

Telephone Taps By NSA Confirmed

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Central Intelligence Director William E. Colby yesterday confirmed allegations that the Pentagon's National Security Agency eavesdrops on American citizens' telephone calls to foreign countries, a practice which one member of Congress said is illegal.

The CIA director's statement before the House intelligence committee was the first public acknowledgement of NSA electronic interceptions of overseas communications from this country, a practice that might run afoul of laws and court decisions that prohibit domestic wiretaps without a court warrant.

Under questioning by Rep. Les Aspin (D-Wis.), Colby at first agreed that NSA listens in on "communications that go abroad from the United States or are abroad."

"Does that involve American citizens on one end?" Aspin asked.

"On some occasions," Colby replied, "that cannot be separated from the traffic that is

being monitored. It's technically impossible to separate it."

Aspin then asserted that the practice is illegal and an example of continuing intelligence practices that are beyond the law but have not been stopped. At that point, Colby attempted to back off the subject.

"I really think we would do better to discuss this in executive session," Colby said. When the issue came up again later, Colby sought to convince the committee that NSA interceptions of American calls were "incidental" and done only in the course of monitoring "foreign" communications. But Aspin said the surveillance is broad and large-scale and covers calls originating in this country.

The congressman cited a 1967 Supreme Court decision and the 1968 Safe Streets Act as prohibiting electronic eavesdropping on domestic calls without a warrant. The

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law is less settled, Aspin conceded, on "foreign" cases involving "national security" investigations. But that defense could not be stretched to cover all of the American phone calls monitored by NSA, Aspin argued. Privately, one government attorney agreed with Aspin's opinion that the NSA practice is of questionable legality.

The subject may have caught Colby off balance because, while he has overall responsibility for coordinating American intelligence activities, he is not in charge of NSA, the Defense Department agency which specialized in breaking codes and listening in on other nations' communications. Colby was appearing yesterday to discuss the CIA budget.

The House committee had heard private testimony Tuesday from Albert C. Hall, assistant secretary of defense for intelligence, who had ducked questions about NSA monitoring during the committee's public session, but may have been more forthcoming in private.

Aspin indicated afterward that he could not reveal whether some of NSA's monitoring facilities are located

within the United States without violating the committee's secrecy rules covering executive sessions. The interceptions apparently involve calls between the United States and other countries as well as between two foreign nations.

Colby's appearance yesterday before the investigating committee started off with words of public praise for him, instead of the verbal brickbats he has been used to hearing in recent months. Rep. Otis G. Pike (D-N.Y.), the committee chairman, praised the CIA director for his candor and cooperation, both in public and private.

In broad terms, Colby described the controls maintained by the CIA over its own spending, including the activities of its proprietary companies—the firms established as dummy private enterprises to conceal various CIA agents or operations.

Colby said most of the companies are small, with fewer than 10 employees, and only two have ever made "significant profits" — Air America, which the CIA used for overseas air support, and an unnamed investment company that handles trusts, annuities and insurance that the CIA would not like to assign to regular insurance companies.

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CIA monitors foreign phone calls

WASHINGTON (AP) — Central Intelligence Agency Director William E. Colby said Wednesday the National Security Agency occasionally eavesdrops on U.S. citizens in monitoring foreign telephone calls.

"Incidentally we pick up material about Americans," Colby told the Select House Intelligence Committee.

The NSA monitors only foreign communications, Colby said, but said that includes "communications that go abroad (from the United States) or are abroad."

"Does it involve U.S. citizens at one end?" asked Rep. Les Aspin, D-Wis.

"On some occasions that cannot be separated from the traffic that is being monitored," Colby replied. "It's technically impossible to separate it."

The director refused to comment in public session on what kinds of calls the NSA monitors or what kind of American citizens would be involved in them.

Aspin contended monitoring of any U.S. citizens' phone calls is illegal and said "it seems to be very clear there is still illegality going on."

"Even if it were incidental picking up of conversations it would still be illegal — and it's not incidental," Aspin said.

Colby also told the committee the CIA has counterfeited foreign money in its operations but has never printed and used American money.

Colby read a statement detailing CIA budget preparation and financing for operations including front corporations.

He said the only two CIA front corporations that have made significant profits have been Air America, which supported CIA operations in Indochina, and the CIA's pension and financing company.

Colby said Air America and Radio Free Europe, which formerly was funded by the CIA, are among "a very

few" CIA front companies with more than 10 employees.

The financial company is required, Colby said, to handle insurance, pension annuities and other matters for spies whose links with the government must be secret.

Rep. William Lehman, D-Fla., a Miami Beach used car dealer, had asked Colby if any Cuban auto dealerships in the area are CIA fronts. Colby said Wednesday he had checked and found none.

Chairman Otis G. Pike, D-N.Y., announced that the committee already has been given the two documents it voted Tuesday to subpoena.

The subpoena for the 1952 directive creating the NSA was voted after a Pentagon official refused to bring it with him, and for a 1970 Pentagon study on intelligence.

The official had said he had not had time to get its release cleared.