromise ongoing clandestine operations. To the C.I.A., it remains a skein that, if unraveled, could expose flaws in both the conduct of the agency's secret operations and its bureaucratic procedures. Inevitably, the defection of Edward Howard has raised larger concerns about C.I.A. security, recruitment and personnel policies, and about the overall United States counterintelligence effort.

This case also brings up a number of intriguing and unanswered questions which, presumably, officials of the C.I.A. and F.B.I. are asking themselves. Why did Edward Howard feel secure in going to William Bosch to tell him he was betraying his country? Why didn't Bosch come forward and inform the authorities when he was first approached by Howard? And does this case indicate the existence of larger cracks in the armor of American intelligence?

ON THE MORNING OF AUG. 1, 1985, VITALY Yurchenko, deputy chief of the K.G.B.'s First Department, which is responsible for operations in the United States and Canada, told colleagues at the Soviet Embassy in Rome that he was going to take a walk and visit the Vatican Museum. Yurchenko, then 49, had arrived in Rome a week earlier.

When he did not return by dinner time, embassy officials were frantic. Not until the next day did they file a missing persons report with the Italian police. But the K.G.B. resident in Rome must already have suspected the worst: Vitaly Yurchenko, a trusted "general-designate" in the K.G.B. with 25 years of service in the Soviet intelligence agency, had defected.

Yurchenko, a big catch for the C.I.A., was whisked to a safe house near Fredericksburg, Va., for questioning. Before he escaped his C.I.A. handlers and redefected to Moscow three months later, leaving a trail of recrimination and confusion within the intelligence community, he provided vital information. The first order of business when a defector is interrogated is to learn whether he knows of any penetrations of United States intelligence. Yurchenko said he knew of two. He provided details that led the F.B.I. to Ronald W. Pelton, a former employee of the National Security Agency, who was convicted of espionage in June 1986.

Yurchenko said the other mole had worked for the C.I.A. and was known to him only by the code name "Robert." Yurchenko had never met Robert and could provide no physical description. But he had two crucial clues to his identity: Robert had met with senior K.G.B. agents in Austria in the fall of 1984 and sold them C.I.A. secrets. Moreover, Robert had been prepared for posting to Moscow and was familiar with the complex techniques used by the C.I.A. for contacting its agents there, perhaps even their code names or identities.

The news horrified Yurchenko's C.I.A. interrogators. If true, it meant there had been a mole in their inner sanctum, the most sensitive part of the agency, the Soviet European division. There had already been disturbing intimations that something was wrong in Moscow; at least one major operation had been blown, and the C.I.A.'s Soviet contact, Adolf Tolkachev, arrested. If Robert had talked to the K.G.B., the C.I.A.'s entire Soviet network might be in danger.

It did not take C.I.A. officials long to zero in on the man who fit Yurchenko's profile. In the spring of 1983, he had been getting ready for assignment to the C.I.A.'s Moscow station, his first overseas post, when at the last moment some troubling polygraph results and a security investigation disclosed drug use and petty theft, C.I.A. officials have said. Instead of sending the officer to Moscow, the agency took the unusual step of firing him.

His name was Edward Lee Howard.

HE HAD APPLIED TO THE C.I.A. in 1980. At the time, he was 28, married and working as manager of the Chicago regional office of a firm called Ecology and Environment Inc. It occurred to Ed Howard that there might be something more challenging in life than looking for toxic waste dumps. "He just mentioned one day that he had applied for a job in the agency," Mary Howard said. "I think that's what he wanted to do for a long time."

Mary Cedarleaf Howard, a quiet, intelligent woman of 36, with brown hair and blue eyes, now lives in seclusion with her young son and her parents near St. Paul, Minn. In a series of conversations, Mary Howard said nothing critical about Edward Howard, except to confirm that he had a drinking problem that was the cause of arguments between them. At the same time, she appeared to be loyal to her former employer, the C.I.A. She said she was still fond of her husband, although she has refused his request that she and their son join him in Moscow.

To the C.I.A., Howard had apparently looked like an ideal recruit. He had a graduate degree, work experience, and both he and his wife were accustomed to living overseas. Howard was fluent in Spanish and German, a smooth, well-spoken man who collected guns and knew how to use them. Although born in New Mexico, he had grown up in Europe; his father, Kenneth Howard, had been an Air Force electronics specialist who worked on guided missiles and had been stationed at bases in Germany, Texas and England.

"He played Little League and everything," Kenneth Howard said of his son. "He was in the Boy Scouts, up to Explorer." Ed Howard graduated from high school in Branden, England, then enrolled at the University of Texas, where he belonged to the karate club and graduated cum laude in 1972, the same year his father retired from the Air Force.

Ed Howard and Mary Cedarleaf met in the Peace Corps in 1973, both in their early 20's and fresh out of college. Mary had grown up in St. Paul, the daughter of an insurance executive and a physician. In the Peace Corps, "we started out in the same town in Colombia, called Bucaramanga," she said. They were married three years later, at a Lutheran church in St. Paul.

That same year, Ed Howard earned a master's degree in business administration from the American University in Washington, and joined the Agency for International Development. In February 1977, the Howards left for two years in Lima, Peru, where he worked on loan projects for A.I.D. Although the C.I.A. sometimes uses A.I.D. as diplomatic cover, there is no evidence to suggest that Howard was anything but a loan officer. After

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Peru, the Howards returned to the United States, and he landed the environmental job in Chicago.

In January 1981, the C.I.A. hired Edward Howard as a career trainee in the Directorate of Operations, also known as the D.D.O. (in reference to the Deputy Director for Operations) and as the Clandestine Services. Mary stayed at their home in Barrington, a Chicago suburb, while Ed reported to C.I.A. headquarters at Langley, Va. He was sent for several months to the Farm, a secret C.I.A. installation at Camp Peary, Va., near Williamsburg. There, Howard learned the "tradecraft" of intelligence, practicing the recruitment of agents and the use of "dead drops" to pass messages. He was given five aliases. He also learned from F.B.I. agents at the Farm how to detect and evade surveillance.

In the spring, Mary came east to join him. They purchased a house on Scotch Haven Drive in Country Creek, a development of single-family town houses in suburban Vienna, Va.

When Robert Magee, the C.I.A.'s director of personnel, later reviewed the Howard case, he discovered that there had been one blip on the security screen even at the start. Every candidate for the

C.I.A. who passes the two initial screenings is given a polygraph test — "fluttered" in C.I.A. jargon. Patti Volz, a C.I.A. spokesman, said Howard's initial polygraph indicated "some drug use." But C.I.A. applicants who admit to using drugs are not automatically disqualified, if they agree to end the practice when hired. Patti Volz said nothing about Howard's alcohol problem. The agency was apparently unaware of it.

In Country Creek, the young couple kept to themselves. Howard told the neighbors that he worked for the State Department. He jogged regularly on the path behind his house and was seen walking his dog, a German shepherd that he had bought as a pup in Lima. Howard named the dog Whisky.

In the fall of 1981, Mary joined the C.I.A. as a regular, full-time employee and, like her husband, was assigned to the agency's clandestine arm. "I wasn't a case officer like Ed," she said. "I was more a secretary. I worked for the D.D.O." The C.I.A. is a closed society, and it is not unusual to find married couples working for the agency.

The agency's covert operators also tend to choose their friends among colleagues in the D.D.O. It was there that Howard met William G. Bosch, a 6-foot, 3-inch, blond, balding C.I.A. veteran who had served in the agency's administrative side, then switched to the D.D.O. shortly before Howard joined the C.I.A. They shared a common background. Howard had worked in Lima; Bill Bosch, who was three years older, had served the agency in Bolivia, and, like Howard, spoke Spanish. The two became good friends.

Howard's career was progressing well. He was chosen for a singular honor, service in the Soviet European division (S.E.), which covers the Soviet Union and Eastern Europe. "S.E. is the holiest of holies," one veteran case officer explained. "They're a closed, cliquish, incestuous bunch of people. Nobody looks over their shoulder. S.E. screens their own and thumbs their nose at anybody else."

By late 1982, Howard had been selected for the most prestigious duty in the D.D.O., assignment to the Moscow station for a two-year term. His cover: diplomat in the American Embassy.

Why did the C.I.A. choose to send to its most sensitive post a newcomer with no previous experience working as an intelligence officer overseas? William J. Casey, Director of Central Intelligence, and other C.I.A. officials have declined, for the most part, to comment publicly on the Howard case. But Casey has defended privately the decision to send a rookie to Moscow as a common agency practice.

The chief of the S.E. division, in a rare appearance before a secret session of the Senate Select Committee on Intelligence, gave the agency's standard explanation of what has emerged as a major question in the Howard case. In order to make it more difficult for the K.G.B. to identify C.I.A. officers assigned to the Moscow station, the S.E. chief said, the agency chooses junior officers who are not known. Howard, he added, was the first one who had gone bad.

Howard was given special training for his Moscow assignment. He received careful instruction in the arcane techniques of maintaining the delicate and difficult contact with the C.I.A.'s assets.

Mary Howard, too, received training from the C.I.A. to work with her husband in Moscow as a spy. "They like to give some training to wives, short courses," she said. Asked whether it might have included countersurveillance — such as sitting in a car and acting as a lookout while her husband met with an agent — she replied: "It could have been something like that."

Early in 1983, Ed Howard told neighbors he was studying Russian; the State Department was sending him to the Soviet Union. The Howards bought a new car and prepared to ship it to Moscow.

To build his cover, the C.I.A. gave Howard a certificate identifying him as a Foreign Service officer and appointing him "a Consular Officer and a Secretary" in the diplomatic service. It was dated March 11, 1983, and signed by Ronald Reagan and George P. Shultz.

Eight days later, the Howards' son, Lee, was born. Spring was on the way, and the future looked bright.

Then the bottom fell out of Ed Howard's life.

A second lie-detector test suggested that some of Howard's answers were deceptive. The second polygraph "picked up drugs and petty theft," the C.I.A.'s Patti Volz said. (Howard's family insists that, although he drank, he did not use drugs.) An investigation was launched.

Two years later, when Howard fell under suspicion of spying for the Soviets, the C.I.A. ordered an internal report by its then-Deputy Inspector General, Carroll Hauver. Those who have read the secret report say that Howard, when confronted after the polygraph test, admitted using drugs, stealing from vending machines and taking money from a woman's purse aboard an airliner.

The C.I.A. decided it could not send Howard to Moscow. In fact, it decided it did not want him in the agency at all. Howard was fired. By June 1983, he was out of a job. He was now walking around with detailed knowledge of the agency's most sensitive operations in Moscow in his head. He was also furious at the C.I.A.

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TO CURTIS R. PORTER, STAFF director of the finance committee of the New Mexico state legislature, the young professional who showed up in his office unannounced to answer an advertisement in The Albuquerque Journal seemed an ideal prospect. The Legislative Finance Committee was looking for an economic analyst, and Edward Howard had the right credentials. Moreover, he was a native of New Mexico. On his résumé, he had put down "U.S. Department of State January 1981-June 1983." He was hired.

By August, the Howards had sold their house in Virginia and bought a home in El Dorado, a development 12 miles out in the desert southeast of Santa Fe. With their new baby, they settled down to life in the Sun Belt.

Howard's job was to estimate state revenues. Late in October, he flew to Washington for an economics conference. Apparently still seething at the agency, he spent several hours near the Soviet Embassy, trying to decide whether to go inside and reveal classified information.

Meanwhile, Howard's drinking was getting worse. On Feb. 26, 1984, a Sunday night, he was involved in a shooting incident with three young men. According to the police report, Howard said he had met the men "at a bar and had followed them home as they had promised him a girlfriend for the night and a good time."

But Peter Hughes, then 24, said that he, a friend and their two female companions were never inside the bar, but were in their Jeep, backing out of a motel parking lot, when Howard stared at one of the women, then followed in his own Jeep.

Hughes and his friend, joined by a third man, were waiting as Howard walked into the courtyard of Hughes's apartment building. "Suddenly from his back, he pulls out this *cannon*," Hughes said. "I mean a silver chrome .44 Magnum. An awesome gun. He says to me, 'Get back in the Jeep.' "

To Hughes, Howard seemed to have been drinking; his speech was slurred. "I'm inside the Jeep and he's pointing the gun at me. His eyes get this blazing look and he starts walking toward me with the gun, pointing it at my head. I think, *He's about to pull the trigger. He's going to shoot.* The barrel of the gun is coming in the window. So I duck. I grabbed for the gun and it fired, putting a hole in the roof."

With Howard disarmed, the youths beat him up; one threw a rock, hitting him on the head. They forced him back to his own Jeep, kicking the door several times for good measure. Then they called the police, who found Howard, bloodied, a block away. He was placed under arrest for aggravated assault with a deadly weapon.

For Santa Fe District Attorney Eloy F. Martinez, the case was a problem. On the one side was Peter Hughes, whose family was well known in the city — his father, who had been a prisoner of war in Vietnam, had run, albeit unsuccessfully, for the Republican nomination for Governor a decade earlier. On the other side was Howard, who produced letters of support from powerful state legislators and officials in Washington. Martinez said that he briefly considered prosecuting Howard for attempted murder. But Howard hired Santa Fe attorney Morton S. Simon, who, by working out a plea bargain, managed to keep the case almost entirely out of the papers. On April 25, Howard pleaded guilty to charges of aggravated assault before Judge Bruce E. Kaufman, who sentenced him to five years probation and ordered that he pay $7,500 to Hughes. Both Martinez and Kaufman denied published reports that the C.I.A. contacted them or tried to influence the case on Howard's behalf.

Howard had voluntarily entered a counseling program for state employees, where Neil Berman, a clinical social worker, treated him for alcoholism for the next year and a half. Psychologist Elliot J. Rapoport conducted a court-ordered psychological evaluation; his report found that Howard had been through a period of unusual stress and "problem drinking," but was "not otherwise criminally oriented." He recommended that Howard remain in the state counseling program.

On Sept. 18, the Howards left for a one-week trip to Europe. According to Vitaly Yurchenko, it was in the fall of 1984 that "Robert" met the K.G.B. in Austria and sold C.I.A. secrets. The F.B.I. established that the Howards were in St. Anton, Austria, on Sept. 20, 1984, although the bureau has not said whether it believes that was the date Howard met with the K.G.B.

Mary Howard said they first visited friends in Switzerland. "We visited Zurich and Lucerne and then decided to go to Austria and then Milan." But she insisted that they chose St. Anton at random. "We were just driving around, and it was getting toward dusk and it looked like a pretty little town," she said. "I'm not aware of any goings-on in St. Anton."

"We had a disagreement," she said. "Our fights were usually over his drinking. He took off in the car. I could see him drive away from the window. He drove around in the car." Could Howard have met the Russians then? "He was only gone a short time," she replied, "perhaps 10 or 15 minutes." She added that they did not stay overnight anywhere else in Austria.

The Howards were back in the United States on Sept. 24, for on that date, Howard met with two current C.I.A. employees — perhaps at C.I.A. headquarters — and told them how he had lingered outside the Soviet Embassy almost a year earlier, in October 1983, but did not enter.

Now Howard, a former C.I.A. officer with knowledge of top-secret data, had admitted that he had contemplated betraying his country. The C.I.A. insists that the two employees reported Howard's story to the proper agency officials. But for almost a year, those officials sat on that explosive information and failed to pass it on to the F.B.I. The C.I.A. will not say whether disciplinary action was taken against the officials.

Howard may have confessed the embassy incident as part of a plea to the C.I.A. to pay for psychiatric treatment. Howard did see a private psychiatrist in Santa Fe for a period of time and the C.I.A. paid for his visits.

Howard was still acting like a man under a great deal of stress. On a business trip to Boston the next month, Curtis Porter of the finance committee found Howard in his hotel room with a bandaged head; he claimed he had walked into a glass door and been given pain killers at the hospital. Later, Howard abruptly left a banquet and Porter found him packing and on the phone trying to make plane

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reservations to Austria. Recalled Porter: "He said, 'Sorry, I got crazy with the pain killers and booze. Don't worry, Mary knows every time I get drunk I try to go to Vienna.' " But Howard did not go; he realized he had no passport with him.

Kate and Bob Gallegos worked in Howard's office and lived in El Dorado; the two couples were friends. Bob Gallegos said that Howard once showed him a stack of Krugerrands worth perhaps $2,400. Gallegos also claimed that Howard "was having several affairs" with women in the office. Other friends say they were unaware of Howard's alleged womanizing, although one said he knew of a single "sporadic" affair.

In the spring of 1985, friends say, the Howards visited Europe again. Dennis Hazlett, a co-worker, said Howard came back with a Rolex watch and intimated he had been to Vienna.

ON JUNE 14, 1985, Tass, the Soviet news agency, announced that Paul M. Stombaugh, a "second secretary" at the United States Embassy in Moscow, was being expelled as a spy. Three months later the Russians disclosed that they had also arrested Tolkachev, the Soviet researcher, as he attempted to pass secret documents to Stombaugh.

American intelligence officials later confirmed that Tolkachev was an expert on "stealth" technology to conceal aircraft and missiles from radar, and had been one of the C.I.A.'s most valuable assets in Moscow. They also claimed that Tolkachev had been betrayed by Edward Lee Howard.

In July, Howard went to South Padre Island, to visit Bill Bosch. Bosch, too, had gotten into trouble with the C.I.A. after questions had been raised about alleged currency transactions in South America, according to intelligence officials. "He was dismissed by the C.I.A., or left before they could fire him," a senior intelligence source said.

It was on this visit, Bosch was later to tell the F.B.I., that Howard confessed his spying for the Russians and discussed plans for future contacts with Soviet officials. According to intelligence officials, the two ex-C.I.A. officers discussed taking a trip to the Soviet Embassy in Mexico City, a trip that Bosch said did not take place.

Bosch now lives in Laguna Beach, Calif., a resort about one-and-a-half hours south of Los Angeles. Although an old and established town, Laguna Beach is also known as a home to young singles and transients — a place where people can come and go with relative ease and not attract attention.

Bosch rents a small, inexpensive room on the first floor of an old, two-story brown-shingle house that has been converted into apartments and is set back from the street, surrounded by trees, two blocks from the Pacific Ocean.

According to a neighbor, Bosch is "a nice guy, a quiet guy," who drives a Porsche and is "here at night sometimes, but not here often." Other neighbors in his building and adjacent houses said they did not know him. Attempts to contact Bosch in person proved unavailing; reached by telephone, he declined to be interviewed. "I have no comment," he said, "either on or off the record."

ON JULY 27, 1985, the Gallegoses went to the Howards' home for dinner. Howard and his son Lee modeled two fur hats, Bob Gallegos said. "They were in a box with Russian writing. He said he had asked a friend in the State Department to send them to him." Gallegos said he has an indelible memory of Howard standing inside the house "wearing gym shorts and a fur hat, smoking a cigar and drinking a St. Pauli Girl."

Five days later, Vitaly Yurchenko vanished in Rome. The C.I.A. called in the F.B.I.

THE CASE COULD not have come at a worse time for James H. Geer. On Aug. 5, 1985, his first day as assistant director of the F.B.I. in charge of the intelligence division, the Howard case landed on his desk at bureau headquarters in Washington. It was Geer's job to catch foreign agents. Geer, then 45 and a 21-year veteran of the F.B.I., was confronted with a major and potentially explosive counterintelligence case.

Geer called in Phillip A. Parker, the division's deputy director for operations. Parker, 49, had worked on foreign counterintelligence cases for most of his 20 years in the F.B.I., and he had been the No. 2 man in the division for three years.

Parker notified William D. Branon, who had just taken over the F.B.I.'s Albuquerque office. F.B.I. agents from several other cities were brought in to assist him. Within a few days, a small army of F.B.I. agents was deployed in Albuquerque and in Santa Fe, 60 miles to the north.

The F.B.I. began watching Howard, but there were problems. The Howards lived at 108 Verano Loop, a circular road of widely spaced, mock-adobe houses, where strangers are quickly spotted. Ironically, Thomas (Bill) Gillespie, one of the four resident F.B.I. agents in Santa Fe, lived two houses away from the Howards, at 112 Verano Loop. It was a perfect location for surveillance. But Gillespie had just sold his house, and the new owners had moved in on Aug. 4, the day before the F.B.I. got the case. So the house was not available. The F.B.I. did not, in fact, use any house as an observation post. Whether it employed "special coverage" — agents posing as a street repair crew, telephone linemen or the like — is not known. What is known is that the Howard residence was placed under surveillance.

The legal problem was even more formidable. "We had no probable cause to arrest Howard," Geer explained. Yurchenko's evidence was not enough. "Yurchenko never saw him," Geer said. "He didn't know him by name. It was a circumstantial case. You have to have much more than one man's word. Yurchenko did not even have a physical description." Parker, now retired, was equally emphatic that the F.B.I. had no immediate basis for arresting Howard.

The F.B.I. needed more evidence. The bureau applied for and got a wiretap warrant from a special seven-member court established in 1978 by the Foreign Intelligence Surveillance Act.

By the beginning of September, wiretaps were in place on the Howards' home telephone. The results were disappointing. Howard said nothing incriminating.

By Thursday, Sept. 19, the F.B.I. had made the decision to confront Howard directly. Still lacking probable cause to arrest the ex-C.I.A. man, the bureau hoped that Howard himself might provide the necessary evidence. The decision to approach Howard was made by Parker. There was a risk, he knew, that Howard might run, although it seemed minimal, given the round-the-clock surveillance then in place. The interview technique had worked in the past, and was used to convict Ronald Pelton, the other man named by Yurchenko.

That morning, an F.B.I. agent telephoned Howard at his office and asked to interview him. Within the hour, Howard met with the agent at the Hilton Inn, but he refused to say anything of substance.

The F.B.I. now switched to what it calls a "nondiscreet" surveillance. The agents following Howard no longer tried to blend in with the crowd. On Friday, Sept. 20, Howard walked up to one of the now-obvious agents on the street and asked to see the agent who had tried to interview him the day before. Another brief meeting took place, and Howard sounded more cooperative. He told the agent that he wanted time to get a lawyer and would meet with the F.B.I. the following week. Word was sent back to F.B.I. headquarters that Howard might be getting ready to talk.

Philip M. Baca was getting nervous. Baca, the new director of the Legislative Finance Committee, had been visited the day before by two F.B.I. agents, who asked for records on Howard. The 8:30 A.M. staff briefing of the committee, to prepare the lawmakers for a 9 A.M. public hearing, was about to begin and Ed Howard was uncharacteristically late. He finally arrived at the office at 8:25 A.M. "He did a beautiful briefing on the 18-month economic outlook," Baca said. "He had graphs. During the hearing, some questions came up on the price of oil. He answered them and was completely calm."

On the morning of Saturday, Sept. 21, Howard went into his office at the capitol. F.B.I. agents followed him. What they did not yet know was that he would write two letters in his office that day.

"We did a lot of talking that weekend," Mary Howard recalled. Howard had told her of the approach by the F.B.I. It was, she said, the first she knew he was in trouble. "It was like a nightmare," she said. "It's very traumatic still." But, she added, "I don't have any knowledge he spied."

At 3 P.M., Rosa Carlson got a telephone call from her neighbor, Mary Howard. As they had the same baby sitter that afternoon, would it be all right if the sitter walked over with Lee to the Carlsons and combined the job? Mrs. Carlson said that would be fine.

At 4 P.M., 16-year-old Gina Jackson arrived at the Howards'. Mary Howard did not stop to chat with her in her usual friendly manner. Instead, she led Gina and Lee directly out back to the patio.

"As I went through the house," Gina Jackson said, "I thought I heard two people talking. Out of the corner of my eye I saw a completely bald-headed person standing in the entranceway between the den and living room."

Later, Gina said, "the F.B.I. told me it wasn't two men talking, it was Ed Howard with a tape recorder and a dummy."

On the patio, Mary Howard seemed distracted. She did not provide the sitter with a phone number but told her the name of a Spanish restaurant where they would be. In a few moments, the sitter heard the car pull out of the garage.

What happened next is baffling, either a mix-up in communication, or human error. Only one F.B.I. surveillance agent was on duty, several hundred feet from the Howard house. Although it was about 4:30 P.M., and broad daylight, the Howards drove away in their dark red 1979 Oldsmobile undetected.

Ed and Mary Howard left El Dorado and swung onto Interstate Highway 25, heading northwest for Santa Fe. Other F.B.I. agents were spread out in cars a few miles away, awaiting word by radio to move out and follow the Howards. The signal never came.

Around 6 P.M., Gina Jackson walked a block to the Carlsons with Lee. She watched while Lee and the two young Carlson boys, Zac and Jonathan, played with water in the bathtub.

An hour later, around 7 P.M., the Howards drove from the restaurant where they had dined. In the darkness, somewhere in the downtown area, Ed Howard jumped from the slowly moving car into a "blind spot," as he had been trained to do at the Farm. It was the last time Mary saw him.

When Mary Howard arrived back home around 7:20 P.M., there was a dummy in the passenger seat in place of her husband. It was made of clothes shaped into a human form, topped with a faceless wig stand. Atop the wig stand was some sort of headgear. (Mary Howard said published reports that she had used an inflatable dummy were "not true.")

The surveillance agent on duty was surprised to see the Howards *returning*, since he had not seen them leave — surprised but relieved, since they were together. Ed Howard seemed to be wearing a hat, but in the dark, the F.B.I. man could not be sure.

The automatic garage door opened, and Mary Howard drove inside. She drove out a few minutes later, alone. She arrived at the Carlsons' house at 7:30 P.M. to pick up Lee, then drove back to their house and into the garage. The surveillance agent dutifully logged them in.

That night, Mary Howard carried out another ruse that her husband had planned with her. The ex-C.I.A. man had recorded his voice on the tape recorder. Following his instructions, Mary dialed a business office where the Howards knew she would reach an answering machine. At the beep, Mary held the tape recorder next to the telephone and pressed the "play" button. F.B.I. agents listening in "live" heard Howard confirm an upcoming appointment and were reassured; their target was still at home and staying in town.

BACK IN WASHINGTON that Saturday evening, F.B.I. agents in the intelligence division were excited; it appeared they might finally be getting the evidence they needed to seek a warrant for Howard's arrest.

The F.B.I. had tracked down William Bosch on South Padre Island. The bureau had discovered that Howard had been in touch with Bosch, located him with the help of long-distance toll-call records, and learned of his background from the C.I.A. F.B.I. agents had moved in and begun questioning him intensively in midweek. Gradually, Bosch's story was unfolding.

According to intelligence officials, Bosch said that Howard had made more than one trip to South Padre Island to see him; in July, Howard had come to the island and told Bosch he had sold C.I.A. data to the Russians, and the two men had had the discussion of Howard's plan to visit the Soviet Embassy in Mexico City.

There was no secure phone line on South Padre Island, so the electrifying reports of Bosch's interrogation had to be driven 300 miles to the F.B.I. office in San Antonio, then teletyped to the intelligence division on the fourth floor of F.B.I. headquarters.

James Geer said it was midnight in Washington, two hours later than in Santa Fe, before the F.B.I. decided it now had probable cause to seek a warrant for the arrest of Edward Howard. It could not be obtained at that hour, on a weekend, but there was no reason to worry. The lights had gone out at 108 Verano Loop. The surveillance was still in place in the desert, and the Howards were safely tucked away for the night.

LATE ON SUNDAY AFternoon, Phil Baca went into the office unexpectedly. On his desk, he found an envelope, and, inside it, a letter of resignation from Ed Howard, along with the keys to the office and a smaller envelope addressed to Mary, which Baca did not open. He called the F.B.I. "I told them Ed Howard had resigned," Baca said. The F.B.I. was stunned.

Agents rang the doorbell at Howard's house and learned from Mary that Howard was gone. Mary Howard turned her husband's letter over to the F.B.I. One cryptic line in the letter, not previously known, said: "National security is like holding a royal

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flush in Santa Fe." The note also said, in part: "Well, I'm going and maybe I'll give them what they think I already gave them," and instructed Mary to "sell the house, Jeep, etc., and move with one of our parents and be happy." Howard also told Mary to tell Lee that "I think of him and you each day until I die."

By the time the F.B.I. realized that Howard had vanished, he had a 24-hour head start. Bureau officials believe he flew from Albuquerque, to New York, to Helsinki, and then crossed the border into the Soviet Union.

On Monday, Sept. 23, the F.B.I. finally got its arrest warrant from a United States magistrate in Albuquerque.

Howard called Mary once, the following month, but did not say where he was. In the spring, he sent her a letter, postmarked Vienna. On Aug. 7, 1986, Howard surfaced in Moscow.

EDWARD HOWARD HAS been charged with espionage. Intelligence officials say the damage he did to the C.I.A.'s Soviet operations was enormous. Some sources have suggested that the damage continued beyond Tolkachev, the C.I.A. agent executed by Moscow. On March 14 of this year, Tass announced that Michael Sellers, Second Secretary of the United States Embassy in Moscow, was being expelled for espionage. On May 7, the Russians said, Erik Sites, listed as a civilian employee of the embassy's military attaché office, strolled along Malaya Priogovskaya street to contact a Soviet C.I.A. asset when the K.G.B. closed in. Sites's wife, Ursula, was waiting nearby as a lookout, the Russians said. Sites, too, was expelled.

Certainly, the Howard case exposed major flaws inside the C.I.A. The agency hired a man who drank heavily and, according to the agency at least, used drugs. It ignored early warnings on his first polygraph test. It selected him for its most sensitive post, despite his lack of experience. Then, when it discovered he had serious character defects and problems, it fired him instead of easing him into another job where he might have posed less of a security risk. It paid for his psychiatric counseling after it was too late. Most astonishing of all, when Howard confessed to the agency that he had contemplated entering the Soviet Embassy in Washington to sell secrets, the C.I.A. sat on that information for almost a year before telling the F.B.I. Finally, after Howard was fired, the C.I.A. neglected to recover both his diplomatic passport and a false-name passport he had been issued by the Clandestine Services.

Within the intelligence community, some of the heat in the Howard case has been taken by Clair E. George, the C.I.A.'s Deputy Director for Operations, and certainly the affair suggests that the agency's clandestine arm performed sloppily. But the case also appears to illustrate loopholes in the agency's personnel and hiring policies and a lack of coordination between its medical and security offices. It suggests that, in order to avoid embarrassment, the agency attempted to suppress at any cost what eventually turned into a major spy scandal.

For its part, the F.B.I. was vastly embarrassed that Howard got away, a fact that F.B.I. director William H. Webster calls an "aberration." James Geer, the head of the F.B.I.'s intelligence division, while conceding a mistake "at our on-the-scene operations," sees "no institutional weakness," and cites the F.B.I.'s success in rounding up several other spies in the same year that Howard escaped.

Howard's motive remains unclear. He was angry at the C.I.A., but had no apparent ideological sympathy for the Soviet Union. Dennis Hazlett, his friend, said Howard seemed, if anything, conservative, patriotic, "a little Reaganite in his views."

"I love my country," Howard said on Soviet television on Sept. 14 of this year. "I have never done anything that might harm my country."

If Howard was paid large amounts of money for his information, the F.B.I. has been unable to trace it. "We just don't know where the money is, if he got it," one senior F.B.I. man said. Mary Howard said: "I never saw unusual amounts of money," nor any Krugerrands. They lived on her husband's $33,012-a-year salary, she said.

"If he did anything," Kenneth Howard said, "it was through revenge or anger at what the agency did to him." Edward Howard's father has even wondered whether the C.I.A. "might be playing some strange games," whether perhaps his son was still working for the agency. Others have also wondered if Howard was allowed to escape and is a double agent. But F.B.I. officials scoff at that idea.

Edward Howard is a man caught between the superpowers. He faces a bleak future in an alien land, joining the dubious roll call of defectors who have taken refuge behind the Iron Curtain: Kim Philby, Guy Burgess, Donald Maclean, George Blake. None are ever fully trusted by the K.G.B. Or Howard can come home one day, if the Russians will let him, to face a possible sentence of life imprisonment.

The bottom line, however, is that he has escaped. The F.B.I. is bitter about that, although it takes a certain perverse pride in Howard's skill at countersurveillance, which he had learned at the Farm from the bureau's instructors. "After all," one F.B.I. agent said, "we trained him." ■

David Wise is the author of several nonfiction books about intelligence and of "The Samarkand Dimension," a novel of espionage to be published by Doubleday & Company in April.