

CIA Reported BCCI Allegation Five Years Ago, Sources Say

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The Central Intelligence Agency provided federal law enforcement agencies five years ago with a classified report about the Bank of Credit and Commerce International that included allegations of illegal drug and money laundering activities, congressional and administration sources said yesterday.

The five-page report outlined the agency's knowledge of the international bank's origins, owners and activities, the sources said. But the customs official who was supervising an investigation into alleged BCCI money laundering said in an interview the report was not relevant to that probe and received little attention at the time.

Questions about the federal government's prior knowledge of BCCI activities have surfaced in recent weeks amid new allegations that the CIA used the bank for intelligence operations and secret weapons deals. CIA director William Webster this week ordered a review of any past contacts the agency "may have had" with BCCI.

Sen. John Kerry (D-Mass.), chairman of the Senate subcommittee on narcotics and international terrorism,

which first investigated BCCI three years ago, charged that the Justice Department failed to pursue information about the bank that had been provided by his panel and other sources, including the CIA.

CIA spokesman Mark Mansfield said yesterday that the agency had responded to a request from Kerry for the information it had about BCCI and what the CIA provided to other government agencies. A Kerry aide declined to comment on the CIA's response, saying that the subcommittee intends to hold hearings next week.

According to a federal official, the CIA first prepared a report on BCCI in 1986 and sent it to other government agencies, including the Justice Department and the Customs Service. Former Customs Commissioner William von Raab has said in many interviews that Robert Gates, then deputy CIA director and recently nominated by President Bush to head the agency, told him in 1988 that BCCI was known as "the bank of crooks and criminals."

The official said the report was not written by Gates and did not contain that phrase. He said the report was updated in 1989 after BCCI was charged in a federal indictment in

See BCCI, F6, Col. 6

CIA Reported BCCI Allegations

BCCI, From F1

Tampa, Fla., with laundering money for drug traffickers.

Bonnie Tischler, the customs official who oversaw the money laundering probe, said yesterday she recalled seeing CIA material about BCCI prior to the indictments, but it made little difference to her probe. "It was nothing that had any tactical significance," she said.