

SOVIET ACTIVE MEASURES AND DISINFORMATION:

by

STAT

OVERVIEW AND ASSESSMENT DENNIS KUX

Lately there has been increased public attention regarding Soviet "disinformation" and "active measures," attempts by Moscow to influence political attitudes and public opinion in non-communist countries through deceptive and often covert means.

Yet serious analysis has been limited. There has been a great deal of focus on Moscow's espionage endeavors, but this other facet of the Kremlin's intelligence operations has received far less scrutiny, either by the press or academics.

The terminology pertaining to the subject is unfamiliar and loosely defined, even among specialists. In fact, the terms "active measures" and "disinformation" are both imported directly from the Soviet intelligence lexicon. "Disinformation," the more frequently used and better-known term, is the English transliteration of the Russian "dezinformatsiya" or misinforming through the dissemination of information that is totally or partially false. The phrase "active measures" is the English translation of "aktivnyye meropriyatiya," the name of the Soviet KGB unit charged with implementing these activities.

In Soviet intelligence doctrine, the concept of "active measures" covers a wide span of practices including disinformation operations, political influence efforts, and the activities of Soviet front groups and foreign communist parties. All active measures have the common goal of enhancing Soviet influence, usually by tarnishing the image of opponents. They generally involve elements of deception and often employ clandestine means to mask Moscow's hand in the operation.

Overall, where active measures fit in the Soviet framework may be better understood by considering the whole spectrum of Soviet foreign policy endeavors through the optic of "white," "gray," and "black" operations. Normal diplomatic, trade, aid, and informational efforts can be considered

"white" or overt activities. "Gray" activities are those involving communist fronts, foreign communist parties, "clandestine" radio stations, or well-known media outlets for disinformation. While not officially acknowledged to be Soviet sponsored, semi-overt "gray" activities are widely known as under Soviet direction and control. In contrast, "black" activities involve genuinely clandestine operations: the use of agents of influence, spreading false rumors, duping politicians and journalists, and disseminating forgeries and fake documents. Active measures fall under either the "gray" or the "black" rubric, although the line between the semi-overt and the clandestine is often blurred.

Finding an appropriate English phrase to describe active measures is difficult. Former Under Secretary of State Lawrence Eagleburger has written: "No phrase in English conveys precisely the meaning of active measures. Perhaps World War II psychological warfare operations provide the closest parallel."

BACKGROUND

The Soviets first used active measures as a policy tool in the 1920s when Moscow sought to discredit emigre groups in Western Europe, particularly in France, by spreading disinformation and by luring emigre activists back to Russia through various subterfuges. Even before the 1917 Revolution, the Tsarist secret police employed similar deceptive techniques, using foreign agents not only to collect intelligence but also to sow dissent among emigre groups and, by covert subsidies to selected journals, to attempt to create a better foreign press for Imperial Russia.

In the 1950s the Soviet Union institutionalized these practices, establishing an intelligence unit that specialized in disinformation; this was Department D within the First Chief Directorate of the Soviet intelligence organization. In the 1960s, the term

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WASHINGTON TIMES
25 December 1985**INSIDE THE BELTWAY****Polygraph 'em**

Journalists are often the equals of Doubting Thomas in the face of "official statements." The latest cynical aside following a line delivered by an official spokesman is: "Give him a polygraph!"

The use of polygraphs, denounced by Secretary of State George Shultz, also has become an issue for various activists to ride piggyback. Free the Eagle has joined the Federation for American Afghan Action, for example, in calling for "a public lie-detector test for CIA Deputy Director John

McMahon" on the matter of covert Afghan aid. According to John Houston of Free the Eagle, a "polygraph test for McMahon is necessary to determine if the disastrous covert aid is deliberate policy or sheer incompetence."

Mr. McMahon, often mentioned as a successor to William Casey as director of the CIA, has been a target of the two groups for some time. The current polygraph flap offers them yet another opportunity to bring their charges to the fore.

— John Elvin

Panel vote expected today on Sporkin judgeship

By Bill Gertz
THE WASHINGTON TIMES

The Senate Judiciary Committee investigation into charges that CIA General Counsel Stanley Sporkin shielded a senior CIA official from a Justice Department espionage prosecution is expected to end today with a committee vote on Mr. Sporkin's nomination to a federal judgeship.

The controversial nomination has been held up for 18 months during an investigation of allegations of improprieties relating to Mr. Sporkin's role in a CIA investigation of a leak.

The only open hearing on the nomination revealed Tuesday that Mr. Sporkin was involved in a dispute between the CIA and the FBI, and that both agencies had delayed giving details of the investigation to committee investigators.

Sen. Jeremiah Denton, Alabama Republican, told the hearing that he had become Mr. Sporkin's primary antagonist in the affair because of "missives" from FBI officials who sought to challenge Mr. Sporkin's nomination. Mr. Denton heads a Judiciary subcommittee on security and terrorism that oversees FBI activities.

Mr. Denton said in an interview Tuesday the investigation into the nomination has produced numerous "sworn contradictory statements," that may involve perjury.

According to congressional sources close to the investigation, FBI officials oppose the nomination because, they say, Mr. Sporkin blocked a Justice Department espionage investigation of a senior CIA intelligence officer that began in July 1982 and ended with the resignation of Charles E. Waterman, a

CIA national intelligence officer for Middle East affairs.

The congressional sources, who requested anonymity, provided the following account of the dispute between the FBI and CIA, which has been verified independently by other sources close to the investigation:

The investigation began when the National Security Agency obtained electronic intercepts that indicated data from an internal CIA publication relating to Middle East sources had been passed to a Washington research center and published in the center's monthly newsletter.

The Justice Department then ordered an FBI investigation into the leak and traced its source to Mr. Waterman, the CIA's top Middle East affairs intelligence analyst.

In the spring of 1984, this account goes, Mr. Waterman's attorney, Seymour Glanzer, called the FBI's Washington field office and told FBI agents that Mr. Sporkin had arranged for him to provide *pro bono* legal counsel for Mr. Waterman. Mr. Glanzer told the FBI agents that the leak of classified information had been authorized by CIA officials. Therefore, Mr. Waterman had violated no laws regarding the disclosure of classified information.

Mr. Glanzer has said he did not provide free legal services to Mr. Waterman, but would not say how much Mr. Waterman paid him for his services.

The FBI reply to Mr. Glanzer was that the investigation could be concluded if he could produce an affidavit from the CIA saying the leak had been authorized.

Deputy CIA Director John McMahon refused to authorize an official CIA statement on the disclosure of the secret data.

Mr. Glanzer then called the FBI and arranged a meeting, which was attended by Mr. Sporkin, Mr. Waterman and CIA Deputy Director for Intelligence Robert Gates.

The meeting was called to dispel the allegation that Mr. Waterman had disclosed information without authorization, without an affidavit from the CIA.

Instead, the meeting prompted a letter from William French Smith, then the U.S. attorney general, to CIA Director William Casey, warning that the Justice Department might prosecute Mr. Waterman on espionage charges unless the CIA took action.

CIA spokesman George Lauder said no letter had been sent on the subject of Justice Department prosecution of Mr. Waterman, but he would not say whether the Justice Department sought to prosecute a senior CIA official.

Mr. Waterman left the agency in late 1984 and now works as a foreign policy consultant.

Mr. Sporkin, who has previously said he was carrying out his responsibility as CIA general counsel in notifying Mr. Waterman to obtain legal counsel, could not be reached for comment.

The FBI also opposes the Sporkin nomination because they believe Mr. Sporkin would favor the CIA as the presiding judge of the Foreign Intelligence Surveillance Act (FISA) court, congressional sources say.

With his CIA experience, Mr. Sporkin as a judge would be a prime candidate to head the seven-judge panel when the term of the presiding judge ends in 1989, the sources said.

The FISA court was established by the 1978 act to authorize wiretaps and other electronic surveillance techniques by the FBI and the National Security Agency. Judges are appointed to a single seven-year term by Chief Justice Warren Burger.

Washington Ponders Yurchenko: A Troubled Spy or an Actor?

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Nov. 9 — Vitaly S. Yurchenko's voice was breaking and he appeared to be brushing tears from his eyes this week as he described for reporters what he said were his experiences during three months in the hands of the Central Intelligence Agency.

"When I was sleeping, they prohibited me even to close the door," he said. "Door should be closed, and next room was sitting such fat quiet, stupid — excuse me — unemotional person who is following the order. Only following the order."

Mr. Yurchenko's rambling performance at the news conference this week may have been the finale in an elaborate play staged from the start by Soviet intelligence. Or it was a remarkable public display of the inner turmoil of a middle-aged man, a spy spurned by his lover and torn by guilt over betraying his homeland.

No one in Washington is sure which explanation is the truth, and members of Congress and knowledgeable Administration officials are divided over how to interpret the evidence.

U.S. Denies Mistreatment

The State Department has called Mr. Yurchenko's charges against the C.I.A. "completely false," and members of Congress including Senator Dave Durenberger, chairman of the Senate Select Committee on Intelligence, have denied the C.I.A. mistreated him.

C.I.A. officials now have begun to review everything they were told by Mr. Yurchenko. The agency hopes its efforts to verify leads he provided will establish that he was a legitimate defector who changed his mind. Agency officials believe the evidence available so far supports this view.

But the doubts within the Administration reach as high as President Reagan, who last week said that Mr. Yurchenko's revelations were of little value. The entire affair, Mr. Reagan suggested, may have been part of Soviet ploy to disrupt the summit scheduled for later this month.

The case is likely to have far-reach-

ing consequences for the C.I.A., whose operational procedures are under scrutiny in Congress and within the Administration. Until now, the criticism of William J. Casey, the Director of Central Intelligence, has focused on covert operations such as the mining of the Corinto harbor in Nicaragua.

For the first time, it is Mr. Casey's performance as this country's chief spy master that is being called into question by members of Congress and the Administration. Administration officials and members of Congress are troubled by the Yurchenko case and by the agency's handling of Edward Lee Howard, a former C.I.A. officer who Mr. Yurchenko said had helped Soviet intelligence identify a valuable American agent who was a weapons researcher in Moscow.

Members of Congress want to know why Mr. Howard was forced to resign while he still knew sensitive information. And some are asking why Mr. Yurchenko was allowed to dine with only one companion last Saturday at a restaurant just a short distance from the Soviet embassy compound on Tun-law Road.

'Some Tough Questions'

"All this has cost the agency," said one senior Administration official. "And they're going have to answer some tough questions."

"Either a mistake was made in getting into this situation or a colossal mistake was made in not spotting a double agent," said Senator Patrick Leahy, the Vermont Democrat who is Vice Chairman of the Select Committee on Intelligence.

On Friday, in an unusual public statement, the agency appeared to be trying to blunt some of the criticism and to show the Russians that Mr. Yurchenko had given away extensive inside information about the K.G.B. The agency's three-page biography of Mr. Yurchenko mentioned the strains in his marriage and said he was a "general designate" of the K.G.B., responsible for a variety of spying operations in North America and Canada.

As senior intelligence officers, members and Congress and experts in the

field begin to assess central issue of Mr. Yurchenko's bona fides, several themes have begun to emerge.

A Classic Pattern

Those who support the theory that Mr. Yurchenko changed his mind under the stress of defecting say his case appears to have followed a classic pattern.

Current and former intelligence officers said that virtually all the defectors to the United States — from senior intelligence operatives to merchant seamen — have suffered severe emotional strain that prompts them to seriously consider returning to their homeland.

"We get an awful lot of defectors," said one official, "and some of them go back." Only last year, Oleg Bitov, a Soviet journalist who defected in 1983, returned to the Soviet Union and attacked the Western nations in which he had lived. Mr. Yurchenko cryptically referred to that case at his press conference, saying, "I read on the newspapers about Bitov. I don't know," but adding: "But I can understand him exactly."

Some former officials familiar with the C.I.A.'s handling of defectors say the Yurchenko case is part of pattern of insensitivity that has surfaced in other instances.

Donald Jameson, a retired C.I.A. official who dealt with defectors and has remained close to many of them since his retirement in 1973, said: "This has long been one of the least adequate elements of the agency. The willingness and the ability to do the right thing has been lacking."

'The Emotional Content'

Many have questioned whether a senior K.G.B. official such as Mr. Yurchenko would be willing to return to his homeland after defection, knowing that he was likely to face a court-martial and a lifetime of disgrace.

Mr. Jameson responded, "One should not underestimate the emotional content of state security officers." He said a Soviet intelligence officer he had once worked with defected because an East German woman who was his lover had told au-

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thorities about his Swiss bank accounts.

Nonetheless, this spy went back into East Germany to rescue the woman who had turned him in. "He walked into a trap, and I think he knew it, but he couldn't help himself," Mr. Jameson said.

Mr. Jameson, who has remained close to defectors since his retirement, asserts that the agency has often not paid enough attention to their precarious psychological state. "I cannot think of a defector who has not, however briefly, come to the conclusion that the only thing to do was go back and make restitution."

Love Affair Cited

Mr. Yurchenko, according to American officials, had hoped to continue his longtime love affair with the wife of a Soviet diplomat who lives in Canada. In September, American authorities drove him to Ottawa where, by their normal signals, a face-to-face meeting was arranged, according to officials in Washington and Canada. The woman spurned him, officials say, and Mr. Yurchenko appeared to grow depressed and less cooperative after that trip.

When an intelligence officer defects, the C.I.A. assembles a team of officials to conduct interviews and analyze the information gleaned. One senior intelligence officer noted that defectors usually arrive prepared to tell a set story.

After this initial phase, the interviewers begin to investigate more deeply, asking the defector to reveal things he would prefer to keep secret. It is at this point, the official said, that the homesickness, guilt, and emotional stress often reach their peak.

Ladislav Bittman, a Czech intelligence officer who defected in 1968, recalls that his experiences with the C.I.A. were mixed: Some officials were sensitive but others did not seem attuned to the cultural shock suffered by an Eastern European plunged into American society.

Of his debriefing, he said: "Basically it was done on a professional level and not much attention is paid to the psy-

chological stress of the individual. This is an extremely important issue because the defector is going through the most dramatic trauma of his life. He has given up his home, his values, his country. He is like a defenseless child trying to find a new life."

The most important piece of evidence that argues against Mr. Yurchenko being a genuine defector would be what some officials say is the "ambiguous" importance of the information he has provided.

Senator William S. Cohen, a Maine Republican who was one of several senators who doubted Mr. Yurchenko's bona fides, notes that much of the information that has been publicly revealed was historical in nature. Mr. Howard, the former C.I.A. officer, was a "spent agent" in the parlance of the intelligence trade, and Mr. Yurchenko's help in identifying him has largely served to cause turmoil in the C.I.A. Additionally, he is said to have explained the death of Nicholas Shadrin, an American double agent who disappeared in Vienna in 1975.

'Historical' Information

A White House official said it was the "historical" nature of these revelations that had led him to downplay Mr. Yurchenko's value.

The C.I.A. contends that the remaining information, which has not been leaked to the public, will establish his bona fides. But Administration officials outside the C.I.A. who have reviewed the whole body of statements taken from Mr. Yurchenko are said to remain undecided about whether he was a genuine defector.

One official questioned whether the Russians would risk a live press conference with a man supposedly cracking from emotional stress without some very good reason to believe he would follow the prepared propaganda line.

Senator Malcolm Wallop, a Wyoming Republican who doubted Mr. Yurchenko from the first, said the C.I.A.'s Deputy Director, John McMabon, told him several weeks ago: "I'd stake my career on Yurchenko's bona fides."

But a White House official remarked: "The jury is still out."

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CIA Anti-Qaddafi Plan Backed

Reagan Authorizes Covert Operation to Undermine Libyan Regime

By Bob Woodward
 Washington Post Staff Writer

President Reagan has authorized a Central Intelligence Agency covert operation designed to undermine the Libyan regime headed by Col. Muammar Qaddafi, according to informed government sources.

The plan, which involves CIA assistance to another country or countries in North Africa and the Middle East that oppose Qaddafi, has run into initial resistance from the House and Senate Select Committees on Intelligence, which oversee the CIA. The chairman and vice chairman of the Senate panel recently wrote Reagan to outline opposition to the covert operation.

However, a narrow majority of the members of both panels so far supports the covert action, administration sources said. Secretary of State George P. Shultz appeared before the House committee as recently as last week to support the plan.

The operation, authorized in a formal presidential "finding" signed this fall, is at first designed to disrupt, preempt and frustrate Qaddafi's subversive and terrorist plans, the sources said. Secondly, they said, it might lure him into some foreign adventure or terrorist exploit that would give a growing number of Qaddafi opponents in the Libyan military a chance to seize power; or such a foreign adventure

might give one of Qaddafi's neighbors, such as Algeria or Egypt, a justification for responding to Qaddafi militarily.

After 4½ years of ineffective economic sanctions and perhaps some minor financial support or encouragement to Libyan dissidents in exile, the administration has decided that Qaddafi is such an international menace to U.S. interests that covert action should be undertaken, officials said.

Shultz and CIA Director William J. Casey, according to sources, have

argued that the new covert plan is designed to stop terrorism, not to support the assassination of Qaddafi.

A longstanding executive order signed by Reagan expressly forbids the CIA or any other U.S. government agency from direct or indirect involvement in any assassination plan.

This is the issue that most concerned the chairman and vice chairman of the Senate Select Intelligence Committee, Sens. David F. Durenberger (R-Minn.) and Patrick J. Leahy (D-Vt.) respectively, who conveyed their opposition to the plan against Qaddafi in a letter to the White House, sources said. In the letter they asked Reagan how the plan would avoid the prohibition against assassination attempts or plans.

The White House responded, sources said, by insisting that there was no plan to assassinate Qaddafi and by asking the two senators to delete the word assassination from their letter. The senators declined to do so, sources said.

Administration sources said there is no doubt that Reagan, Shultz and Casey would like to see Qaddafi toppled, and believe that a support operation costing several million dollars through a third country is the type of antiterrorist operation that can safely and legally be undertaken.

According to intelligence reports, Qaddafi gives support to some 30 insurgent, radical or terrorist groups worldwide, ranging from current hot spots such as Nicaragua and the Philippines to groups in Lebanon, Pakistan, Europe, South America, the Caribbean and Africa, that, reports allege, are pursuing goals contrary to U.S. interests.

A top secret, 29-page "Vulnerability Assessment" done by the CIA and other U.S. intelligence agencies and dated June 18, 1984, concluded that "no course of action short of stimulating Qaddafi's fall will 2005/12/14 significant and profound change in Libyan policies."

That 1984 assessment, part of the analysis that led to the decision to launch a covert action now, also concluded that "disaffected elements in the [Libyan] military could be spurred to assassination attempts or to cooperate with the exiles against Qaddafi."

In light of the executive order banning U.S. involvement in assassination, several sources voiced surprise that the word was used in the vulnerability assessment that was prepared under the direction of the national intelligence officer (NIO) for the Near East and South Asia, the top analyst in the U.S. intelligence community for that region.

The vulnerabilities of the Qaddafi government could only be exploited, according to the assessment, "through a broad program in cooperation with key countries combining political, economic and paramilitary action." It also said that "the exile groups, if supported to a substantial degree, could soon begin an intermittent campaign of sabotage and violence which could prompt further challenges to Qaddafi's authority."

The assessment said Libyan exiles who oppose Qaddafi have received support from Egypt, Iraq, Morocco, Saudi Arabia, Sudan and Tunisia.

The State Department intelligence branch disagreed with the vulnerability assessment and said in a footnote that it "rests too heavily on fragmentary, unsubstantiated reporting and fails to give sufficient weight to Qaddafi's enduring popularity. . . ."

Since 1981, the first year of the Reagan presidency when Qaddafi allegedly dispatched "hit teams" to assassinate the president or other top U.S. officials, Qaddafi has been a thorn in the administration's side.

The president has authority to begin covert operations that he deems necessary for the national security. Under the law, the congressional oversight committees must be informed fully and in a

timely fashion. If Congress objects to the operation, the only recourse is to cut off the funds, as was done with the CIA covert operation against Nicaragua.

An alternative to an actual attempt to overthrow Qaddafi, according to sources and documents, might be some paramilitary support to Egypt or Algeria, the chief countries that might be able to bring pressure on Qaddafi, though both have had serious reservations about cooperating with the United States in the past when covert anti-Qaddafi proposals have been discussed.

A Last year, according to sources, a covert plan against Qaddafi was blocked by CIA Deputy Director John N. McMahon on grounds that the exiles were "Boy Scouts" and too weak to have even half a chance at success.

Casey supported that decision not to move ahead with a covert operation because no U.S. ally would support it. Last year Qaddafi was gaining some respectability in Europe, expanding intelligence ties with Greece and enhancing military relations with Italy and Turkey, according to intelligence sources.

The sources were unable to explain exactly why the administration has chosen this time to launch the covert operation. But they pointed to a Special National Intelligence Estimate entitled, "Libya's Qaddafi:

the Challenge to the United States and Western Interests," completed earlier this year, that said Qaddafi "provides money, weapons, a base of operations, travel assistance or training to some 30 insurgent, radical or terrorist groups."

The report said reliable intelligence showed Qaddafi stirring up trouble worldwide by continuing subversion in Chad, Sudan and Tunisia; pursuing common goals with what the estimate called the "radical states" of Iran, Syria, Ethiopia and Nicaragua, and through continuing support to groups in the Philippines, New Caledonia, Pakistan and Zaire.

A map in the intelligence estimate showed Qaddafi supporting insurgents or terrorist groups in countries such as Guatemala, El Salvador, Chile, Colombia, the Dominican Republic, Lebanon and Iraq.

In addition the map showed Qaddafi providing financial support to the political opposition or to leftist politicians in Costa Rica, St. Lucia, and Dominica.

The estimate said there were 50,000 Soviet and Eastern European technicians or advisers in Libya. Such special or regular intelligence estimates are issued by Casey with input from the other U.S. intelligence agencies.

Calling Qaddafi "a judicious political calculator" and pointedly saying that he was not living up to his madman image, the intelligence estimate said that Qaddafi would continue to be a threat to U.S. and Western interests.

Early this year some Libyan military officers launched two unsuccessful assassination attempts against Qaddafi, who responded by executing as many as 75 officers accused of participating in them.

U.S. intelligence agencies receive almost a steady stream of reports—many considered reliable—that Qaddafi is expanding his terrorist capabilities and planning various actions against U.S. installations or individuals.

Earlier this year one report said Qaddafi had formed two new special operations units to conduct commando and terrorist operations, including one naval unit headed by a senior aide.

Within the last two weeks there have been intelligence reports that Qaddafi was targeting the U.S. Embassy in Tunis and the U.S. ambassador to Tunisia, according to government sources.

Staff researcher Barbara Feinman contributed to this report.

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Afghan rebels backers blame CIA official for restricting covert aid

By Bill Gertz
THE WASHINGTON TIMES

Representatives of three Afghan resistance support groups yesterday called for the ouster of Deputy CIA Director John McMahon who, they charged, has impeded the covert aid program to Afghan guerrilla fighters.

"We need to start hitting this administration where it hurts, by naming names and helping to create a justifiable outrage among the American people that there is a genocide going on [in Afghanistan]," said Neal Blair, president of the conservative lobbying group Free the Eagle.

The remarks were made at a downtown press conference, where Mr. Blair said U.S. aid was not reaching Afghan freedom fighters and he was not satisfied with the response from many government agencies.

The group's 265,000 members are pressing the CIA's inspector general to investigate "the botched operations under McMahon's supervision," he said.

"We've undertaken the effort to have our members write directly to Donald Regan, White House chief of staff, urging him to call John McMahon to account for his performance, Mr. Blair said.

"And unless or until McMahon is able to do so, we are urging his immediate dismissal from his position at the CIA," he said.

A CIA spokesman called the allegations against Mr. McMahon "asinine" but would not comment further.

Nabi Salehi, a college professor who represents one of the Afghan mujahideen guerrilla groups, said "time is running out" for Afghan fighters opposing Soviet forces in Afghanistan.

Since the Soviet invasion in December 1979, more than 1 million Afghans have died in the fighting, he said.

"The war in Afghanistan is no longer a battle of one armed force against another," Mr. Salehi said. "It

is the systematic technological destruction of an entire population by the army of a superpower."

He called on the United States to provide advanced anti-aircraft missiles and ammunition.

Congressional sources said yesterday Mr. McMahon has opposed supplying the Afghan guerrillas with the advanced weapons needed to knock down Soviet helicopter gunships. He fears the U.S. weapons would fall into Soviet hands and that the Soviets would then develop countermeasures against the arms, the sources said.

Andrew L. Eiva, a former U.S. special forces soldier and director of a group called the Federation of American Afghan Action, said Mr. McMahon was singled out for doing the most "in blocking effective aide to the Afghans and misleading Congress about it."

He provided reporters with a financial analysis of CIA covert arms deliveries to Afghan guerrillas, which shows that last year less than one-third of \$122 million in weapons appropriated by Congress had reached the Afghan resistance. The loss was attributed to "skimming" by Pakistani-based Afghan rebels.

The conclusion reached by the three groups resulted from an investigation that included information supplied by Congress and the rebel forces.

Mr. Eiva also distributed a "report card" grading CIA Afghan operations that he said were limited by an effort to provide only the Afghan guerrillas with "enough to survive," but not enough to win any major battles.

Mr. Eiva estimates that since 1981 the Reagan administration has appropriated a total of \$342 million in covert assistance to Afghanistan. But since the aid was covert, U.S. officials insisted on supplying outdated and militarily ineffective weapons that could not be traced to U.S. sources.

He called for ending covert assistance and providing more modern weapons, particularly advanced shoulder-held Stinger and Redeye surface-to-air missiles.

Mr. McMahon served as "point man" for CIA efforts to curb legislation that would facilitate the flow of advance weapons and briefed at least three members of Congress in an effort defend the CIA's efforts in Afghanistan, Mr. Eiva said.

Indiana Republican Representative Dan Burton, a supporter of congressional aid to the Afghan guerrillas, said in an interview that he has pressured the CIA to "get through to those mujahideen people everything that Congress sent."

"People are dying over there," Mr. Burton said. "They are fighting for freedom and, by gosh, we as a Congress have made a commitment to help them, and we ought to do it."

CIA spy gave clues of intent to agents

By Bill Gertz
THE WASHINGTON TIMES

The CIA mishandled both the hiring and firing of Edward L. Howard, a former employee suspected of selling the Soviet Union top secret information on CIA operations in Moscow, an intelligence official says.

Fugitive and former CIA operative Howard had trained for a Moscow assignment and learned some of the agency's most sensitive secrets before he was fired in June 1983 after failing two lie detector tests, the official said.

The intelligence official, who spoke on the condition he not be identified, called the affair "a security scandal of major proportions." He said the CIA had failed to take steps to put Howard under surveillance even after he told two CIA officers in Austria he had considered getting even for his dismissal by revealing details of the CIA's Moscow operations.

During a 1984 trip to Austria, Howard gave the Soviet intelligence service, the KGB, information that led to the arrest of a CIA agent in the Soviet avionics industry, according to federal officials.

Howard met "two current employees of the CIA" four days later and told them he had considered spying for the Soviets in Washington, according to court documents.

An administration official said Howard's meeting with the CIA officers was not reported to the FBI, but CIA officials contend "appropriate action was taken." Under federal privacy laws, the CIA cannot monitor Americans who express "fantasies" about spying, a CIA official said.

"We were obviously very concerned about him at the time [1984]," the official said. "He was not neglected nor ignored." Published

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reports have said the CIA hired a psychiatrist for Howard after he left the agency to work as a financial analyst in New Mexico.

Howard has since fled the United States and is believed to be in Moscow.

Howard's treachery was disclosed by Soviet defector Vitaly Yurchenko, a senior KGB officer.

Senate Select Committee on Intelligence spokesman Dave Holiday

said the committee is investigating both the CIA's hiring of Howard and charges that the FBI was not alerted to Howard's statement that he had considered espionage against the United States.

Under CIA guidelines, all contacts with Americans suspected of espionage must be reported to the FBI. The FBI maintains a liaison office at the CIA's headquarters in Langley, Va., to handle such cases.

Mr. Holiday said that during initial committee briefings on the Howard case, no mention was made of the CIA's contact with Howard in Austria.

Regarding the CIA's hiring of Howard, "one of the questions that we have wanted to know all along is what was the result of the first [polygraph test]," Mr. Holiday said in an interview. "If he had problems on the second one, did he develop them in that 2½-year period or was it detected in the beginning," he asked?

A CIA official said Howard would not have been hired by the agency if he had failed polygraph testing.

But another administration official said Howard failed one of two polygraph tests when he was hired by the CIA in January 1981.

Although he passed a loyalty test, a test about his personal lifestyle indicated illegal drug use. He was told to "clean up his act" and began training within the CIA's clandestine operations division, the official said. Two and a half years later, Howard again failed a lie detector test, which showed continued drug use and also theft of agency funds, the official said.

Rather than transfer Howard out of clandestine services, the agency summarily dismissed him, he said.

The CIA's handling of the Howard case has focused attention on Deputy CIA Director John N. McMahon, the agency's executive director at the time Howard was hired in January 1983.

According to an intelligence official, Mr. McMahon vetoed an overseas counterspy program, which might have helped agents spot Howard before he contacted the KGB in Austria.

The program also might have detected another suspected Soviet spy, John Walker, who allegedly met frequently with KGB officials in Vienna, and might have prevented CIA clerk Sharon Scranage from passing secrets to a Ghanaian intelligence agent, the official said. Scranage pleaded guilty last month,

and Mr. Walker is awaiting trial in Baltimore.

In 1978 Mr. McMahon was promoted by former CIA director Stansfield Turner to deputy director for operations — the section that handles clandestine operations — although records show his experience was limited to technical and electronic intelligence collection. Conservative critics have charged that Mr. McMahon's control over CIA policies eclipses that of CIA Director William Casey.

CIA spokesman George Lauder would not say what role Mr. McMahon played in bringing Howard into the agency. But he said "John McMahon had absolutely nothing to do with Howard's departure from the agency."

After Howard's disappearance last month in New Mexico, the CIA's chief of security, William Kotopish, was transferred from his post, an administration official said. He described the new CIA security chief as a "manager" with no security background who had been recommended by Mr. McMahon. He declined to reveal his name.

Mr. Lauder confirmed that a new security chief has been appointed but said the selection had been made by Mr. Casey.

U.S. spy network stunned as Yank traitor betrays our man in Moscow

SOVIETS EXECUTE CIA'S TOP MOLE

By NILES LATHEM
Bureau Chief

WASHINGTON — The CIA's most prized "mole" in the Soviet Union was arrested and executed last summer, The Post learned last night.

He was captured through information provided to the KGB by fugitive CIA turncoat Edward Howard.

Top U.S. intelligence officials confirmed last night that the American agent, A.G. Tolkachev, was arrested and executed last July after being betrayed by Howard — his former "control" or supervising case officer, in Moscow.

Tolkachev was an electronics wizard who worked at a top-secret military aviation compound in Moscow.

According to an account in yesterday's Wall Street Journal, Tolkachev for several years had provided the CIA with details of the latest Soviet advances in radar and "stealth technology" — the most sensitive information in military aviation.

He also is believed to have given the U.S. its first tipoff about Soviet plans for the large phased-array radar

system under construction in Krasnoyarsk — the center of the Soviet's own Star Wars nuclear defense system.

Last night, the CIA would give no official comment on the latest revelation to rock the intelligence underworld.

But administration and congressional sources confirmed to The Post that the CIA had lost one of its most treasured "human assets" behind the Iron Curtain as a result of Howard's double-dealing with Moscow.

Tolkachev's arrest for espionage was announced by the Soviet news agency Tass in July.

Howard, a former CIA agent with a history of emotional problems, escaped an FBI dragnet in New Mexico on Sept. 23 after his dealings with Moscow were exposed by KGB defector Vitaly Yurchenko — the No. 5 man in the KGB.

He had been working as an economic analyst for the New Mexico Legislature.

He is now believed to be under safekeeping in the Soviet Union.

Howard, 33, joined the CIA in January 1981

and was assigned as a deep-cover case officer to the U.S. Embassy in Moscow.

His main assignment, sources confirmed, was to handle the information being provided to the embassy by Tolkachev through a series of "dead-drop" sites established throughout Moscow.

The CIA had established through a series of polygraph tests that Howard had a history of drug problems including cocaine. In 1983, Howard was eased out of the CIA under orders from CIA Deputy Director John MacMahon.

It is believed that Howard's bitterness at being fired by the CIA is what prompted him to become a traitor.

The loss of one of the CIA's most important spies and the bungling of Howard's case by the CIA has angered key members of congressional committees.

The congressmen are demanding that both the FBI and the CIA improve its counter-intelligence capabilities.

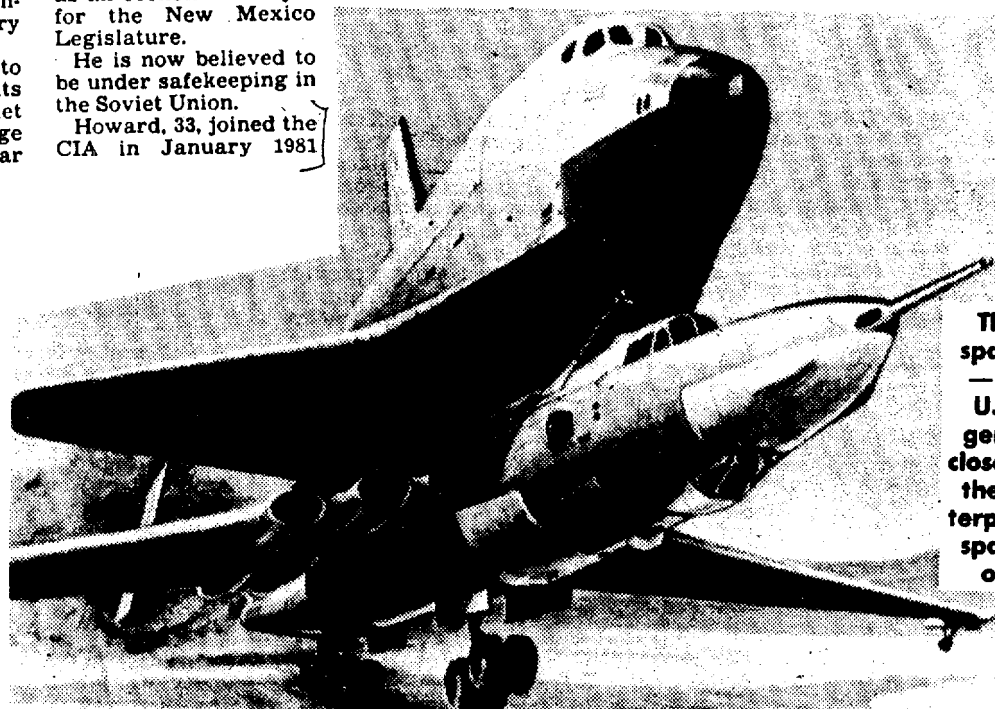
The CIA's counter-intelligence abilities were crippled in the '70s in the wake of the domestic spying scandals that led to the firing of counter-intelligence chief James Angleton.

Intelligence experts say that the FBI has never been given the proper funding and resources to keep up with the steady increase of Soviet espionage activities in the U.S.



Associated Press Photos

Newly released photo shows F-15 jet launching anti-satellite missile during secret test. Technology is closely guarded because of high-stakes espionage war.



The Soviet space shuttle — on which U.S. intelligence keeps close tabs — is the Red centerpiece in the space-weapons race.

KGB Defector Confirms U.S. Intelligence Fiasco

By WILLIAM KUCEWICZ

The KGB took the unusual step last month of issuing what can only be called a press release. In a statement distributed by the official TASS news agency, the Soviet intelligence agency accused a Soviet citizen of spying for the U.S. and also announced the expulsion of a U.S. Embassy official.

The KGB named the suspected spy as A.G. Tolkachev. He was identified merely as a staff member of a "Moscow research institute." No other details about his background were provided. His arrest apparently took place sometime in early June. The announcement maintained that Mr. Tolkachev had been caught passing information to an American diplomat, Paul M. Stombaugh, of the U.S. Embassy's political section. Mr. Stombaugh was ordered to leave the Soviet Union June 14. The KGB statement gave no explanation for the three-month delay in announcing Mr. Tolkachev's arrest and Mr. Stombaugh's expulsion.

Western news correspondents in Moscow interpreted the belated announcement as one-upmanship by Soviet authorities. A week earlier, Britain had expelled 31 Soviets for spying and the Soviet Union responded in kind by ousting an equal number of Britons in Moscow. This exchange had been triggered by the defection of a Soviet spy in London, who had apparently worked as a double agent for the British for years. The Tolkachev announcement was seen as just another spy maneuver.

Valuable Human Asset

That wasn't the real story, however. According to high-level U.S. intelligence sources, Mr. Tolkachev was one of the Central Intelligence Agency's most valuable human assets in the Soviet Union. And his exposure and arrest stand as indictments of gross mismanagement and ineptitude reaching to the highest levels of U.S. counterintelligence operations.

Mr. Tolkachev was an electronics expert at a military aviation institute in Moscow. Over several years, he had passed invaluable information to the U.S. about the Soviet Union's latest research efforts in new aircraft technology—especially avionics, or electronic guidance and countermeasures; advanced radar; and so-called "stealth," or radar-avoidance, techniques. Such research is at the cutting edge of military aircraft breakthroughs, both for the Soviets and the U.S. Mr. Tolkachev, one source hinted, may have also tipped the U.S. off to the large phased-array radar at Krasnoyarsk—a treaty-violating facility in the south-central part of the country aimed at completing a nationwide anti-ballistic-missile defense.

"He was one of our most lucrative agents," said another well-placed source.

"He saved us billions of dollars in development costs" by telling the U.S. about the direction of Soviet aviation efforts. In that way, American researchers could more precisely target their own work toward countering future Russian military threats.

U.S. intelligence experts believe that Mr. Tolkachev is fated for execution, if he is not already dead. But how was he discovered? And why did the KGB wait three months before announcing his arrest?

Mr. Tolkachev wasn't merely caught in the act of passing secrets to the U.S. Embassy's Mr. Stombaugh, as the KGB claims. In fact, as U.S. intelligence sources

was hired. In April 1982, Mr. McMahon was named by President Reagan to replace Adm. Bobby R. Inman as deputy intelligence director.

In spring 1983, Mr. Howard was told to resign or he'd be fired. Mr. McMahon took this step despite Mr. Howard's privileged knowledge of U.S. intelligence operations in Moscow, and what his continued drug use said about his emotional stability. (Later, in February 1984, Mr. Howard was arrested for brandishing a pistol at three men in downtown Santa Fe, N.M.; in a plea bargain, he pleaded guilty to an assault charge and was sentenced to probation.) Instead of firing him, intelligence ex-

Edward Howard, an untried and untested trainee suspected earlier of drug use, was, inexcusably, told about critical U.S. human intelligence operations in Moscow.

tell it, he was betrayed by a former CIA agent, Edward L. Howard. And the KGB's peculiar September announcement was apparently a ruse to try to put U.S. counterintelligence officers off the scent of this turncoat.

Mr. Howard, who is now 33, joined the CIA in January 1981. An initial polygraph test indicated that he was an occasional drug user. Agency officials told him to end his drug-taking or face dismissal. He then promised to give up drugs.

Shortly thereafter, he entered an intensive, 2½-year training program to become a "deep cover" case officer in the U.S. Embassy in Moscow. One of his assignments would be to "run" Mr. Tolkachev; in other words, he was to collect Mr. Tolkachev's materials at "dead drop" sites in Moscow and to care for his needs. In the course of his training, this untried and untested trainee was, inexcusably, told about critical U.S. human intelligence operations in Moscow; he was even informed about anti-Soviet operations in the U.S. Mr. Howard was also trained for several months by the Federal Bureau of Investigation in surveillance techniques and evasion.

Before being dispatched to Moscow, Mr. Howard was given another polygraph test, which suggested that his drug use had continued and also indicated at least one instance of petty theft outside the government. According to sources who have long been critical of shortcomings in U.S. counterintelligence capability, Deputy Director of Central Intelligence John N. McMahon at this point decided he wanted Mr. Howard out of the agency. Mr. McMahon, a career intelligence officer for more than 30 years, had been the CIA's executive director, responsible for the day-to-day management of the agency, when Mr. Howard

perts suggest, a more sensible course might have been to cancel Mr. Howard's transfer to Moscow but retain him in a nonsensitive area of the agency where his actions could be closely monitored.

(Mr. McMahon didn't return a phone call yesterday requesting comment.)

In September 1984, Mr. Howard told two of his former colleagues at the CIA that he was thinking of passing his information to the Soviets as an act of revenge, according to documents filed in a Justice Department criminal complaint against him. These agents then told the proper CIA authorities about Mr. Howard's threat. But the agency's only response was to get a psychiatrist for Mr. Howard in New Mexico, where the CIA had helped him find a job as an economic analyst with the state government back in June 1983.

Meanwhile, a momentous event was occurring a continent away that would darken further the profile of Edward Howard. On July 28 of this year, in Rome, a visiting Soviet official was taking a stroll with some colleagues. He told them that he would meet them back at the embassy after he toured the Vatican museum. His Soviet compatriots never saw him again, and a month later he was in the U.S. being debriefed by the CIA. The Soviet official is Vitaly Yurchenko of the KGB. By many accounts, he is one of the most important Soviet defectors in recent history.

The State Department officially announced Mr. Yurchenko's defection last week. He was deputy chief of the North American department of the KGB's First Chief Directorate, which is in charge of the Soviet Union's world-wide spy operations. He was "specifically responsible for the direction of KGB intelligence operations in the U.S. and Canada," the State Depart-

Continued

ment's announcement said. In addition, he held a senior position in the KGB's counterintelligence program, which aims to root out any Russian moles working for the U.S. or other foreign governments. Previously, Mr. Yurchenko served as a spy in the Soviet Embassy in Washington from 1975 to 1980. As a result of these positions, Mr. Yurchenko was able to gain a broad understanding of the highly compartmentalized operations of the KGB.

Mr. Yurchenko gave his debriefers a code name for a former CIA agent who had supplied valuable information to the KGB. While he did not have the real name of the agent, Mr. Yurchenko did provide enough information for U.S. authorities to "sift through" the relevant data and finally pinpoint Mr. Howard as the suspected spy, said law-enforcement sources, who asked not to be identified. According to other sources familiar with the debriefing, Mr. Yurchenko said that this former CIA agent had provided the KGB with details about U.S. human intelligence activities in Moscow, including the identity of A.G. Tolkachev. Mr. Howard's revelations, therefore, prompted Mr. Tolkachev's arrest and likely execution.

Major Foul-Up

FBI agents were instructed to interview Mr. Howard but not to arrest him. Explained a law-enforcement source: "The information provided by the defector, standing alone, was not sufficient to establish probable cause." After he was quizzed,

FBI agents kept Mr. Howard under surveillance. In a major foul-up, however, no one ever told the FBI agents that Mr. Howard had been schooled by the bureau itself in surveillance and evasion tactics.

On the moonless night of Sept. 21, Mr. Howard escaped his FBI watchdogs. On Sept. 23, the FBI issued a warrant for his arrest, but it was too late. U.S. intelligence finally succeeded in tracing Mr. Howard's trail to Finland and then to Moscow, where he is now presumably being debriefed on all he knows about U.S. spying operations in the Soviet Union and elsewhere.

"The United States has virtually zero counterintelligence capability," Sen. Malcolm Wallop (R., Wyo.) said recently in criticizing the CIA's and FBI's failures in the Howard case. Some experts are predicting a major shakeup in intelligence management due to the Howard-Tolkachev-Yurchenko affair. What will remain after blame is assessed, of course, is that the U.S. has lost one of its most valuable human assets in the Soviet Union and his alleged betrayer has fled safely to Moscow.

Mr. Kucewicz is a member of the Journal's editorial board.

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17 OCT 1985

MEMORANDUM FOR THE RECORD

SUBJECT: Telecons with David Matthews, Sen. Dole's Office

1. Mr. Matthews called the office on 11 October and asked to speak with someone about an article criticizing John McMahon which had appeared in the August 1985 edition of "Free the Eagle" (copy attached). The Public Affairs Office was contacted but declined to return Mr. Matthews' call. PAO suggested that OLL should field the call. I then called Mr. Matthews. (224-6521)

2. Mr. Matthews said that he wished to know what the Agency's position on the article was. He said that Sen. Dole had received constituent mail asking if the article was accurate. He (Mr. Matthews) had been charged with responding to the constituent mail. I told Mr. Matthews that I would check with our public affairs people on the matter.

3. I spoke to George Lauder about Matthews' call. Mr. Lauder said to tell Matthews that the article was "irresponsible, outrageous, and ridiculous."

4. I attempted to reach Mr. Matthews on 11 and 16 October. He called me on 17 October, and I passed on Mr. Lauder's words, telling Mr. Matthews that the Agency considered the article to be beneath the dignity of further comment.

5. Mr. Matthews called back on 17 October seeking additional information on Mr. McMahon. He asked if Mr. McMahon concerned himself primarily with Afghanistan. I replied that Mr. McMahon had many duties and concerns as the DDCI. I said the DCI was the President's principal adviser on intelligence matters. His deputy performs the duties assigned to him by the DCI and acts for the DCI in the latter's absence. I said we believe that Mr. McMahon is doing an excellent job as DDCI and that he is indeed supporting the President's policies.

6. Mr. Matthews thanked me, and the call was concluded.

STAT



Chief, Liaison Division, OLL

STAT

August 1985

FTE Hot Spots: Where the Action Is

Dear Friend,

I know how outraged and angry you feel about the brutal Soviet invasion of Afghanistan.

What will President Reagan do something to stop Soviet terrorism in Afghanistan?

To be perfectly honest, my friend, I think there is one simple reason why our government does nothing to stop the Soviet Union:

It's because certain public officials—namely John McMahon—refuse to carry out American policy.

In a minute, I'll be more specific. But first, let me tell you of the latest events in Afghanistan.

I'm sad to say that events there have taken a turn for the worse lately.

Last month, the Soviets unleashed massive air strikes against the Afghan people—not just against the freedom fighters, but against peaceful civilians as well.



Neal B. Blair

Why? Because Soviet dictator Mikhail Gorbachev wants to wrap up the conquest of Afghanistan. He's anxious to consolidate his power over the Soviet empire.

And he wants to prove to the world he is decisive and ruthless.

Gorbachev wants a quick victory. So he has stepped up his air-born genocide—pounding Afghan villages day after day, burning,

maiming and mutilating thousands of terrified people.

His unchallenged air raids even bomb hospitals, killing hundreds of helpless patients.

Ironically, an overwhelming majority of Americans would gladly give the Afghan freedom fighters the weapons they need to protect themselves from this air-born terror.

President Reagan has pledged to send effective weapons and supplies to the Afghan freedom fighters.

And last October, Congress unanimously voted—for the first time ever—to supply effective aid to the freedom fighters.

Then Congress approved the largest budget ever for a covert paramilitary operation—\$280 million.

Those votes came after Free the Eagle asked many of you last September to write and demand effective aid for the Afghan freedom fighters.

Those letters made a difference!

Yet, despite the Reagan administration's official policy, the unanimous vote of Congress and the overwhelming support of the American people...

Neither our State Department nor the Central Intelligence Agency will send workable weapons to the Afghan freedom fighters!

As we've told you in *State of the Nation*, the weapons the CIA sends the freedom fighters—mortars, rifles, mines, machine guns and hand-held missiles—are old and defective.

And 85 percent of the ammo is of the type that won't pierce the armored gunships that at this very moment are burning, killing and maiming the Afghan people.

It's no wonder Soviet air attacks on Afghan villages are so brazen—and deadly.

Day after day, they maim and mutilate innocent Afghans—men, women and children who have no means to protect themselves.

We could cite many more examples...

Examples of how the CIA has failed to supply the Afghan resistance with effective weapons and supplies...

Examples of how the CIA has failed to carry out the mandate for Afghan aid from the Administration, from Congress and from the American people.

Why does the CIA persist in failing to supply the Afghan freedom fighters with effective weapons?

Who's behind this massive—and deadly—blunder?

To find out, Free the Eagle has done some detective work.

With the help of some of our sources, we tracked down and uncovered the specific individual responsible for this.

His name is John McMahon.

He's a deputy director of the CIA—one of the top officials there. And John McMahon has the task of carrying out the administration's Afghan policy.

But for three years, McMahon has pursued his own Afghan policy!

McMahon runs a two-track Afghan program: a program of disinformation and a program of interference.

In secret briefings to congressmen, McMahon has painted a misleading picture of CIA performance in Afghanistan, calling it "outstanding."

Now, perhaps John McMahon thinks he's right. And perhaps he thinks he's doing what's best for America and for the Afghan people.

But the fact is: he's wrong. He's negligent or incompetent, or both.

John McMahon Approved For Release 2005/12/14 : CIA-RDP91-00901R000600200001-2
 Yet only President Reagan and his top advisors can force the State Department and the CIA to obey his administration policy, Congress and the American people.

Thus, the fight for Afghanistan is really not in the Panjshir Valley but rather right here in our own country—behind the doors of the White House.

It's time for the Reagan administration to hold John McMahon accountable!

That's why I ask you to sign the letter on this page to White House Chief of Staff Donald Regan, and then return it to me.

It asks Regan to see that Deputy Director John McMahon gets fired—fired for letting down both the Afghan and the American people!

With your help, we can and will oust Mr. McMahon! After all, he works for us!

Over the next three months, we plan to collect 50,000 letters to

one on this page. . .

Letters demanding that Mr. McMahon be dismissed.

We will deliver these personally to Donald Regan's office.

So please sign the letter to Donald Regan. Then mail it to Free the Eagle in the postage paid envelope enclosed in this issue of *State of the Nation*.

At the same time, please help us to raise the other 50,000 letters by enclosing your contribution of \$25 or more to Free the Eagle.

The lives of too many innocent people cannot wait any longer.

For your contribution of \$25 or more, we will send you *Afghan Update*, the bulletin of FTE's sister organization, American Afghan Education Fund.

Many in Congress tell us *Afghan Update* is the only source that gives them the full story on the war in Afghanistan and CIA aid to the freedom fighters.

Send your gift of \$25, \$35 or more in the enclosed postage paid envelope.


Report to you in *State of the Nation* on how our campaign progresses.

Once more, let me thank you for all you have done on behalf of these innocent people. It has been so heart-warming to see your efforts have such an effect in the last year.

So please rush your letter and contribution to us today because: John McMahon must go!

These people just cannot wait any longer.

Sincerely,


 Neal B. Blair
 President

P.S. If you can get others to write White House Chief of Staff Donald Regan, please do so. But please sign and return your letter to us today so we can collect and deliver as many letters as possible.

McMahon Must Go!

Dear Neal,

You're right. John McMahon must go!

I have signed the letter addressed to White House Chief of Staff Donald Regan, asking him to see that McMahon gets dismissed.

I am also including an emergency gift to help you in this project:

- \$15 \$25 \$35 \$50 \$100
- \$150 \$250 \$500 \$1,000 \$_____ Other

Name _____

Address _____

City/State/Zip _____

Check enclosed Charge my MasterCard VISA

Credit Card #

Expires _____ Signature _____

For my contribution of \$25 or more, I understand I will receive *Afghan Update* for six months.

Mr. Donald Regan
Chief of Staff
The White House
Washington, D.C.

Dear Mr. Regan:

As an American citizen who supports the Afghan freedom fighters, I ask that you see to it that John N. McMahon, a deputy director of the CIA, gets dismissed.

Mr. McMahon has the task of carrying out the administration's policy of aid to the Afghan freedom fighters.

But for three years, McMahon has pursued his own Afghan policy!

McMahon has been identified by congressional sources as failing to carry out in an effective manner the mandate of the Reagan administration, Congress and the American people for effective aid to the Afghan freedom fighters.

Instead, McMahon has run a program of disinformation and interference that prevents effective aid from reaching the Afghan freedom fighters.

To cover up his negligence and incompetence, McMahon has been spreading disinformation. In secret briefings to congressmen, he has painted a misleading picture of CIA performance in Afghanistan, calling it "outstanding."

Anyone with any sense of compassion for the Afghan people would have to agree: Mr. McMahon is crippling the Afghan's struggle for freedom.

As an American citizen, I will not tolerate negligence or incompetence by those charged with guarding my own freedom or anyone else's.

John McMahon must go!

The lives of many innocent people cannot wait any longer.

Thank you for your attention to this matter.

Sincerely,

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WASHINGTON
15 August 1985

Commando Helped Blow Lid Off Alleged Plot to Kill a President

By Charles R. Babcock
Washington Post Staff Writer

On a steamy summer Florida weekend, two former members of an elite U.S. combat unit meet with a foreign general and a Miami arms dealer. The topic: a plot to assassinate the president of a Central American country.

The commandos later tell the CIA and FBI about the scheme and one agrees to work undercover to expose it. The investigation includes secret videotapes of the suspects aboard a yacht and taped discussions of a multimillion-dollar drug deal to finance the assassination.

If that sounds like an outline for a new episode of "Miami Vice," it isn't. It is a prosecutor's version of how the U.S. government stopped an alleged attempt last year to kill the president of Honduras.

Arrests in the case made front page news when announced last November, but the role of the two commandos in cracking the case wasn't disclosed until later. Their story will unfold in a Miami courtroom later this month when two of the defendants, arms dealer Gerard Latchinian and businessman Manuel Binker, stand trial.

The soldiers are retired Army colonel Charlie A. Beckwith, commander of the ill-fated attempt to rescue American hostages in Iran in 1980, and one of his Delta Force comrades, retired major Charles D. Odorizzi.

One of the prosecutors in the case said Beckwith was "more John Wayne than John Wayne" and Odorizzi "deserves a medal" for his undercover work. In fact, the U.S. attorney in Miami gave Odorizzi an "outstanding law enforcement officer" medal last month.

The investigation resulted in the U.S. indictment of several men, including former Honduran army chief of staff, Gen. Jose Bueso-

Rosa, now the military attache in Chile, on charges of attempting to finance a political murder with a drug deal.

The State Department has said the case "again demonstrates the link between drug trafficking and international terrorism."

Latchinian's attorney, Laurel White Marc-Charles, contends in court papers that her client thought he was dealing with U.S. authorities because of Beckwith and Odorizzi's background in secret military operations. Beckwith testified that the claim was ludicrous. Marc-Charles also claims that Odorizzi, in his undercover role, entrapped the defendants by suggesting the assassination could be financed by a drug deal.

Beckwith declined in a telephone interview to discuss his role in detail and Odorizzi could not be reached for comment. But the transcript and exhibits from a pre-trial hearing in April contain details of their involvement that seem more suited to a screenplay than reality.

Beckwith, who is now in the private security business in Texas, testified that he accompanied Odorizzi to the meeting in Miami in July 1984 because he was "trying to get my oar down in Latin America to do a few things" and thought the discussion would center on a training mission in Honduras. Instead, he heard from the people he met that "they wanted to take someone out."

Beckwith said he wasn't certain, at first what was meant so he and Odorizzi called another meeting the next day. There they were told-point-blank that the idea was to kill Roberto Suazo Cordova, the president of Honduras. Suazo has held office since 1981, when he became the first democratically elected

president in his country in more than a decade.

Beckwith testified that when he heard specifics of the alleged murder plot, "I said, 'That is a hell of a job to have to do.' I said, 'I'd have to chew on this.' And I said it would require a survey. Someone would have to go down there and look it all over. This is a big task to do. And frankly, I was looking for a real nice soft way to get the hell out of there."

He and Odorizzi met once more with the alleged plotters and received \$3,000 for expenses, according to the indictment. "I don't work for nothing," Beckwith explained last week.

On the way back to Texas, he testified, "I remember that I said what I have got to do is, I can't mess around here and go to some pissant about this. I have got to go to someone high in the government and inform them." Beckwith said he didn't think assassinating the president of Honduras was "a prudent thing to do." And he said, "I didn't think this would be good for Reagan and this administration for that to occur."

The next day he called John McMahon, the deputy director of the CIA, whom Beckwith knew from his days with the Delta Force.

But McMahon was on vacation. A week later he tried again, only to be told McMahon couldn't see him until later in the week.

"I said, 'This is a hell of a way to run a railroad. I got something here I think is kind of sensitive, and I want to see him.'" The word came

back that McMahon was booked up at the time. Beckwith and Odorizzi flew to Washington anyway and on the plane the former Delta Force commander wrote a cryptic letter to the CIA's deputy director.

"Eight days ago in Miami, my partner and I were asked to devel-

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WASHINGTON POST
4 August 1985

Congress, Agencies Clash Over Counterintelligence

Lawmakers Call Administration Efforts Weak

By Charles R. Babcock
Washington Post Staff Writer

In the spring of 1984, Sen. Malcolm Wallop (R-Wyo.) received a certificate naming him an "honorary counterintelligence specialist" in the Central Intelligence Agency. The award was said to be in recognition of his efforts to establish a semiautonomous core of career counterintelligence (CI) specialists in the agency.

Wallop, then chairman of the Senate Intelligence budget subcommittee, was neither honored nor amused.

"The CIA ridiculed the career specialist by giving me the award," he said in an interview. "It was designed in total cynicism, with little boys laughing behind doors."

So he wrote, and Congress approved, language in the classified intelligence agencies' authorization bill report for fiscal 1985 requiring the CIA to reestablish CI as a career service. It still has not been

done, he and other intelligence sources say.

Doing something about counterintelligence has been a hot topic since accusations in May that alleged spy John A. Walker Jr. and others for years had passed U.S. Navy secrets to the Soviets. To Wallop and other critics, the Reagan administration's inaction on the "CI specialist" mandate reflects a broader lack of commitment to improving the nation's ability to protect secrets from foreign agents.

"This country," Wallop said, "has virtually zero counterintelligence capability."

He argued that the CIA's counterintelligence system is inadequate because the officers now working in it will someday rotate out to work for other officers whom they may have investigated or whose oper-

ations they may have challenged. The result, Wallop said, is a too casual effort, in which the tough questions are not asked about the credibility of agents, operations or even technical systems.

Although few others are so critical, interviews with current and former intelligence officials suggest that the Reagan administration's strong words about counterintelligence have often been matched only by half-steps.

President Reagan said in a radio speech in June that "we've developed a list of things to be accomplished in the counterintelligence and security areas." He has signed two secret directives to study and act on the counterintelligence problem, but little of substance has been accomplished because of bureaucratic resistance, several sources said. A separate directive to revamp personnel security policies has been languishing without action for more than a year.

Funding for more FBI counterintelligence agents—who are responsible for counterespionage operations in the United States—has been added to recent budgets, but only over the objections of administration budget officers. There are now about 1,200 CI agents in the FBI, sources said. But they are still outnumbered, and squads of inexperienced clerks have been used for years to help keep track of potential foreign agents in at least four major cities.

Administration spokesmen declined to speak on the record about the counterintelligence issue. But several members of Congress did. Rep. Lee Hamilton (D-Ind.), chairman of the Permanent Select Committee on Intelligence, said "sometimes it takes a strong blow across the snout," such as the Walker case,

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between the CIA, which keeps track of foreign intelligence agents overseas, and the FBI, which does the same in the United States.

Hamilton and Sen. Patrick J. Leahy (D-Vt.), vice chairman of the Select Committee on Intelligence, said long-term solutions are required, in addition to the increased use of polygraphs and the imposing the death penalty on military personnel for peacetime espionage, the two measures passed by Congress so far.

Hamilton said the least expensive and most important step to protect national secrets would be enforcing the "need to know" policy. "A security clearance shouldn't entitle anyone to see anything. Someone should have access only if he needs it for his job."

A theme in much of the criticism is that counterintelligence is not viewed as a path to career promotion at the CIA or FBI, or the State Department, where security has long been a low priority.

Rep. Dave McCurdy (D-Okla.), chairman of the House intelligence oversight subcommittee that has been holding closed hearings on counterintelligence, said he feels the biggest security problem is at the State Department. He said CIA Director William J. Casey had accepted a recommendation by an internal CIA commission to give more independence to the CI staff there. "It's fine-tuning at CIA," McCurdy said. "It's trying to stop a flood at State."

He cited recent reports of bugged typewriters in the U.S. Embassy in Moscow and the hiring of

August 1985

THE Hot Spots: Where the Action Is

Dear Friend,

I know how outraged and angry you feel about the brutal Soviet invasion of Afghanistan.

What will President Reagan do something to stop Soviet terrorism in Afghanistan?

To be perfectly honest, my friend, I think there is one simple reason why our government does nothing to stop the Soviet Union:

It's because certain public officials—namely John McMahon—refuse to carry out American policy.

In a minute, I'll be more specific. But first, let me tell you of the latest events in Afghanistan.

I'm sad to say that events there have taken a turn for the worse lately.

Last month, the Soviets un-

leashed massive air strikes against the Afghan people—not just against the freedom fighters, but against peaceful civilians as well.



Neal B. Blair

Why? Because Soviet dictator Mikhail Gorbachev wants to wrap up the conquest of Afghanistan. He's anxious to consolidate his power over the Soviet empire.

And he wants to prove to the world he is decisive and ruthless.

Gorbachev wants a quick victory. So he has stepped up his air-born genocide—pounding Afghan villages day after day, burning,

maiming and mutilating thousands of terrified people.

His unchallenged air raids even bomb hospitals, killing hundreds of helpless patients.

Ironically, an overwhelming majority of Americans would gladly give the Afghan freedom fighters the weapons they need to protect themselves from this air-born terror.

President Reagan has pledged to send effective weapons and supplies to the Afghan freedom fighters.

And last October, Congress unanimously voted—for the first time ever—to supply effective aid to the freedom fighters.

Then Congress approved the largest budget ever for a covert paramilitary operation—\$280 million.

Those votes came after Free the Eagle asked many of you last September to write and demand effective aid for the Afghan freedom fighters.

Those letters made a difference!

Yet, despite the Reagan administration's official policy, the unanimous vote of Congress and the overwhelming support of the American people...

Neither our State Department nor the Central Intelligence Agency will send workable weapons to the Afghan freedom fighters!

As we've told you in *State of the Nation*, the weapons the CIA sends the freedom fighters—mortars, rifles, mines, machine guns and hand-held missiles—are old and defective.

And 85 percent of the ammo is of the type that won't pierce the armored gunships that at this very moment are burning, killing and maiming the Afghan people.

It's no wonder Soviet air attacks on Afghan villages are so brazen—and deadly.

Day after day, they maim and mutilate innocent Afghans—men, women and children who have no means to protect themselves.

We could cite many more examples...

Examples of how the CIA has failed to supply the Afghan resistance with effective weapons and supplies...

Examples of how the CIA has failed to carry out the mandate for Afghan aid from the Administration, from Congress and from the American people.

Why does the CIA persist in failing to supply the Afghan freedom fighters with effective weapons?

Who's behind this massive—and deadly—blunder?

To find out, Free the Eagle has done some detective work.

With the help of some of our sources, we tracked down and uncovered the specific individual responsible for this.

His name is John McMahon.

He's a deputy director of the CIA—one of the top officials there. And John McMahon has the task of carrying out the administration's Afghan policy.

But for three years, McMahon has pursued his own Afghan policy!

McMahon runs a two-track Afghan program: a program of disinformation and a program of interference.

In secret briefings to congressmen, McMahon has painted a misleading picture of CIA performance in Afghanistan, calling it "outstanding."

Now, perhaps John McMahon thinks he's right. And perhaps he thinks he's doing what's best for America and for the Afghan people.

But the fact is: he's wrong. He's negligent or incompetent, or both.

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WASHINGTON TIMES
6 June 1985

MORNING BULLETIN

Good morning. . . Now that Undersecretary of Commerce for international trade Lionel Olmer has announced his intention to resign June 14, sources close to the CIA say Director William Casey favors Mr. Olmer for the number two CIA post held by John McMahon. Rumors have been circulating in intelligence circles for the past few months that Deputy Director John McMahon will retire at the end of June for personal reasons.

CIA officials dismissed the rumors and said McMahon has no plans to retire. "It's been going on for months," one official said of the rumors. "And he's still here."

Mr. McMahon and Mr. Casey reportedly have clashed over CIA policy. According to Hoover Institution analyst Arnold Beichman, Mr. McMahon scuttled a Casey plan to bring 65 Soviet POWs from Afghanistan for a U.S. press conference and blocked three of Casey's top-level CIA appointments.

Spy trial to begin today for ex-NSA code expert

By Bill Gertz
THE WASHINGTON TIMES

The espionage trial of former National Security Agency code specialist Ronald William Pelton is expected to open today in Baltimore federal court, a case surrounded by secrecy and controversy.

After 14 years as a cryptanalyst specializing in electronic intelligence-collection programs against the Soviet Union, Mr. Pelton, 45, left NSA in July 1979, three months after he filed for bankruptcy and six months before he met with KGB officials for the first time in Washington, court papers say.

Mr. Pelton has pleaded not guilty to charges that he sold NSA secrets to the Soviets between January 1980 and September 1985 for more than \$35,000.

U.S. District Judge Herbert F. Murry, who will preside over today's trial, ruled Friday that Mr. Pelton's statements to FBI agents before his arrest and information obtained from telephone intercepts of the Soviet Embassy can be used as evidence in the case.

Fred Warren Bennett, Mr. Pelton's court-appointed attorney, had argued that FBI agents used "psychological coercion" to obtain statements from Mr. Pelton.

Mr. Bennett also challenged use of a court-approved wiretap of the Soviet Embassy, which picked up a conversation between Mr. Pelton and Soviet KGB officer Vitaly Yurchenko in 1980. Mr. Bennett claimed the wiretap could not be used in court since it was approved for foreign intelligence collection under a 1978 law and was not meant to be used in a criminal investigation.

In an interview, he declined to discuss his strategy in the case or who will be called to testify.

Asked if a plea bargain was possible, Mr. Bennett said, "There will be no change; we're going to trial Monday."

The chief prosecutor in the case, Assistant U.S. Attorney Robert N. McDonald, declined to discuss the case yesterday because of a law prohibiting government officials from commenting on pending cases.

The trial is expected to focus on a top secret 1978 report Mr. Pelton prepared while working for NSA. The document has not been released publicly but was described in court papers as a report "concerning a specific U.S. intelligence-gathering project directed at the Soviet Union."

Mr. Pelton has admitted he told the Soviets about the project and said Soviet intelligence officials were interested in all aspects of the report.

"They got more out of me than I wanted to give up," court papers quote Mr. Pelton as telling FBI agents about his two sessions with the KGB in Vienna, Austria.

The Pelton case is the only espionage case

brought to trial as the result of information supplied by Mr. Yurchenko, who defected last year but later redefected to the Soviet Union. Mr. Yurchenko provided U.S. officials with a tip that led to Mr. Pelton's arrest Nov. 24 at the Annapolis Hilton hotel.

FBI Director William Webster has said information from Mr. Yurchenko has resulted in a number of ongoing espionage probes. But counterintelligence experts say that, based on the CIA's career profile of Mr. Yurchenko, he should have supplied much more detailed information on Soviet spy networks, which would have led to numerous arrests.

So far the only other person known to have been named as a Soviet agent by Mr. Yurchenko is former CIA operative Edward L. Howard, who slipped out the country just hours before FBI agents planned to arrest him.

Mr. Yurchenko shocked the CIA when he bolted a Georgetown restaurant and redefected to the Soviet Union several weeks before Mr. Pelton's arrest.

The Pelton case also set off a storm of controversy over the publication of classified information. CIA Director William J. Casey recently threatened to prosecute The Washington Post if it published NSA secrets Mr. Pelton allegedly passed to the Soviets.

The case also has focused attention on CIA and FBI counterspy shortcomings. According to court papers, Mr. Pelton's first contact with the Soviet Embassy in Washington was made by phone Jan. 14, 1980, and was picked up by intelligence collectors. The next day Mr. Pelton walked into the Soviet Embassy and met with KGB officials for a 3½-hour meeting, the papers say. But the FBI was not alerted to the phone call until after Mr. Yurchenko's defection five years later, an administration source said.

The FBI is in charge of foreign counterintelligence in the United States, while the CIA deals with hostile intelligence recruitments, meetings and penetrations overseas.

CIA counterintelligence apparently failed to spot Mr. Pelton when he traveled to Vienna in 1980 and 1983. On each trip, he spent three to four days in eight-hour debriefing sessions with Soviet intelligence operatives in the apartment of the Soviet ambassador to Austria, court papers state.

One intelligence source said CIA counterespies could have detected Mr. Pelton if an overseas counterintelligence program had been in place. Former CIA Deputy Director John McMahon, who left the agency earlier this year, vetoed the plan as "disruptive" of the CIA, the administration source said.

Court papers released Friday show that one of Mr. Pelton's NSA superiors described him as a "very intelligent" analyst who was also a budget officer — a post that would have provided access to NSA's most secret projects.

ARTICLE APPEARED
ON PAGE 23**INSIDE WASHINGTON****BY NILES LATHEM****Casey protects
the right flank**

CIA Director William Casey has emerged as a key powerhouse in the behind-the-scenes maneuvering over rebuilding President Reagan's team in the wake of the departure of longtime Reagan aides from California.

Insiders say that the CIA spymaster has become "heavily involved" in the negotiations with incoming White House Chief of Staff Donald Regan over staffing the White House and is using his clout with the President as well as his longstanding friendship with Regan to insure that the next Reagan team will carry more conservative credentials than the last.

Administration officials say that Casey is quietly emerging as the keeper of the conservative flame in the Reagan administration in the wake of the departure of Interior Secretary William Clark and Presidential Counsellor Edwin Meese and is pushing his friends, rejecting his enemies and making sure that most candidates for big White House jobs are being "cleared," through him.

Among the moves Casey has made include the pushing of former General Services Administration chief Gerald Carmen as White House political director — although that job may still go to respected 1984 Reagan campaign manager Ed Rollins.

Casey also was an enthusiastic supporter of the switch between Regan and Treasury Secretary-designate James Baker, and many officials believe that the dramatic changeover would have never occurred without his support.

Casey's personal distaste for Baker and opposition to some of the White House positions during the last four years were well publicized.

The involvement of a CIA director in political planning and White House personnel is unprecedented in U.S. history.

In the past, CIA chiefs have been strictly apolitical and virtually shunned by White House staffers and presidents.

But Casey, the Long Island lawyer who masterminded Reagan's first campaign and who is one of five original Cabinet members left, carries political skills that Reagan deeply admires, say insiders.

Officials believe that as a result of his influence with the president and his friendship with Regan, Casey will emerge as a dominant voice in the shaping of U.S. foreign policy in the second Reagan term.

DESPITE Casey's insistence on appointing conservatives at the White House, he is currently involved in

a bitter feud with the right wing of the GOP over a key personnel decision in his own shop at Langley.

Insiders say that the CIA's Deputy Director John McMahon is planning to resign soon for a job in private business.

Casey's top choices to replace McMahon are Lionel Olmer, a former Regan deputy at the Treasury Dept., and Robert Gates, now in charge of CIA estimates.

But conservative groups are outraged by these choices — especially Gates, who is considered to be a close associate of David Aaron, a former adviser to Walter Mondale and Deputy National Security Council adviser in the Carter administration.

They are pushing Gen. Paul Gorman, the controversial and outgoing commander of the U.S. Southern Command in Panama, but are expected to be rebuffed.

Inside Washington

No. 2 CIA Post May Be Up for Grabs

There are increasing reports that John McMahon, deputy director of the Central Intelligence Agency, will be leaving for a job in the private sector, with fundamental improvements in our intelligence capabilities still to be realized. Observers are disheartened, however, by two names apparently being considered by CIA Director William Casey as McMahon's replacement: Lionel Olmer and Robert



CASEY

Gates. HUMAN EVENTS has previously reported on strong opposition to Olmer. Gates, who is presently in charge of estimates at CIA, is a former close associate of David Aaron, foreign policy adviser to former Vice President Walter Mondale.

Gates served in the Carter White House as a key policy aide and was a favorite of then DCI Stansfield Turner. Gates was a strong supporter of SALT II and has generally taken a soft-line view of Soviet aggressions around the world. Many believe that Gates retains close ties to the left-liberal Democrats and is, in fact, a potential DCI in a future Democratic administration. Conservative observers on Capitol Hill and elsewhere believe his appointment as deputy director would be harmful to Reagan Administration policies.

Conservatives wish that Casey would take a closer look at seasoned Gen. Paul Gorman, soon to leave as commander of the U.S. Southern Command in the Panama Canal, who has done a superb job in the critical Central American region. He has seen firsthand the need for a strong American intelligence capability, and his no-nonsense approach to bench-warmers' and handwringers could be a breath of fresh air at the bureaucratically hidebound CIA.

Another name being mentioned is Kenneth DeGraffenreid, the intelligence director on the NSC staff who was brought in by Richard Allen when he was national security adviser. DeGraffenreid has established a reputation as a knowledgeable, discreet, hard-working professional with unquestioned loyalty to the Reagan agenda.

The Director: Running The C.I.A.

By Joseph Lelyveld

FOR THE CENTRAL Intelligence Agency and its frequently embattled leader, William J. Casey, the start of the second Reagan Administration is more than just the halfway mark in a marathon: Ronald Reagan is the first President in 12 years to take the oath of office for a second time, but it has been 16 years since a head of the American intelligence community last managed to continue in office from one Presidential term to the next. On the previous occasion, in 1969, Richard M. Nixon reluctantly gave in to an argument that he should retain Richard M. Helms as Director of Central Intelligence in order to safeguard the nonpartisan character of the office. There have been five directors since, and Casey — whom no one has ever called nonpartisan — has now survived longest of them all.

This can be regarded as a footnote, a fluke, or an indication that the C.I.A. has essentially weathered the investigations and strictures of the 1970's, that it has recovered much of its old effectiveness and mystique. The present director, who would natu-

Joseph Lelyveld is a staff writer for this magazine.

rally favor the latter interpretation, has tried to function as if it were so, casting himself in the mold of Allen W. Dulles and John A. McCone, who flourished in the 1950's and early 60's, before serious questions had been raised, on either moral or pragmatic grounds, about covert action on a global scale. Like them, rather than like his immediate predecessors, he has been recognized in Washington and beyond for having ready access to the President. Like them, he has not hesitated to make his voice heard at the White House on policy matters as distinct from intelligence evaluations. (Indeed, he might even be said to have surpassed them in this respect, for, serving a President who values the Cabinet as a forum, he has managed to become the first Director of Central Intelligence ever to sit at the table as a participating Cabinet member.) And like Dulles in particular — fondly known to his subordinates as "the great white case officer" because of his consuming passion for espionage and related games — Mr. Casey is believed to have immersed himself deeply in the day-to-day management of clandestine operations.

Yet for an assortment of reasons — some personal, others having to do with changing times and changed expectations of a director — no one would suggest that official Washington has learned to view William Casey

reliving his youth.

Conservative members, who can be nearly as harsh, tend to portray him as the opposite of an activist director: that is, as a captive of a Langley bureaucracy whose major objective, it is alleged, is to shield itself from controversy. The two images overlap, in that neither takes him very seriously as an effective Director of Central Intelligence or an influence on policy, either broadly on matters of national security or narrowly on matters specific to the intelligence community.

What is involved here is more than a clash of perceptions about Casey. It is also a clash of perceptions about what a Director of Central Intelligence should be and, beyond that, about how ready the United States should be to intervene secretly — politically and, especially, militarily — in the affairs of other countries. On both sides — those who think this director is too active and those who think he is not nearly active enough — there is a tendency to forget the fundamental insight that emerged from the investigations of the 1970's: that all directors, finally, are creatures of the Presidents they serve. If Presidents hear intelligence about the world that conflicts with what they would rather believe, they have the option of setting it aside. But no director can ignore the President's goals. The different ways directors interpret their jobs reflect differences among the Presidents who picked them.

11 January 1985

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Volatile Spy Chief

Casey Raises Morale And Budget at CIA, But Not Public Image

Stumbling on Covert Action Obscures Higher Quality Of Intelligence Analyses

The Nine Mexico Revisions

By DAVID IGNATIUS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Some years ago, William Casey wanted to buy a fancy house here that had already been promised to the Japanese embassy. The owner, a genteel society woman, worried about what she would say to the Japanese.

"Tell them," Mr. Casey replied, "Remember Pearl Harbor." The brash Mr. Casey didn't get the house.

That anecdote, told by one of Mr. Casey's close friends, illustrates the volatile personality of the current director of central intelligence. He is quick-witted and aggressive, but he is also impulsive, with an arrogant streak that often gets him in trouble.

As CIA director, Mr. Casey has demonstrated that same mix of good and bad traits, of smart decisions and dumb ones. He arrived four years ago hoping to restore the agency's morale, budget and public image after a damaging decade. He has done well on the first two goals, reviving enthusiasm at the CIA and giving it probably the largest proportionate budget growth of any agency. But he has failed to improve the CIA's image with Congress and the public—and may even have made it worse—largely because of his own mistakes.

Mr. Casey slipped on the banana peel of "covert action"—specifically the CIA's "covert" war against the government of Nicaragua. He plunged ahead, despite warnings from his own aides that the program couldn't be kept secret and would blow up in the CIA's face. When those pre-

dictions came true, Mr. Casey made things worse by mishandling his already strained relationship with Congress.

"What Bill did wrong was to let the agency get back into large-scale covert action, which isn't covert action at all, but an unofficial form of warfare," argues Sen. Daniel P. Moynihan, a former member of the Senate Intelligence Committee and one of Mr. Casey's sharpest critics.

A leading member of the House Intelligence Committee sums up the balance sheet this way: "Mr. Casey deserves credit for improving morale at the agency. But he has focused the agency on the wrong thing—covert action. And I don't have any doubt that the image of the CIA today is as bad as it's been in recent years in Congress, and probably the country."

Irreverent New Yorker

Mr. Casey, a New Yorker who is irreverent toward official Washington, isn't wild about Congress, either. Exasperated by what he viewed as unfair congressional criticism, he joked to a friend recently: "The best thing about Washington is that it's only an hour from New York." Though he remains wary of Congress, aides say he now is trying hard to improve relations.

For all his failings, the cantankerous Mr. Casey is a colorful personality in a generally gray administration. He is a compulsive reader who races through several books in an evening. He has an Irishman's temper, with strong loyalties to his friends and long grudges against his enemies. And he is a notorious mumbler, who talks in gruff fragments of sentences that are often unintelligible.

"Casey gives the impression, because he mumbles, that he has a messy mind," says former CIA director Richard Helms. "But he doesn't have a messy mind at all. He has a tidy mind. And he has the street smarts of a lot of New Yorkers."

OSS and SEC

A CIA colleague once described Mr. Casey, only half in jest, as "an American colossus." He is certainly an American success story, a self-made millionaire who got where he is by hustling, playing politics and taking risks. As a young lawyer, he joined the wartime Office of Strategic Services and ran spies into Europe. Later, he made a fortune as a tax lawyer by publishing books about tax laws. Still later, he was chairman of the Nixon-era Securities and Exchange Commission. Finally, he managed President Reagan's 1980 presidential campaign.

Mr. Casey brought the same hard-charging, risk-taking style to the CIA, and it caused him problems. The agency, still struggling to recover from the traumas of the 1970s, was in many ways a frightened and self-protective institution when he arrived. It wanted public and congressional

support, and that meant avoiding controversies. Mr. Casey, in contrast, wanted to mobilize the agency and test the limits of its congressional mandate.

The new director plunged into his job with boyish enthusiasm—zapping off daily suggestions to CIA analysts, touring CIA stations overseas, and taking a personal hand in planning covert-action programs. In his eagerness to revive the agency, remarked one colleague, Mr. Casey sometimes acted "like a first-year case officer."

His greatest successes at the CIA have probably been in improving the analytical side of the agency, known as the directorate of intelligence. He told one friend in 1981 that he knew how to produce good intelligence estimates because he had earned a fortune doing the same thing in his tax guides—taking complex data and putting it into concise and readable form.

Mr. Casey started by reorganizing the intelligence directorate along mainly geographical lines, so that analysts studying the Soviet economy and the Soviet leadership worked in the same section rather than different ones. He increased the quantity and, by most accounts, the quality of CIA reports. And he installed Robert Gates, a widely respected young CIA officer, as deputy director for intelligence.

Some of the analytical reforms were simple. The CIA had never bothered, for example, to keep files of each analyst's work, so it was impossible to assess whether an analyst's predictions tended, over time, to be accurate. Mr. Casey and Mr. Gates started keeping files.

The CIA still makes too many mistakes. It correctly forecast some major events in Lebanon, from the Israeli invasion in 1982 to Syria's later intransigence, but it failed to provide specific warnings about the bombs that destroyed the American Embassy and Marine headquarters in Beirut in 1983. It correctly forecast that Yuri Andropov would succeed Leonid Brezhnev as Soviet leader, but it failed to predict the later succession of Konstantin Chernenko.

Trying Harder

Under Mr. Casey and Mr. Gates, analysts are at least trying harder. The intelligence community produced 75 interagency estimates in 1983, compared with about 12 in 1980, and the agency embarked on about 800 long-term research projects, studying everything from likely Soviet weapons in the year 2000 to the history of Shiite Islam in the 12th century.



William Casey

3 December 1984

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CASEY REPORTEDLY OK'D NICARAGUAN PSY-WAR PROGRAM
ROBERT PARRY
WASHINGTON

The decision to hire a psychological warfare expert manual for Nicaraguan rebels emerged from a mid-1983 meeting of officials, including Director William J. Casey, according to officials.

But the officials said the initial decision by senior officers is not examined in a still-secret CIA inspector general's report that recommended disciplining six mid-level agency officials, some of whom claimed they were being made "scapegoats."

The government officials also said that investigations into the manual have found no evidence that Casey or other top CIA officers specifically ordered that a booklet be written or knew about its advice on the "selective use of violence" to "neutralize" Nicaraguan government officials.

The officials spoke only on condition that they not be identified by name.

But one official said some of the punished CIA officials contend the manual reflected a "command-and-control problem" and that some blame should fall on the "people who recruited (the expert) and dispatched him" without adequate guidance.

According to that view, the decision to conduct a psychological warfare program represented a poorly designed, high-level order given to an overzealous operative to carry out, the official said.

The inspector general's report, however, concluded that mid-level officials were to blame for failing to properly supervise the psychological warfare expert, known by his pseudonym John Kirkpatrick, and production of the 90-page manual, entitled "Psychological Operations in Guerrilla War."

After being recruited during the summer of 1983, Kirkpatrick wrote the manual in October of last year. Besides the "neutralize" section, the original version called for hiring professional criminals to carry out "selective jobs,"

creating a "martyr" for the cause, and coercing Nicaraguans into carrying out rebel assignments.

The House Intelligence Committee has scheduled a hearing Tuesday on whether the manual violated a presidential executive order barring U.S. involvement in assassinations or a 1982 law prohibiting the CIA from trying to overthrow the leftist Nicaraguan government.

Four government officials, who discussed the steps that led up to Kirkpatrick's hiring, said the decision came out of a June 1983 meeting in Tegucigalpa, Honduras.

The officials said the meeting, chaired by Casey, also involved deputy director John McMahon; Duane Clarridge, then head of the CIA's Latin American Division; and senior officials of the agency's International Affairs Division, which oversees paramilitary operations.

None of the high-level officials reportedly involved in the decision to hire a psychological warfare expert was disciplined, and CIA spokesman George Lauder said none of them would comment publicly on the manual.

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Too often, we have seen the enemy's technology and it is ours.

Moscow's Technology Parasites

BY EDGAR ULSAMER
SENIOR EDITOR (POLICY & TECHNOLOGY)

THE MOST productive, booming Soviet industry bends no metal and engages in only one kind of engineering, "reverse engineering," meaning the art of figuring out how somebody else's weapon systems are being produced and integrated. The sole function of this "industry" is the systematic, no-holds-barred acquisition of US and other free-world technologies with direct or indirect military application. Orchestrated by the Kremlin's all-powerful Politburo, this massive, parasitic dragnet employs untold thousands of Soviet and other East European agents, hundreds of ostensibly legitimate business fronts, and hordes of Western collaborators whose commitment to the profit motive is not swayed by laws, loyalties, or even logic.

Sen. William Proxmire (D-Wis.), hardly an alarmist on defense matters, thundered at a recent Senate committee hearing that "I will not quietly accept a situation in which we spend tens of billions [of dollars] to develop critical technologies and then, through feeble export controls, allow the Soviets to obtain these technologies for next to nothing." Sen. William L. Armstrong (R-Colo.) was also dead serious when he complained that the US economy is "groaning under the strain of financing two military budgets—our own and a significant portion of the Soviet Union's."

The bitter irony, according to senior intelligence and other government experts, is that major portions of US defense spending are required just to offset Soviet weapons made possible by US technological breakthroughs. The CIA's Deputy Director, John N. McMahon, bemoans the demoralizing effect on the US intelligence community "when we spend a lot of our effort to find out about Soviet weapon systems [only to discover that they are actually] ours."

The purloining of Western technology is deeply rooted in Soviet doctrine and history. Vladimir Ilyich Lenin bragged with considerable prescience more than sixty years ago that "the capitalists . . . and their govern-

ments will shut their eyes to the kind of activities on our side . . . and will in this manner become not only deaf mutes but blind as well. They will open credits for us. . . . They will supply us with the materials and technology which we need for our future victorious attacks upon our suppliers. In other words, they will work hard in order to prepare their own suicide."

CIA analyses stress that Moscow's piracy of Western technology started to mushroom in the years immediately following World War II, when the Soviets stole Western nuclear secrets that led to the development of their own nuclear weapons. At about the same time, the Soviets copied a US bomber in its entirety and put it into production as their Tu-4. The pattern has remained the same since then: To achieve major improvements in their military capabilities quickly, they resort to a combination of espionage, stealing, and copying Western systems.

A \$100 Billion Heist

Conservative estimates presented to Congress indicate that what is euphemistically called "technology transfer," meaning the overt and covert hemorrhage of Western technology to the Soviet Union, has demonstrably saved the Kremlin far in excess of \$100 billion in military research and development costs. According to the CIA, the acquisition of these technologies is well-organized, highly centralized, and under the direct supervision of the highest organs of the party and the state, including the Politburo of the Communist Party and the Council of Ministers. The CIA's congressional testimony suggests that primary control over technology acquisition and exploitation rests with the VPK, the Soviet Military Industrial Commission. This organization—which has been around in one form or another since the 1930s—is meant to ensure that the Soviet military gets the resources it needs.

In the late 1960s, the VPK mounted a steadily growing
Continued

24 November 1984

Possible CIA Choice Disturbs Conservatives

Informed intelligence sources tell HUMAN EVENTS they're concerned that William Casey will make a bad mistake if he appoints Lionel Olmer, now Under Secretary of Commerce, as Deputy Director of Central Intelligence. The current deputy director, John McMahon, is expected to leave shortly. This report, not taken seriously when the New York Times first surfaced it, has been given further credence since CIA Director Casey himself has favorably mentioned Olmer for the job. Olmer, however, is not looked upon kindly by hardliners. They say that he has undermined them on strategic trade issues with the Soviets and has taken an increasingly soft line towards the Kremlin.



OLMER

How the leaders of a lunatic fringe won access to Administration officials, and with it, respect

THE LAROUCHE CONNECTION

BY DENNIS KING AND RONALD RADOSH

OVER THE PAST YEAR, innumerable television viewers have tuned into Lyndon H. LaRouche Jr.'s paid political speeches on national TV and have watched the 62-year-old multimillionaire waging his Presidential campaign, the main themes of which are support for the Reagan Administration's "star wars" policy and attacks on Walter Mondale and Henry Kissinger as "Soviet agents of influence." Many bemused viewers may also recall brief encounters, through the years, with LaRouche's followers at major airports across the nation, where they attract customers for their pamphlets and magazines by displaying posters such as "Feed Jane Fonda to the Whales."

The fanatical worldview underlying LaRouche's public activities is well known in Washington, and he has been roundly denounced by organizations and media outlets as diverse as the A.F.L.-C.I.O., the Heritage Foundation, *The New York Times*, and the *National Review*. The Anti-Defamation League of B'nai B'rith has accused him of "the injection of anti-Semitic poison into the American political bloodstream." Yet over the past four years, this same LaRouche and his followers have gained repeated access to a wide range of Administration officials—including high-level aides at the National Security Council and the Central Intelligence Agency—who have found LaRouche as useful in supplying information and promoting their policies as LaRouche has found them in legitimizing his cause.

The basis of LaRouche's effort is his cadre organization, the National Caucus of Labor Committees (N.C.L.C.), which controls assorted front groups and enjoys close ties

to the Ku Klux Klan. The most visible arms are the Fusion Energy Foundation (F.E.F.), which promotes nuclear power and beam weapons, and the National Democratic Policy Committee (N.D.P.C.), an electoral machine on the fringes of the Democratic Party. The N.D.P.C. backed LaRouche for President in the recent primaries and is now supporting his campaign as an independent. In addition, LaRouche and his followers operate an international "press service" which publishes the weekly *Executive Intelligence Review* (EIR) (subscription price, \$399 per year) and has provided freelance intelligence reports for many foreign governments, including the Republic of South Africa.

As soon as Ronald Reagan took office, LaRouche's well-educated, articulate followers fanned out to various executive departments and to the offices of leading Republican Congressional figures. The LaRouchians, as they are commonly called, presented themselves as ardent supporters of Administration policies and testified at confirmation hearings in favor of

key Reagan appointees. In Reagan's first year, they obtained direct access to many high-level persons, and the EIR printed edited transcripts of what were described as interviews—or, in some cases, "exclusive" interviews—with Agriculture Secretary John Block, Defense Undersecretary Richard DeLauer, Commerce Undersecretary Lionel Olmer, then Treasury Undersecretary Norman Ture, Assistant (now Associate) Attorney General Lowell Jensen, and Senator John Tower, chairman of the Senate Armed Services Committee. In addition, LaRouche himself managed to get on the invitation list for a March 26, 1981, breakfast meeting with Interior Secretary James Watt; and two of his aides breakfasted with Watt the following week.

According to former LaRouchians, one of the people the N.C.L.C. attempted to cultivate was Labor Secretary Raymond Donovan. In 1982, when allegations about illegal activities involving Donovan's Schiavone Construction Company and organized crime were under probe by fed-



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WASHINGTON TIMES
 8 November 1984

ARNOLD BEICHMAN

What next for Jeane?

Amidst all the rejoicing over President Reagan's re-election, I would like to introduce another, somber even querulous note.

What's going to happen to that great lady who has graced the Reagan administration for the

last four years, Dr. Jeane Kirkpatrick?

As the U.S. ambassador to the United Nations, she fought the Soviet Union and its surrogates with a moral dedication not seen since the days of Daniel Patrick Moynihan, who held the same post until he was fired by President Gerald Ford and Secretary of State Henry Kissinger.

What will be Jeane Kirkpatrick's reward in the next four years?

Exile? That is, back to the U.S. mission at the United Nations? She has told friends she will not accept that assignment again. Enough is enough.

Arnold Beichman, a visiting scholar at the Hoover Institution, has covered the United Nations as a foreign correspondent.

Well, how about National Security Adviser to the president in the event the incumbent, Robert McFarlane, leaves for another administration post? Not a chance. Secretary of State George Shultz would probably resign rather than see Jeane Kirkpatrick take a job so close to the presidential ear.

How about secretary of state? Great idea, but Mr. Shultz isn't resigning.

How about director of Central Intelligence, the post now held by William J. Casey? Fine, but Mr. Casey isn't resigning.

Neither President Reagan has a lot of confidence in Mr. Casey. It will also be Mr. Casey's opportunity in the next four years to see if he can overwhelm the CIA

bucaucracy, which has hamstringing the agency in fulfilling presidential directives. It is even possible that the CIA No. 2 man, John McVane, may retire in due course.

Anyway, CIA is out. State is out. The NSC post is out. What's left?

Replace Secretary of Labor Ray Donovan in the second Reagan administration? Not a chance.

So here is Jeane Kirkpatrick, who has fought the good fight for the president and for America, with no place to go except back to academic life, which is where she came from. It's not a bad life for her, but how about her admirers, those like me, who think that for Jeane Kirkpatrick to be forced out of the administration would be America's loss?

Right now, she is part of a triumvirate headed by Defense Secretary Weinberger, and including CIA

Director Casey, which is unyielding in its opposition to making any kind of deal with Daniel Ortega's Marxist-Leninist dictatorship over Nicaragua. Opposing the Weinberger-Casey-Kirkpatrick troika reportedly are Secretary of State Shultz, Robert McFarlane, and Langhorne Motley, assistant secretary of state for Latin America, who keeps coming up with "draft treaties" one after another for Nicaragua.

For anyone who follows the struggle for power in Washington, at the core of which is always a struggle for the soul of the president, the departure of Jeane Kirkpatrick would be a triumph for

those who want President Reagan to confine his comments about "evil empires" only to South Africa and Chile and to be kind to the Soviets.

The next four years will be among the most critical in the nation's history, because Soviet power and audacity is growing, while its economy approaches what would appear to be a disastrous climax. President Reagan will need all the help he can get, and he has no more loyal friend and admirer than the lady who is made of the same stuff as Margaret Thatcher.

The country and, indeed, the Free World can't afford to lose Jeane Kirkpatrick. It's up to President Reagan.

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ON PAGE A-14

WASHINGTON POST
2 November 1984

CIA Confirms Officials Met With LaRouche

United Press International

Lyndon LaRouche, a conservative politician who says former secretary of state Henry Kissinger and Queen Elizabeth are part of an international conspiracy, has met with top CIA officials, apparently on matters of national security, the agency acknowledged yesterday.

A spokeswoman was commenting on a report in the *The New Republic* magazine, a weekly journal published in Washington, that LaRouche has had repeated access to high-level officials in the administration, particularly in the CIA.

The magazine said LaRouche met personally with Adm. Bobby Ray Inman when he was deputy director of the CIA and with Inman's successor, John McMahon, to discuss intelligence matters. These meetings took place at the CIA's tightly restricted headquarters in Langley, according to CIA officials.

CIA spokeswoman Kathy Pherson said, "We have an obligation to talk to U.S. citizens who travel abroad and who believe they have information of national security value to offer.

"I believe that [LaRouche] did meet with Mr. Inman once, and he met with aides to John McMahon once and both times at his initiation."

LaRouche, who claims that Kissinger, Queen Elizabeth and the Soviet KGB are plotting to take over the world, is running as an independent for president. He has attacked Walter Mondale as "a conscious agent of Soviet influence."

The magazine also reported in its Nov. 19 edition, published yesterday, that LaRouche and his organization played a significant role in promoting the administration's "Star Wars" plan for ballistic missile defense.

The magazine said LaRouche aides met often with Dr. Ray Pollock during 1982-83 when Pollock, as director of defense programs at the National Security Council, was working on the policy underlying Reagan's speech on "Star Wars" space weaponry.

Deputy White House press secretary Peter Roussel said Wednesday, "We're not aware of any such activity going on."

The LaRouche campaign said Wednesday the article "is rife with egregious errors of fact."