COMMENTARY
October 1985

Who Killed the CIA?

The Confessions of Stansfield T

Edward Jay Epstein

ADMIRAL Stansfield Turner commanded a destroyer, a guided-missile cruiser, a carrier task force, a fleet, and the prestigious Naval War College before he was shunted away to a NATO post in Italy in 1975. When he was abruptly summoned back to Washington in February 1977 by his former classmate at Annapolis, President Jimmy Carter, he expected to be appointed to a high naval position or to the Joint Chiefs of Staff. Instead, the new President asked him to be Director of Central Intelligence (DCI).

Although Turner had had little previous experience in intelligence, he viewed it simply as a problem of assessing data, or, as he described it to his son, nothing more than "bean counting." Accepting the position of "chief bean counter," he assumed that he could bring the CIA, and American intelligence, to the same standard of operational efficiency he had brought the ships under his command. The four-year effort to achieve this goal is the subject of his book, *Secrecy and Democracy: The CIA in Transition*.[1]

He quickly found, however, that the CIA was a far more complex and elusive entity than he had expected. To begin with, the acting CIA Director, Henry Knoche, rather than behaving like a ship's "executive officer," surprised Turner by refusing his "captain's" first order: a request that Knoche accompany him to meetings with congressional leaders. As far as Turner was concerned, this was insubordination (and Knoche's days were numbered). When he met with other senior executives of the CIA at a series of dinners, he found "a disturbing lack of specificity and clarity" in their answers. On the other hand, he found the written CIA reports presented to him "too long and detailed to be useful." He notes that "my first encounters with the CIA did not convey either the feeling of a warm welcome or a sense of great competence"—an asse[illegible]ment of many of these senior officers.

Turner was further frustrated by the system of secrecy that kept vital intelligence hermetically contained in bureaucratic "compartments" within the CIA. Not only did he view such secrecy as irrational, he began to suspect that it cloaked a wide range of unethical activities. He became especially concerned with abuses in the espionage division, which he discovered was heavily overstaffed with case officers—some of whom, on the pretext of seeing agents abroad, were disbursing large sums in "expenses" to themselves, keeping mistresses, and doing business with international arms dealers. Aside from such petty corruption, Turner feared that these compartmentalized espionage operations could enmesh the entire CIA in a devastating scandal. The potential for such a "disgrace," as he puts it, was made manifest to him by a single traumatic case that occurred in the 1960's—one which he harks back to throughout his book, and which he uses to justify eliminating the essential core of the CIA's espionage service.

The villain of this case, as Turner describes it, is James Jesus Angleton, who was chief of the CIA's counterintelligence staff from 1954 to 1974; the victim was Yuri Nosenko, a KGB officer who began collaborating with the CIA in 1962 and then defected to the United States in 1964, and who claimed to have read all the KGB files on Lee Harvey Oswald. The crime was the imprisonment of Nosenko, which, according to Turner, was "a travesty of the rights of the individual under the law." It all began in 1964, after Nosenko arrived in the United States. Turner states that Angleton "decided that Nosenko was a double agent, and set out to force him to confess. . . . When he would not give in to normal interrogation, Angleton's team set out to break the man psychologically. A small prison was built, expressly for him."

Nosenko was kept in this prison for three-and-one-half years, although he never admitted to being a double agent. He was then released and sub-

EDWARD JAY EPSTEIN, whose books include *Legend: The Secret World of Lee Harvey Oswald* and *Inquest: The Warren Commission and the Establishment of Truth*, is currently completing a book on international deception. His articles in COMMENTARY include "Disinformation: Or, Why the CIA Cannot Verify an Arms-Control Agreement" (July 1982) and "The War Within the CIA" (August 1978).

[1] Houghton Mifflin, 304 pp., $16.95.

Continued

NEWSWEEK
25 JANUARY 1982

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ON PAGE 10

The CIA's Double Standard

MY TURN/FRANK SNEPP

The CIA disclaims any responsibility for Edwin Wilson and Frank Terpil, the two ex-agents who are now busily training and arming Libyan terrorists. But the truth is the CIA and the Justice Department have long had the legal means to put these shady dealers out of business.

Wilson, indicted in 1980 and '81 for selling explosives and murderous skills to the Kaddafi regime, joined the CIA in the early '50s, at a time when all agency employees and alumni were solemnly sworn never to assert any proprietary "claim" to what they learned on the job and never "to divulge, publish or reveal by any other means . . . classified information, intelligence or knowledge" without official approval. The same basic covenant was in effect when Terpil signed on in the early '60s.

Two years ago, in a ruling against me, the Supreme Court upheld the legality of these contracts. Though my case involved the unauthorized publication of a book about CIA activities, the contracts themselves make no distinction between disclosure in print and revelation by "sales pitch." Nor are their strictures limited to secrets or even knowledge gained *during* employment. According to a 1977 CIA regulation "subjects deemed to be of official Agency interest [and hence subject to pre-release approval] include, but are not limited to, current and former Agency activities, foreign intelligence and foreign political, economic, scientific, technical, military, sociological and geographical matters, including foreign aspects of international terrorist activity . . ." A later CIA directive generously exempts "topics that are totally unrelated to intelligence matters, such as the manuscript of a cookbook, [or] a treatise on gardening," but warns of "gray areas" and urges signatories to err on the side of caution by letting the CIA pre-screen all utterances that might be of official concern.

Changed Rules: Since I had sidestepped CIA scrutiny altogether, the Supreme Court decided I had broken my contract. For the same reason it found me guilty of having violated an "implicit obligation of trust." Normally this commercial-law concept is invoked only against people who sell their employers' trade secrets to competitors. But in my case the rules were changed retroactively and I was slapped with the standard penalty for a "breach of trust"—forfeiture of all profits—and was ordered to submit to CIA censorship in the future, even though the government had never once accused me of publishing *anything* confidential.

Terpil and Wilson clearly have done no less than I. If my book was a violation of implied and explicit covenants, so is their unfettered assistance to the Libyans.

The two also are guilty of one other offense that figured in the government's case against me. To substantiate its claim that my book had damaged the nation's security, the Justice Department argued that any such unauthorized release of intelligence-related material can undermine confidence in the CIA's security procedures and can thus frighten off "sources" who might otherwise be cooperative. The Supreme Court agreed, declaring that the "appearance of confidentiality" is often as essential to our security as confidentiality itself.

Why hasn't the agency used its legal powers to stop former agents who work for Kaddafi?

By nuzzling up to Kaddafi, Wilson and Terpil have most certainly imperiled the "appearance of confidentiality" and have discomfited intelligence sources. Why, then, weren't they sued long ago for breach of contract and trust? Part of the answer undoubtedly lies in the influence and interests of the CIA's "old boy" network. Not surprisingly, Wilson and Terpil aren't its only charter members who are out peddling "Company" know-how to unauthorized consumers. Former CIA topsiders Richard Helms, Henry Knoche, Vernon Walters and Theodore Shackley are all involved in business consultancies that cash in on what they learned while on the agency's payroll. Onetime CIA security chief Robert Gambino has retired to train private security guards, and scores of former field operatives have established close and lucrative ties to governments they were once assigned. All of these agents-turned-entrepreneurs are guilty of my "transgression"—trading on knowledge that the government claims isn't ours to exploit. But because, as a group, they command more political clout than I, they've escaped prosecution.

Moreover, because of the muzziness of the employment contracts, they have been able to argue that they face no constraints on their business activities. Helms has commented that it would be "against the American tradition" for the government to attempt to impose such strictures.

Precedent: In fairness to him and his fellow scofflaws, the employment contracts are not models of clarity. They have been recast at least six times since the CIA's founding and have never been consistently enforced. So it's understandable that a signatory might misconstrue his "obligations."

Then too, there is the legitimate question: should Pentagon and State Department officials be permitted to transfer their professional expertise to the private sector while CIA veterans are forbidden to do so?

That last issue (like so many others) was, in fact, resolved by the Supreme Court's ruling against me. Under the principles the Court embraced, anybody who assumes a position of trust in the government thereby exposes himself to permanent official curbs on his speech and conduct, regardless of whether he signs a contract to this effect.

What remains to be seen is whether the Justice Department will now use the power it won in my case to punish and deter the likes of Wilson and Terpil. If it does, it will admittedly set a precedent for similar suits against Helms, Knoche, Henry Kissinger and other powerful former bureaucrats who are engaged in more benign business ventures arising from their government service. But if it doesn't—out of deference to Helms and Co.—it will make a mockery of the arguments marshaled against me and, more important, forfeit a chance to deliver a sobering object lesson to those Federal retirees who would betray their public trust by marketing their professional skills to terrorists and disreputable foreign governments.

Snepp, a former CIA analyst, lost a suit to the government for publishing an unauthorized book on the fall of Saigon.

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U.S. NEWS & WORLD REPORT
28 September 1981

When CIA Spies Come In From the Cold—

Headlines are focused on mavericks who train terrorists, spy for hostile powers, leak vital secrets. But the vast majority of former agents exploit their unique expertise for different purposes.

When an American spy ends his cloak-and-dagger work for Uncle Sam, his life in the shadows may not be over.

A few maverick ex-agents have continued to lead the covert life even after "coming in from the cold." Often operating outside the law, these onetime spies cash in on clandestine skills honed—and secrets learned—as government agents. Sometimes earning millions of dollars, they move in a mysterious, violent world of guns, explosives, criminals and foreign agents.

Two former operatives of the Central Intelligence Agency are accused of masterminding a terrorist training school for Libya's Muammar Qadhafi and supplying him with explosives and technical expertise. A third has been convicted of selling secrets to Russia—the only known case of a double agent in the agency's 34-year history. Some former CIA contract agents, free-lance operators who undertake specific contracts from the agency, have been arrested on drug-smuggling charges.

While only a relative few become outlaws, these nonetheless have caused headaches for the vast majority of ex-spies who go into legitimate work. As a result, sentiment is building for tighter restraints on all former agents.

Experts agree that those who resort to questionable activities are rare among the thousands of CIA operatives who quit the agency during the 1970s because of purges, scandals and disillusionment. Yet the pressures that can create a rogue are felt by all. Foremost is the difficulty of making a new life after a career spent spying, often in exotic places and sometimes amid great danger. Some say it is an addictive combination.

There are other problems. Many potential employers are sensitive to public hostility toward the espionage trade and worry about any CIA ties that may remain. Many agents, especially those who have spent a long time spying, lack readily marketable job skills in the business world. And some spies simply find themselves suited for no other work. For them, covert activity has become not just a job, but a way of life.

For a look at what spies do after leaving the government, *U.S.News & World Report* has focused on a score of ex-agents who have entered private life in recent years. While most are respected businessmen, others operate on the wrong side of the law. Both are examined in this report.

Global Terrorism: Making It Pay

A few former agents have turned to selling covert skills to the highest bidders. Prime examples are Francis E. Terpil

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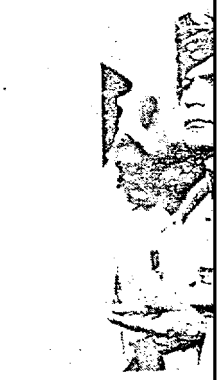

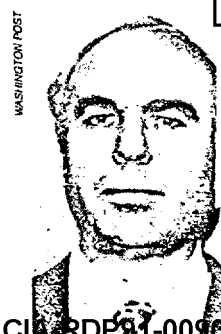

WASHINGTON POST

Ex-CIA agents Edwin Wilson, left, and Francis Terpil are accused

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THE WASHINGTON POST
16 September 1981

1977 CIA Housecleaning Tied

By Patrick E. Tyler and Al Kamen
Washington Post Staff Writers

The CIA's discovery that agency employes helped fulfill a terrorism training contract with Libya touched off a major internal housecleaning that led to the loss by firing, transfer, attrition or forced retirement of 820 agents in the agency's elite clandestine service.

The controversial 1977 housecleaning, only a fraction of which was directly related to the Libyan operation, was initiated by then-CIA director Adm. Stansfield Turner.

It represented the major thrust of the Carter administration's attempt to get control of the agency's covert operations branch and force its agents to adhere to rigid guidelines governing their activities. The controls were mandated in the wake a host of revelations of CIA abuses during the 1960s and early 1970s.

The internal shakeup was triggered when Turner learned from a press inquiry that two active-duty CIA agents appeared to be involved in the Libyan activities of ex-CIA agents Edwin P. Wilson and Francis E. Terpil. Turner fired the two active-duty agents.

In unrelated cases, a third and a fourth agent were dismissed, one of them for using a private operative overseas without informing his CIA superiors. Then Turner, already predisposed to further reductions in covert staffing levels, swollen from the Vietnam-war era, launched a massive overhaul of the operations directorate.

A team of systems analysts was imposed upon the highly autonomous clandestine branch and, by the time Turner was finished, 17 covert agents had been fired, 157 were asked to retire involuntarily, 50 were transferred out of the clandestine service to other CIA divisions and nearly 600 other clandestine jobs were eliminated by attrition.

At the time, CIA officials insisted that the exodus from the clandestine service was a routine reduction in force. But this account, provided by senior intelligence officials, for the first time shows a broader purpo and illustrates the significance th was attached to the Wilson-Terp case during Turner's four-year te ure. Turner's actions were attacke by veteran intelligence officials as needless decimation of covert inte ligence-gathering capabilities.

During his first month in office the spring of 1977, Turner was n informed of the investigations th had been initiated nine months ea lier by his predecessor, George Bus

In September, 1976, one of W son's partners and one of his e ployes told the agency that Wils was exporting terrorist training a materials to Libya's radical dictat Col. Muammar Qaddafi.

Turner discovered that his pred cessor had investigated the charg but had decided not to fire the two active-duty agents. Instead, Bush officially reprimanded and reassigned one of them as punishment for having assisted Wilson in designing and building prototype delay-action timers for mass production, according to senior intelligence officials familiar with the investigation.

The second officer's disciplinary action as well as investigations into the activities of several other active-duty agents were pending when Turner took office.

Bush was traveling in Mexico yesterday and could not be reached.

These discoveries in Turner's opening weeks as CIA director "led to a major change" in his approach to the clandestine service, according to one knowledgeable official.

In his first contact with the agency's internal investigative files Turner saw "four people out of control," the official said, and many others who were "still playing cowboy." Turner is said to have believed that the agency's covert operations branch had yet to respond to a new era of tighter control.

In the final analysis, the agency did not respond fully to the Wilson case until Turner's attention was focused by a Washington Post inquiry in April, 1977, according to intelligence officials. Before that time, the agency had "fussed around" with several disciplinary investigations of its own agents, according to one knowledgeable source. A single letter of reprimand and reassignment had been ordered before Bush left office in January, 1977.

Wilson and Terpil were indicted in April, 1980, by a federal grand jury here for allegedly supplying explosives, delayed-action timers and terrorist training and for plotting the assassination of a prominent exile critic of Qaddafi's regime. Other indictments are expected.

And other federal regulatory agencies are examining their rules and federal laws to curb what federal officials see as an epidemic of illegal arms and technology exports to hostile nations.

The CIA's investigation into Wilson's dealings with Libya began Labor Day weekend in 1976, when one of Wilson's partners, Kevin P.

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DENVER ROCKY MOUNTAIN NEWS
23 February 1981

STAT

Ex-CIA official now guards industry

By JERRY RUHL
News Staff

Colorado corporations are becoming increasingly worried about security, according to a former top CIA official, E. Henry Knoche.

Knoche recently moved to Denver to help companies develop plans to protect their executives, buildings and trade secrets. He will direct a new Rocky Mountain division of Guardsmark Inc., the nation's sixth largest contractor of security services.

"The entire country has become more security conscious," Knoche said during an interview last week. "It's something that companies used to only worry about at budget time, but that is no longer the case."

The growth of energy firms in Colorado and Wyoming provides a prime market for security services, he said.

Knoche was appointed deputy director of the CIA in 1976 and served under CIA Directors George Bush and Stansfield Turner. In that capacity, he was in charge of the agency's day-to-day operations.

After a 25-year career with the CIA, Knoche retired in 1977 and joined Boeing Aerospace Co. in Seattle as manager of international plans and operations.

Joining the Memphis-based Guardsmark as vice president last month, Knoche was assigned to Denver. The firm has had a Denver office, but it is now expanding its operations into a division with a complete range of security, crime prevention and investigative services.

Vandalism and theft are the major concerns of companies operating mining and drilling operations in remote areas, Knoche said, while high technology companies located along the Front Range are concerned about industrial espionage and the safety of their executives.

"The lion's share of our work involves providing guards," Knoche said. The use of security guards is up 75 percent nationally since 1970, he said, and more than $12 billion is now spent annually on security.

"In the old days, any security outfit that could hire a warm body would strap a gun on him and send him out as a guard," Knoche said.

Guardsmark takes pride in its system of screening and training guards, he said. The firms guards do not generally carry firearms, relying instead on communications to alert law enforcement officers when there is trouble, he explained.

"Private security guards have no powers to arrest or detain persons, but usually just their presence is enough to deter crime," he said.

Guardsmark is frequently called in to perform investigations when a company is suffering from internal theft, according to Knoche.

Approximately $50 billion is stolen internally each year, he said, and no one knows how much crime is involved in computer theft.

Consultants are called in to assist in complicated computer theft investigations, he explained.

Sometimes a company just wants its security system assessed, Knoche said, to see how difficult it is for outsiders to get close to sensitive papers and files.

"There are a few good electronic and alarm devices available, but most don't work as well as their manufacturers claim," he said. "We look more at physical security."

Business executives, particularly those who frequently travel overseas, have become increasingly vulnerable to kidnapping or attack by terrorists, according to Knoche. To combat increased violence on the part of terrorists, executives are taught defensive driving techniques and ways to reduce their public exposure.

"They should never take the same route to work at the same time every day, for example," he said.

The 56-year-old Knoche joined the CIA in 1953 as an analyst of Chinese political affairs. He was stationed in Washington throughout his career, which later included management of the agency's finances.

Knoche said his most difficult intelligence assignment was in 1975 as liaison with congressional committees investigating alleged intelligence agency abuses.

He believes that, as a result of the investigations, the CIA "hemorrhaged its secrets a little too widely. In intelligence work you must have secret sources and methods of investigation; once these are revealed you're wiped out," he said.

The positive result of the disclosures was improved oversight of intelligence operations, he said.

"We (the CIA) were an outfit that had been left untended too long. In our political system of checks and balances, we can't afford that."

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Former CIA Deputy Director E. Henry Knoche: "The country has become more security conscious."

Approved For Release 2005/12/14 : CIA-RDP91-00901R000600040001-0

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NEW YORK MAGAZINE
3 March 1980

NEW YORK

Tinker, Sailor, Stansfield Turner, critics say, has demoralized and politicized the CIA.

By Michael Ledeen

IN HIS STATE OF THE UNION address, President Carter called for the end of unwarranted restrictions on American intelligence agencies. "An effective intelligence capability," he said, "is vital to our nation's security." Although the remark drew an ovation, there have been no dramatic initiatives from the Carter administration to revitalize what is generally considered to be a demoralized and often dangerously ineffective American intelligence community. Yet the president's words demonstrate that the mood of the administration—and with it, by all indications, that of the country—has changed dramatically from the time when the Central Intelligence Agency was considered to be a "rogue elephant" dangerously out of control.

What is required to realize the president's goals? According to those who have spent their lives in and around the intelligence business, the primary requirement is a change in the domestic attitude toward the CIA. Such persons—including former directors and top officials of the agency—say the CIA must be freed from some of the more exaggerated forms of congressional scrutiny, such as the Hughes-Ryan Amendment, which gives more than 200 senators and staff members access to agency data. They also urge that those members of government and the media who have harassed the intelligence community for the past half decade must now recognize that a viable intelligence agency is urgently needed. And, they say, the agency and the intelligence community as a whole badly need the finest possible leadership, both from the White House and from the office of the director of central intelligence (DCI). That post is currently occupied by Admiral Stansfield Turner, and in the view of an impressive number of intelligence experts, Admiral Turner is not able to lead the CIA back to respectability.

WITHIN MONTHS OF HIS 1977 appointment as DCI, Stansfield Turner had acquired the nickname "Captain Queeg" in CIA headquarters in Langley, Virginia. One morning in January 1979, he came to work to find the bulletin boards and mailboxes full of a forged edition of his own "Notes From the Director." Dated January 15, it has become an underground classic in the intelligence community:

I was in my office fairly exhausted last evening after stopping work at 10 P.M. As is my wont after a long day, I asked the

Michael Ledeen is executive editor of The Washington Quarterly.

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THE WASHINGTON POST
1 March 1980

Coming in From the C
Out to the Bush Ca

By Bill Peterson
Washington Post Staff Writer

No one is sure who tacked up the red, white and blue "George Bush for President" poster beside the entrance to the CIA headquarters in Langley, Va., recently.

Workmen quickly tore it down on the mistaken assumption that the poster was on CIA property. "We're studiously staying neutral in presidential politics," said press spokesman Dale Peterson.

But the poster was an important symbolic gesture, a commentary on the 1980 presidential race and the changing attitudes about the CIA.

Simply put, no presidential campaign in recent memory—perhaps ever—has attracted as much support from the intelligence community as the campaign of former CIA director Bush.

One top foreign policy and defense adviser is Ray Cline, a former deputy director of the CIA and director of intelligence and research at the State Department. Another defense adviser is Lt. Gen. Sam V. Wilson, a former director of the Defense Intelligence Agency.

Lt. Gen. Harold A. Aaron, a former deputy director of DIA, is on Bush's national steering committee. Henry Knoche, Bush's right-hand man at the CIA and later acting director of the agency, is quietly campaigning for Bush in the West. And Robert Gambino recently left his job as CIA director of security to work full-time for Bush.

At least 20 other former intelligence officers are working in various volunteer capacities with the Bush campaign. Bruce Rounds, director of operations for Bush in New Hampshire, is a former CIA officer. So is Tennessee finance chairman Jon Thomas. Virginia coordinator Jack Coakley is a past executive director of the Association of Former Intelligence Officers. And at least three retired CIA officers work on Bush's research staff.

"It's sure as hell not a CIA coup or anything like that," says Coakley, formerly with DIA. "But I can tell you there is a very high level of support for George Bush among current and former CIA employes."

A few years ago when the CIA was under almost daily attack for its abuses and excesses, no candidate would have dared accept such support. But today Bush openly welcomes it, and at almost every stop he receives his loudest applause when he calls for a stronger CIA.

Bush's political advisers originally were wary of their candidate's CIA ties. In a world where secret police forces routinely overthrow governments, they obviously didn't want him to become labeled "the CIA candidate."

Some of the ex-employes themselves worried about a backlash. "I could see the headlines: Bush Sprinkles Campaign With Former Spooks," says one former covert operator.

But Bush's old CIA associates argued that the public mood on the CIA was shifting. Foreign policy adviser Cline, now director of the Center for Strategic and International Studies at Georgetown University, had been delivering pro-CIA lectures on college campuses and elsewhere since 1973 when he left the government in disgust "over what they were doing to the intelligence agencies."

For years, he was heckled at almost every stop. "I don't get any heckling now. In fact, I'm quite popular," he says. "I found there was a tremendous constituency for the CIA in the sticks when everyone in Washington was still urinating all over it."

Bush bought Cline's argument. "He felt he did a good job at the CIA, and the support of retired officers was a reflection of that," says press secretary Peter Teeley. "Quite frankly, CIA veteran. "I've been beating this bush since 1974 and it's just dawning on people that we need stronger intelligence gathering.

"It's panned out almost too good to be true," he adds. "The country is waking up just in time for George's candidacy."

There certainly isn't anything improper about the involvement of former intelligence officers in a political campaign. All of those working for Bush appear to be retired or ex-intelligence officers. And the "old boy" intelligence network doesn't dominate the Bush campaign any more than other networks of former associates Bush developed in his days at Yale University, the Republican National Committee, of which he was chairman, the State Department (Bush was U.N. ambassador and envoy to China), Congress or in the oil business.

But there were some rumblings of uneasiness in the intelligence network. When the Association of Former Intelligence Officers held its annual banquet last October, former executive director Coakley counted 130 of the 240 persons present wearing George Bush buttons. And he recalls David Phillips, the association founder, declaring: "Ladies and gentlemen, we have a problem and that problem is George Bush."

Coakley and other former intelligence officers see the support for Bush as a perfectly natural phenomenon. "This is the first time any significant number of us have ever gotten involved in a presidential race. I don't think it's because he's one of us. After all, he was only at the CIA one year."

"But he was there when everything was going downhill. People there perceived him as someone who did a very good job under difficult circumstances," he continues. "Maybe more important, he's the only candidate any of us can remember who has made the agency an issue. He's the guy who raised the intelligence community to a national campaign issue."

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ON PAGE A5

THE WASHINGTON STAR (GREEN LINE)
5 February 1980

Turner 'Very Optimi
CIA's Futur

But Critics Despair That Spy Agency Can't Do Good Job

Second of two articles

By Henry S. Bradsher
Washington Star Staff Writer

Looking casual in a navy blue cardigan but speaking intensely, Stansfield Turner gazed out the glass wall of his office, atop the CIA headquarters at Langley, over the bare dusky woods toward the distant lights of Washington and exuded confidence about his organization.

"I'm just very optimistic these days," Turner said. "I've been very impressed by the quality of our human intelligence activities," the CIA director said. And U.S. technical intelligence is superlative, he added.

In other government offices in the city, most of them looking across concrete courtyards at other offices instead of having spacious views, in the private offices of people who have left the government, in small restaurants, in telephone calls from coast to coast, others talk about the CIA, too.

Some, like former CIA Director William E. Colby and former Deputy Director Enno Henry Knoche, talk for quotation about things like restrictions on the agency. But most prefer to discuss the agency's problems from the protection of anonymity.

Turner understandably is angered by this, especially on the most emotional aspect of his three-year tenure at Langley, the forced retirement of people from the clandestine services. He argues that he rejuvenated an aging agency.

"The next time someone tells you," he said, "that Turner is the stupid bastard who cut the size of the agency out here, look at the color of his hair. . . . This is a young man's game, and we are better equipped today than we were three years ago" for clandestine operations.

The CIA is composed of three main branches. The clandestine or operations branch handles spying and covert operations, like intervening secretly in other countries' affairs or organizing guerrilla movements. Another branch supervises technical intelligence, including reconnaissance satellite photography and communications intercepts. An analytical branch pulls information together for government policymakers.

The controversy that has marked Turner's almost three years at the agency focuses on the operations branch. There is also widespread but less publicized distress around Washington about analysis.

In both cases, Turner inherited problems. His critics say he exacerbated them; his supporters contend that he has done much to clear them up.

Once Was Twice as Large

The Vietnam war and the CIA's "secret army" in Laos, added to worldwide spying, pushed the number of agency operatives to 8,500 in the late 1960s — roughly double its present size. As the Nixon administration began to reduce U.S. commitments in Indochina, personnel had to be reduced by attrition, transfers and other means.

During his brief tenure as CIA director, James R. Schlesinger speeded up a cutback. Colby, his successor, continued the program, and so did George Bush during his year as director. Most sources agree that they were handled sensibly.

Then President Carter took Turner from his navy admiral's command and sent him to Langley. He arrived with what the old CIA hands considered to be a skeptical, even hostile, attitude.

This set a chilly tone to his takeover, despite his own explanations that he simply wanted to bring better management to a sometimes uncoordinated operation. His suspicions of the need for drastic changes were quickly reinforced by the resignation of John Stockwell, a 40-year-old agent in the unsuccessful CIA effort in Angola.

sent out the first 212 pink slips on Oct. 31, 1977.

Although smaller than previous cuts, this one was handled differently and hit harder at lifetime professionals in the spying and paramilitary trades.

Says Cuts Helped Agency

"The cuts in personnel that everyone still complains to me about have strengthened the agency's covert action capabilities," Turner said.

"You don't run a good, strong paramilitary or covert action program with a bunch of 55-year-olds," he said. "What I've done is cut out high-grade superstructure . . . and doubled the input into the clandestine services . . . so that we have a group of young tigers, and there's enough accumulated experience and expertise around to guide them."

This is strongly challenged by people in a position to know.

"Whatever Turner says, they can't put on a show," says a Pentagon official who is very familiar with the CIA's present operational capabilities. "We know that over in this building."

Other sources spell this out in more detail. One says the CIA's corps of paramilitary specialists who could help organize, for instance, a more effective Afghan resistance to Soviet control has declined from about 200 to 80, and many of the 80 lack the broad experience needed for effectiveness.

But Colby comments that, if the people in an operational area feel CIA help is vital, they will find ways to speed it up.

The worst part of Turner's changes, numerous present and retired officials say, is what they did to CIA morale. While he recognizes that morale suffered, but contends it is now coming back up, others say that it is at best bumping along side-

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George Bush: The Hot Property in Presidential Politics

Switch to CIA

Bush stayed in Peking a little more than a year, when Ford asked him to return to Washington to take over the Central Intelligence Agency. It was a controversial choice in the Senate because of Bush's past identification with partisan politics. Eventually Ford had to promise not to consider Bush as a running mate in 1976 to convince the Senate to confirm him.

There was some puzzlement over why Bush would want to take over the troubled agency. Its misdeeds and shortcomings were still tumbling into the headlines as the result of House and Senate investigations. The directorship of the CIA hardly looked like a political asset, and Bush acknowledged that he hoped to return to politics one day.

Nevertheless, he said he regarded the work as "desperately important to the survival of this country and to the survival of freedom around the world. And second," he told the Senate Armed Services Committee, "old-fashioned as it may seem to some, it is my duty to serve my country."

Bush pledged to keep politics out of intelligence, and many praised him for succeeding. "I was very concerned about his appointment," recalled Sen. Mathias, who was a member of the Intelligence committee. "But it worked out fine." William Miller, the committee's staff director, said Bush "worked very hard, asked for help and advice and before long he had everyone's respect."

He also reassured the veteran CIA employes who were feeling distinctly unloved at the time Bush came to the agency. "Instead of coming in hostile and suspicious as [Adm. Stansfield] Turner did [after Bush], he took a look around the agency, talked to people and decided he liked it. It was terribly important to have a boss who felt like that," recalls E. Henry Knoche, who served as deputy director under Bush.

Bush built a reputation among intelligence officers as a man who could listen and change his mind. In the summer of 1976, sources say, alarums were sounded over what some considered provocative activity by the Chinese on their side of the Taiwan straits. But the State Department disputed that interpretation forcefully.

In the ensuing bureaucratic battle, which included a high-level meeting at CIA headquarters, Bush refused to be stampeded by the alarmists who turned out to be wrong. Although he was CIA director, he also gave face to some junior State Department participants whom he remembered from past diplomatic duty. He invited them into his office to see his Chinese rugs, leaving more senior advisers from other agencies wondering what was going on.

"He's not the kind of person who goes out looking for issues," added another CIA veteran who knew Bush while he was at the agency, "but he really did a tremendous job stabilizing the situation, improving morale and getting people working again."

"He's not an intellectual," this source said. "He lives day to day and he doesn't brood over anything. He doesn't agonize. But he's very competitive. He's ferocious on the tennis court. He's got to win."

Bush's decision to resign when President Carter was inaugurated troubled Knoche a bit because that carried with it a suggestion that the job had been politicized. But the deputy DCI was still impressed enough with his boss to award Bush the CIA's Intelligence Medal of Merit for his burst of activity following Carter's election.

In a single day, Bush met with President Ford alone in the Oval Office, then sat down with Vice President Rockefeller, conferred with the head of the Office of Management and Budget, about a money crunch, and then flew down to Plains, Ga., with Knoche to brief Carter and Vice President-elect Mondale for six hours on the CIA's secrets, sources and methods. On the flight back, Bush drafted a memo for Secretary of State Henry A. Kissinger, who was to see Carter the next day, and dropped it off at Kissinger's house at 1:30 a.m. Knoche, as the man in charge of the CIA's day-to-day operations, took it upon himself to give Bush his medal at the daily, top-level staff meeting in Langley a few hours later.

SEATTLE UNIVERSITY HERALD
29 November 1978

Says former CIA director

'Intelligence is a scholarly pursuit'

BY MARY BRATTON

The Central Intelligence Agency (CIA) is not at all like the movies portray, according to a former director now living in Bellevue.

"In the 25 years I have been in the CIA, I have never had a single opportunity that James Bond has," quipped Henry Knoche, who spoke Nov. 17 to members of the University Rotary Club.

Knoche, who joined the CIA in 1953 and specialized in international affairs, was CIA director from Jan. 9, 1977 to March 9, 1977.

"Intelligence is a very scholarly pursuit," he said. It involves informed judgments on military, economics, geography, political, technology, capabilities and intentions of foreign nations, he said. Those informed judgments are given to the President and his advisers for determining foreign and defense policy for the nation, Knoche said.

Objectivity is important, noted Knoche. "We are the king's messenger. You call 'em as you see 'em . . . without regard to right or left, Democrat or Republican, north or south."

Information, he said, can be collected for the judgments in a number of ways. "Information can be collected openly by newspaper, television and radio." The media is controlled by the government in some countries and "you can get insides into what a government is thinking about" by paying attention to the media.

Information can also be collected by satellites, photography and espionage — "What are the decisions that are being made behind closed doors?"

Knoch acknowledged that "it is a fair question to ask how do you control such an agency."

Congressional guidelines have been issued, he said, and "No government organization should be left untended for any length of time."

HENRY KNOCHE

ARTICLE APPEARED
ON PAGE 45

NEWSWEEK
16 October 1978

THE CIA:

Suicide or Murder?

Just as he was about to board his boat for a day's sail on Chesapeake Bay a fortnight ago, CIA consultant John A. Paisley accidentally dropped his briefcase into the water. He quickly fished it out. "It's a project I've been working on for six months," he explained to his friend Mike Yohn. "I've got to get the damn thing done." Paisley shoved off from shore and shortly before nightfall he radioed Yohn: "I'm just about to come back... Leave the lights on for me." He never made it. The Coast Guard found the boat aground the next morning. Paisley was missing and his papers were scattered about. Last week, a pleasure boat came across Paisley's bloated body—with 38 pounds of diver's weights around his torso and a fatal gunshot wound in his head.

Was it suicide or murder? Because Paisley was an expert on the Soviet military budget and had access to top-secret material, there were early fears that he might have been killed by the KGB, Moscow's spy service. And some even entertained the notion that he might have been a double-agent for the Russians. "If a guy kills himself and there's no apparent reason, you have to ask yourself, 'Has he been up to some dirty work?' " said one veteran spook. But the KGB is not known ever to have killed a CIA staff official, and authorities speculate that Paisley probably killed himself for personal reasons.

The evidence seems to support them. Friends say Paisley, 55, was depressed two years ago when he broke up with his wife and, more recently, when his mother became ill. His girlfriend, Betty Myers, who is a psychiatric social worker, is not convinced that Paisley committed suicide, but concedes that "there were some painful things in John's life." Myers had recently taken a job in Cumberland, Md., about two hours from Washington, and Paisley was bothered about the separation. "I knew from little things that he minded," she says.

There were other upheavals as well. Paisley had retired early from the intelligence agency in 1974 because, as one colleague says, "he wanted to get away from it all for awhile." But retirement didn't work out quite the way Paisley thought it would—even with his consulting work for The Company. "Just living the life of the beachcomber and mariner was kind of disappointing to him," says Hank Knoche, Paisley's former CIA boss.

Speed Limit: Early this year, Paisley's family urged him to begin group therapy, and he later resumed full-time work with an accounting firm—because, Myers says, he needed the money. "He was falling behind a little bit," she says. "He needed a steadier income until the kids were well through school." When he turned 55 last summer, he told a friend that he was going to stay "within the speed limit." The friend thought at the time that Paisley meant he would slow down his pace of work, but in retrospect another friend thinks Paisley meant that he did not intend to live past 55.

Still, there are some unanswered questions. The small 9-mm handgun that Paisley kept aboard his boat is missing. If he shot himself, of course, it might have fallen overboard with his body. But the Maryland police say that the bullet recovered from Paisley's head is "slightly heavier than would normally come from that type of gun." If tests show that the bullet could not have come from Paisley's gun, authorities might have to focus on the possibility of murder. And if any classified documents are missing, Paisley's death becomes more suspect. But the CIA says that it can account for all the classified documents available to Paisley.

To Betty Myers, the whole thing remains a painful enigma. And though suicide seems the most likely answer, it seems probable that no one will ever know for sure just what happened in the last hours of John Paisley's life.

—DENNIS A. WILLIAMS with DAVID MARTIN in Washington

Paisley on his boat: 'Leave the lights on'

THE SEATTLE TIMES
6 August 1978

Life starts anew for former C.I.A. official

by CAROL NANNINGA
Times staff reporter

Can a man who has spent 24 years with the Central Intelligence Agency find happiness and satisfaction as a business executive?

That is what E. Henry Knoche, former deputy director of the C.I.A., has come to Seattle to find out. Last month Knoche began a new administrative career with the Boeing Aerospace Co.

He left the C.I.A. a little more than a year ago because, he says, he "did not see eye-to-eye" with Adm. Stansfield Turner who became C.I.A. director in March, 1977. "We had a different approach," Knoche said. "That outfit deserves two leaders . . . who were compatible and did see eye-to-eye.

"I left the C.I.A. with a great deal of agony. To leave it at a time when it was having some difficulties was not an easy thing to do. I had the feeling at the time it was almost like deserting."

Knoche said investigations of the agency, including of its role in plots to kill Cuban President Fidel Castro and to overthrow Chile's government, did not seem to damage the morale of C.I.A. employes. But the arrival of Admiral Turner did.

Turner, who came into the organization from the outside, seemed to be asking himself how he could make sure he had the agency under control, Knoche said.

"What Turner didn't know is that is not a question you have to worry about with the C.I.A.," Knoche said. "People are instinctively loyal upward to the boss.

C.I.A. employes endured all the public scrutiny only to find themselves "confronted with this feeling of hostility and criticism from within," Knoche explained.

Criticism from within is a very delicate matter, Knoche believes.

He cites the case of Frank Snepp, a former C.I.A. agent whose earnings from a book about the agency have been impounded by the federal government.

Knoche said the damage done by such a book is unmeasurable. "It's like asking yourself, 'How many sources would have worked with the C.I.A. if all this hadn't happened?'

"As a member of the C.I.A., if you were able to run across a Russian who was willing to impart highly critical information about secret matters inside the Soviet Union, do you think he would join us for one minute if he thought his name was going to be in The New York Times or in a book by a C.I.A. employe the next day?

"Of course he wouldn't."

The secrecy agreement C.I.A. employes sign as a promise to protect forever their sources holds the system together, Knoche said. So the C.I.A. needs to protect the confidentiality of sources as much as the media, he said.

Knoche wishes "whistle blowers" like Snepp would "operate within the system to get changes made. While I wouldn't rule out the right of anybody to take a case to the media, I would think that person should have first exhausted the system and taken pain not to divulge sources or methods," he said.

"The C.I.A. has never censored a point of view. Any American has the right to reach conclusions about foreign policy."

And the public could make some of those decisions better if it knew something about the C.I.A.'s budget, Knoche believes. "Some approximation of the overall figure should be largely known. I think the figure is small enough that it is a bargain, and most Americans would see it that way."

But, he warns, a detailed public accounting has its dangers. "Foreign intelligence services would begin analyzing the budget and make rather informed judgments as to where the level of effort is. They they would begin to plan counter moves."

Knoche is trying to put these questions behind him now as he begins a new life here. But, he says, "I still miss it. I miss it badly. I would have paid my way into that organization to work every day that I worked in it for 24 years."

The former deputy director will be moving into a home here soon, and his wife will join him in the fall after two of the couple's five sons return to college.

Knoche is continually amazed by "all the beautiful views of Seattle," and is considering learning to ski after inspecting the slopes.

In the meantime, he'll be learning his job at Boeing.

"I know some people will try to see an angle between my previous association and Boeing. To me, it's an entirely new career. I will not be bringing into Boeing any of the specific skills that go with intelligence activities. I have no ties with the C.I.A. now.

"If I were to trade on people I know or projects under way in those agencies, I would be guilty of a conflict of interest. And I know I'm not about to let that happen. Boeing is not about to let that happen."

THE NEW YORK TIMES
6 April 1978

ARTICLE APPEARED
ON PAGE 36

Ex-C.I.A. Directors Urge Senate Panel to Protect Secrets and Agents

By NICHOLAS M. HORROCK
Special to The New York Times

WASHINGTON, April 5—Three former heads of the Central Intelligence Agency told a Senate committee today that it needed to tighten proposed charter legislation covering intelligence activites so as to protect national security information and the lives and operations of secret agents.

William Colby, who served as Director of Central Intelligence from 1973 to 1976, said, "Any overall revision of the charter of American intelligence today would be irresponsibly deficient if it did not recognize the urgent necessity to improve the legal structure for the protection of secret sources and techniques which are vital to American intelligence."

He said that recent disclosures of the identity of some agents and operations of the C.I.A. had caused the United States to lose the services of key foreign espionage contacts and had harmed its relationship with foreign intelligence services.

Mr. Colby's position was echoed by George Bush, who served as the Director in 1976, and by E. Henry Knoche, a veteran intelligence officer who served as the Acting Director in the transition of the Ford and the Carter Administrations.

In this second day of hearings by the Senate Select Committee on Intelligence on a proposed law to direct domestic and foreign intelligence activities, it was clear that the clamor by Congress and by the public to halt improprieties by the intelligence community had waned.

Both the members of the committee and the witnesses concentrated on the organizational factors of intelligence and the dangers of national security leaks and gave little attention to whether the proposed law corrected alleged abuses.

'Condemnatory Language'

Mr. Bush said that he was concerned that the bill contained "condemnatory language" concerning past intelligence activities. "Mistakes were made," he said. "They have long since been corrected, but this bill connotes, to me at least, that the Congress feels the problems may still exist."

Mr. Bush's testimony followed a pattern set yesterday by Clark Clifford, the former Secretary of Defense, who urged the committee to delete language in the bill that prohibits political assassination, torture, germ warfare and the violent overthrow of a democratic government.

He said that he felt such language was "demeaning" to the United States and that properly authorized operations would not use such techniques.

Mr. Colby told the committee today that he supported the inclusion of these specific prohibitions because they provided strong guidance to the C.I.A. man in the field on what was unacceptable activity.

May Last Into 1979

Mr. Bush and Mr. Knoche said that they were concerned that the proposed legislation would hamper the agency's ability to operate. "There is too much reporting" called for by the bill, Mr. Bush said. "I believe there are more than 50 references on reports to committees. The Congress should be informed, fully informed, but I don't believe it ought to micro-manage the intelligence business."

Mr. Knoche said that the large number of internal regulations engendered by a detailed, restrictive bill would "wrap the officers in red tape" and would inhibit their imagination in carrying out intelligence-gathering assignments.

This week's hearings open a debate on regulating the intelligence agencies that committee members have speculated may last into 1979. The nation's intelligence agencies, largely unregulated, are now governed by an executive order issued in January by President Carter and by sections of the National Security Act of 1947.

Widespread support has been expressed for a charter that would set out specific controls over intelligence-gathering methods, and the Carter Administration has backed the theory of the proposal.

No witness in the first two days has opposed the idea of a charter in principal. The criticism has centered on individual provisions of the bill.

THE WASHINGTON POST
6 April 1978

2 of 3 Former CIA Directors Oppose Too Many Restrictions of Covert Acts

By George Lardner
Washington Post Staff Writer

Three former directors of the Central Intelligence Agency testified in a cavernous, nearly empty Senate hearing room yesterday about legislation to reform the nation's intelligence community. Only one thought it ought to include a ban on assassinations.

The other two, George Bush, who headed the CIA in 1976, and E. Henry Knoche, who served as acting director for several months under President Carter, told the Senate Intelligence Committee that they feared too many restrictions on convert CIA operations.

Knoche said he was worried that Congress might enact "a web woven so tight around the average intelligence officer that you're going to deaden his creativity."

The bill, introduced by most committee members in February after nearly three years of investigations and staff studies, would punish plots and attempts to assassinate foreign officials with life imprisonment and would prohibit a number of highly controversial activities. The ban would extend to covert operations such as those likely to result in "torture," the "creation of epidemics of diseases," and "creation of food or water shortages or floods."

Former CIA director William E. Colby, who guided the CIA through most of the investigations in 1975-76, found himself a minority of one at the witness table in urging that most of the proposed restrictions be adopted, especially since "there's been so much noise made on these subjects."

Colby said he thought Congress should, by law, "make it clear what the limits are", as much as possible so that U.S. intelligence officers and agents at the ends of the world would know immediately when to "say no."

Bush, by contrast, found a number of faults with the 263-page bill to reorganize the U.S. intelligence agencies, particularly in the "excessive" number of reports to Congress that it would require.

"The congress should be informed, fully informed, but it ought not to micro-manage the intelligence business," Bush protested. He singled out one provision calling on the CIA to tell the Senate and House Intelligence committees in advance of any proposed agreement with a foreign intelligence or internal security service.

"I don't believe that kind of intimate disclosure is essential," Bush said. He said he was convinced that "some U.S. sources are drying up because foreign services don't believe the U.S. Congress can keep secrets."

Colby said he did not think the danger of leaks ought to be a bar to proper constitutional supervision," but he did propose stronger measures to protect intelligence sources and methods. He suggested that Congress provide for "criminal sanctions against those who are given authorized access to such information and then unconscionably reveal them." The CIA, at present, is limited primarily to civil lawsuits—and what Colby called "tortured constructions of contract law and prior restraint"—to prevent publication of unauthorized disclosures.

Despite the assassination attempts and other abuses uncovered by congressional and executive branch investigations of the CIA and other intelligence agencies in 1975 and 1976, the testimony yesterday amounted to a strong pitch for strengthening the CIA in contrast to controlling it.

All three witnesses urged the senators to drop provisions that would permit a new director of national intelligence to be divorced from the CIA and devote himself full time to overseeing the entire U.S. intelligence community.

An intelligence czar attached to the White House and "separated from his CIA troops . . . would be virtually isolated," Bush contended. "He needs the CIA as his principal source of support to be most effective. And the CIA needs its head to be the chief foreign intelligence adviser to the president."

Colby said the CIA director not only should retain that dual capacity but also should at the same time remain in Langley, Va., which is "just far enough away from Washington" and its political infighting to maintain the CIA's tradition of "calling the shots as it sees them."

He also suggested that the committee explore the idea of "institutionalizing" the release of government intelligence reports to the public by putting them out regularly but anonymously "through intermediaries in Congress, academia and the media."

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