A Fund to Finance Spook Suits

David Phillips has decided it's time for spies to come in from the cold—and apply some legal heat to their media accusers.

Phillips, for years the agency's Latin American operations chief, has set up an organization called Challenge to underwrite suits against the critics. Fundraising letters describe Challenge as "an intelligence officers' legal action" fund.

One of the first suits being considered, Phillips



Phillips: Wants action.

BY CRAIG UNGER AND SHARON CHURCHER

said, is a class action on behalf of CIA agents against Covert Action Information Bulletin, the Washington-based publication that specializes in naming the agency's overseas personnel.

"A prominent Washington lawyer has assured me this is feasible," said Phillips, who helped found the Association of Former Intelligence Officers when he left the CIA in 1975.

He said Challenge-supported litigants who win money in court will reimburse the fund for costs.

At least one potential Challenge target said he looks forward to a courthouse encounter. "Challenge is a CIA front, and if they take us to court, this'll open the agency up to discovery motions it's never had to face before," said writer Donald Freed, who recently accused Phillips of taking part in a cover-up of alleged CIA involvement in the 1976 assassination in Washington of former Chilean foreign minister Orlando Letelier.

NEW YORK/DECEMBER 22, 1980

Photographs: top, UPI; bottom, Wide World, Illustration: Chicago Tribune-New York News Syndicate, Inc.