

# Intelligence Adviser and 'The

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By Laurence Stern  
Washington Post Staff Writer

Leo Cherne, one of President Ford's chief intelligence advisers, is a central figure in a Justice Department national security investigation that is being described by federal officials as "the green book affair."

The green book is a government note pad in which a staff aide to Cherne recorded briefings with diplomatic and intelligence officers during a trip to Europe in March 1975.

Cherne is chairman of the President's Foreign Intelligence Advisory Board and a member of the newly

formed three-member Intelligence Oversight Board.

The notebook, officially described as having contained "classified information . . . injurious to the national security of the United States," disappeared immediately after Cherne and his aide, Cmdr. Lionel H. Olmer, returned from the European trip.

Here the plot thickens. Olmer, an intelligence officer during his entire 19-year naval career, says he has no idea how the little green notebook got out of his possession. He is described by associates as an extremely meticulous professional experienced in the handling of classified material.

Within several hours after his arrival at his Rockville, Md., home, he called Wheaton Byers, executive secretary of the Foreign Intelligence Advisory Board and advised him of the notebook's disappearance, he said yesterday. An investigation was conducted and the notebook was presumed lost when the aircraft cabin was cleaned.

The mystery was solved—to the greater consternation of Cherne and Olmer—on July 24, 1975, when the intelligence adviser received a telephone call from Michael James Casey of Los Angeles.

"He said, 'I have your notebook,'"

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## Green Book Affair'

Cherne recounted yesterday in describing what he called a "14-month ordeal."

It was during this and subsequent telephone conversations that Cherne learned that Casey had served two years at Soledad prison near San Francisco. Casey further explained that he had recovered the notebook from sympathizers of Patricia Hearst, who was then at large.

Casey contended that the finders of the notebook had hoped that it "might be exchanged for considerations in their behalf and I told him that I wouldn't do it even if I could," Cherne said.

Casey, in a telephone interview from Omaha, where he was acquitted yesterday of a "felonious entry" charge, insisted: "I was not trying to burn Cherne. I told him how I got the book and the interest of the people who had found it."

Casey is a 32-year-old Californian who prides himself on his work in resettlement of Vietnamese refugees, who sought to appear as a witness in behalf of Hearst at her trial on charges of bank robbery, and who wound up, in an ironic turn of the story, working briefly for the Interna-

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tional Rescue Committee of which Cherne was chairman of the board.

Early last year Casey persuaded the Los Angeles Times to send him and two staff reporters to Hong Kong at a reported cost of \$15,000 for a promised rendezvous with Hearst. The newspaper subsequently described the episode as a hoax. Casey acknowledged that the Hearst trip "bummed out."

Casey's career also encompassed a nine-month period as director of special projects for Boys Town, the Nebraska community started by Father Flanagan, from which he was fired in a dispute with the administration over the alleged theft of 31 files for an MGM television production. ("One of my jobs," he said, "was to get them publicity.")

When Cherne found out who had turned up with his notebook, he notified the intelligence staff and was advised "to play it down and not make it appear to be important." The initial judgment was that the loss was not of great security significance.

Cherne maintains that he first learned that Casey was employed in the Los Angeles office of the Inter-

national Rescue Committee as a consultant during an Aug. 22, 1975, phone conversation with him. "I said, 'I don't think terribly much about your association with IRC and when I decide finally, I'll ask for your resignation.'"

The green notebook was returned on Aug. 26, 1975, and Cherne turned it over to the intelligence staff. Three weeks later he called Casey and asked for his resignation. "He submitted cheerfully, always cheerfully," Cherne reminisced.

On Sept. 22 Casey sent a Mailgram to the presiding judge in the Herst case, Oliver J. Carter, in the name of the IRC.

"We prayfully request that Patricia Herst be admitted to bail," the telegram read. "Please consider that Patty Herst was directly and indirectly responsible for the safe evacuation of 390 men, women and children without regard to her own safety during the last week of April, 1975, at Saigon, South Vietnam."

The telegram was immediately repudiated by the IRC on Cherne's instructions.

In February of this year Cherne was appointed to the Intelligence

Oversight Board by President Ford and also named chairman of the Foreign Intelligence Advisory Board, a position to which he commutes from New York an average of two times a week. His offices here are in the Executive Office Building.

In March, a reporter for the San Diego Evening Tribune, Robert Dietrich, called Cherne, explaining that Casey had showed him the contents of the notebook.

The notebook, according to informed sources, contained notes on briefings with embassy and Central Intelligence Agency officials about a number of issues, including reactions to news stories about the CIA, the impact of the massive flow of petrodollars from the West to the Arab states, as well as "unprecedented unemployment and catastrophic inflation" in European countries.

There was an early reference in the notebook, both Cherne and Case, acknowledge, to New York Times reporter Terry Robards. Casey located Robards in New York, he said, and it was the Times reporter who speculated that the initials "L.C." in the note book must have referred to Cherne. This, said Casey, is how he

concluded that the notebook belonged to Cherne.

Dietrich wrote a story in the Tribune last April 14 charging that he had tried to alert the FBI to his discovery of documents "containing the names of 100 or more CIA agents" and that the details "were in the hands of an ex-convict with ties to the American underground."

Dietrich also charged he had been intimidated by mysterious phone calls and an armed visitor who "asked about Cherne and about copies of Casey's papers in this reporter's possession."

Dietrich's story raised more questions at the time than it answered. Word of the report also leaked to New Times magazine and was the subject of a column by its West Coast editor, Robert Scheer.

Cherne said that reports were being circulated that the notebook had been found "in a Paris whorehouse—an outrageous lie. I visited no whorehouses in any European city or elsewhere."

In the course of these events the security priority of the notebook was substantially upgraded by the CIA's Office of Security, and a Justice De-

partment investigation was launched to determine how it was lost and who found it. The CIA declined comment on the inquiry and the Justice Department only confirmed that an investigation was under way.

Cherne said he initiated the request for an investigation of the entire episode. In the course of yesterday's interview his desk was covered with documents that detailed the developments in the extraordinary case.

One of the curiosities is that Olmer,

who took the notes in "cryptic shorthand," was never asked to help decode them by CIA security officials. He is still baffled at the disappearance. "Even when I went to the men's room during the trip I took the notebook out of my attache case and carried it with me," he said.

Cherne, who lamented that he had successfully stopped smoking for several years, had three packs of cigarettes on his desk yesterday, which he shared with a reporter.