

Senate Intelligence Panel to Grill Justice

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The Senate Select Committee on Intelligence plans to question deputy assistant attorney general Laurence A. Urgenson in a closed hearing today about the CIA's cooperation with the Justice Department on a politically sensitive bank scandal, Justice Department officials said yesterday.

Plans for the hearing were set yesterday afternoon at the urging of several committee members who expressed concern about the CIA's failure to provide accurate and timely information about the scandal to Congress and Justice Department investigators.

An intelligence committee member said that "there's a sense of obligation and urgency to proceed further" in examining what CIA officials said Wednesday was the agency's apparent inability until last week to locate classified 1989 cables related to the scandal.

The cables, which were sent to Washington by the CIA's station chief in Rome, cast new doubt on the longstanding contention of the U.S. and Italian governments that the multibillion-dollar scandal was solely caused by officials of the Atlanta branch of an Italian bank, Banca Nazionale del Lavoro (BNL).

Instead, the cables report that a series of illicit loans and loan guarantees to Iraq by the Atlanta branch

were authorized by officials at BNL's headquarters in Rome appointed by the Italian government, U.S. officials said.

Urgenson, who has been closely monitoring the Atlanta criminal case growing out of the scandal, was informed of the cables Sept. 30, the officials said. That was more than two years after the Justice Department first asked the CIA what knowledge it had of BNL dealings.

On Oct. 1, Gerrilyn Brill, the senior U.S. attorney in the criminal case, obtained a judge's permission to withdraw a plea agreement negotiated with the manager of BNL's Atlanta branch, Christopher H. Drogoul.

The withdrawal was a setback for the government's case against Dro-

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Dept. Official on BNL Scandal

goul, who it depicted as virtually a lone culprit in the illicit loans.

Brill said in an interview yesterday, however, that Urgenson did not mention the newly discovered CIA cables when she telephoned him the night of Sept. 30 to discuss withdrawing the plea agreement. Justice Department spokesman Paul McNulty also said Urgenson had not "mentioned anything" about the cables to Brill.

Sen. David L. Boren (D-Okla.), the intelligence committee's chairman, has criticized the CIA for providing the Justice Department's criminal division, headed by Urgenson, with false information about what it knew of the BNL scandal.

The committee obtained the

Rome cables from the CIA Oct. 1, after multiple requests for any CIA information relevant to the scandal. Boren said he is concerned that the committee's first request last June failed to produce the cables, although it did produce three other classified 1989 documents that indicated Italian officials were aware of the illicit activities by BNL's Atlanta branch.

Officials who have seen the documents said each was provided to officials of the FBI in 1989, more than 16 months before the Justice Department announced that it had no evidence of Italian complicity. An FBI spokesman declined comment yesterday, saying the issue was under review.