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OCA 95-2160
31 July 1995

MEMORANDUM FOR: Executive Director
DCI Chief of Staff

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VIA: Director of Congressional Affairs

FROM:
Deputy Director for Legislation
Office of Congressional Affairs

SUBJECT: Update on Chairman Leach Inquiries

1. Attached is a memo on last week's briefing of Chairman Jim Leach, House Banking Committee, by CIA and NSA IG and Congressional Affairs officers. As Chairman Leach's letters to the DCI reflect, the Committee is looking at numerous allegations of illegal activities at and around Mena, Arkansas. Chairman Leach was very cordial at the briefing and indicated that he knew most of the allegations were outrageous, but that he wanted to say that the Committee has looked into these allegations and found them to be baseless. (The worst of these allegations, credited to a CIA source in a magazine called Media Bypass, is that the CIA discovered that Vince Foster was a spy for the Israelis, and used a Cray supercomputer at CIA Headquarters to surreptitiously drain \$2.73 million from Foster's secret Swiss account. The article goes on to speculate that Foster committed suicide because he discovered his account had been drained.) He stated that his major concern is the impact these types of allegations have on public confidence in the international and domestic financial systems.

2. Chairman Leach read from a list of questions that his assistant staff director, James McCormick, provided to us after the briefing (attached). The briefers indicated that we could not answer all of these questions conclusively, and Chairman Leach asked for some limited follow-up searches.



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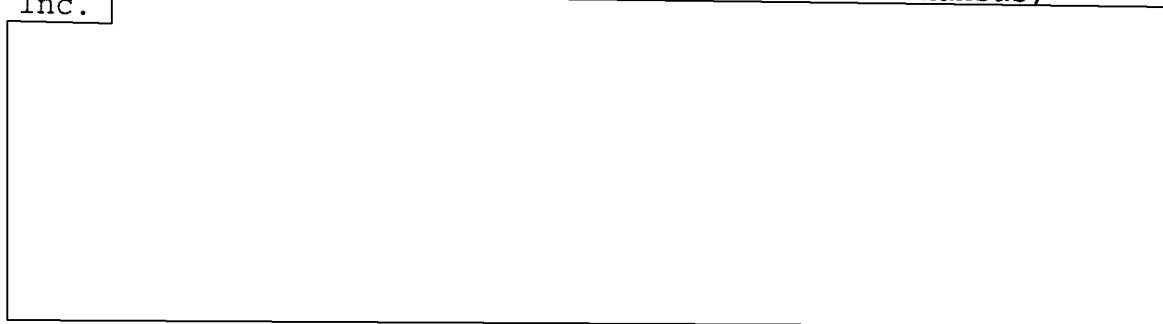
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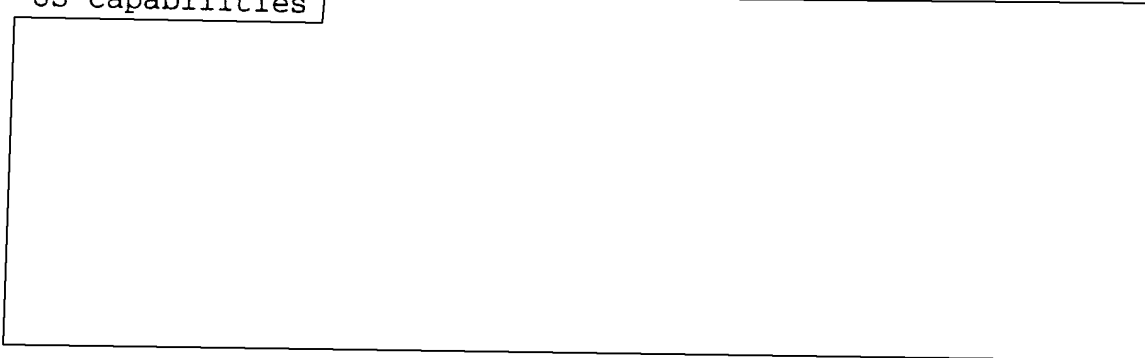
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SUBJECT: Update on Chairman Leach Inquiries

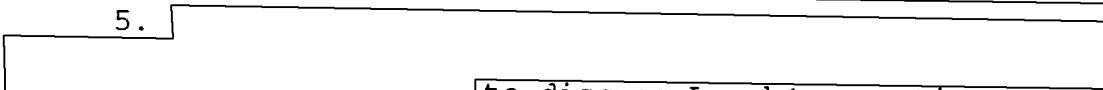
3. Traces that we could complete before the briefing found no record of contact with Systematics of Arkansas, Inc.



4. Chairman Leach indicated great interest in current US capabilities



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to discuss Leach's questions on current capabilities. We propose to discuss Chairman Leach's inquiry with HPSCI staff prior to meeting again with Chairman Leach. I have spoken twice with James McCormick, Assistant Staff Director for Chairman Leach, about our continuing efforts to answer the Chairman's questions and told him we will have more information shortly. He expressed appreciation for the briefing and follow up, and indicated the Chairman will soon forward McCormick's MFR of the briefing with a request for concurrence and any additional information.



Attachments

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With the Congress

07/25/95

Briefing for Representative Leach (R-IA) on Allegations of [redacted] n the Late 1980s

On 21 July, Chairman James Leach, Committee on Banking and Financial Services, and staffer Jamie McCormick, received a briefing, at Leach's written request to the DCI, on allegations of [redacted] in Arkansas in the late 1980s. Leach based his request for the briefing on reports that have appeared in the press that refer to secret foreign bank accounts held by prominent people in Mena, Arkansas, [redacted] and an Arkansas-centered network of banks formed to [redacted] CIA's Office of Inspector General, and [redacted] Office of Congressional Affairs, along with Frank Newton, NSA's Inspector General, responded to Leach's questions regarding each Agency's current knowledge on involvement with any of the alleged allegations contained in his letter. Newton responded [redacted] to all of the questions posed in the incoming letter, but did, however, provide a brief broadbrush background on how NSA conducts its normal daily activities [redacted]. [redacted] said that a thorough search had been conducted by CIA, and thus far very little information had been found to be responsive to the exact allegations contained in the letter. [redacted] however, did say that the Agency was aware of Barry Seal, but had no relationship with him nor any records regarding his activities in Mena. As for PROMIS, that issue had been looked at in-depth by both SSCI and the House Judiciary Committee in 1991 and 1993. The conclusion then and still is that the Agency never purchased any INSLAW/PROMIS software. Chairman Leach was informed that we had not found any records related to Systematics of Arkansas, a banking software firm [redacted]

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Leach, after listening to the responses to his earlier questions, proceeded to ask approximately 45 other questions regarding the issue, basically repeating many of the issues already addressed. Leach said he had talked to a lot of people regarding this issue, but he emphasized that he was aware that most of the allegations were false. Leach also said that he has concluded that some allegations may be credible, some totally unbelievable, but as information goes out to the American public in non-traditional ways, it becomes more believable. He has an obligation to look into the matter on behalf of the Committee, and asked us to inform the DCI and DIRNSA that he may hold hearing on these allegations in the fall. (U)

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Follow Up Actions: Provide McCormick with a copy of SSCI letter regarding PROMIS.

[] OCA/LiaisonGrp []

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