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European Linked to Illegal Acts Shielded by C.I.A.

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WASHINGTON, Feb. 7 — Over the last two decades, Alfred J. Bühler, a lawyer and businessman from Liechtenstein, has been connected in interviews and documents with stock and tax fraud, illegal arms deals, kidnaping and questionable overseas payments on behalf of American corporations. But the Central Intelligence

Agency has prevented law-enforcement authorities from even questioning him.

Some of the reports of Mr. Bühler's activities, including disguising financial transactions for governments, companies and criminals, are in public records and sworn testimony. Law-enforcement officials in the United States and Canada and sources in Liechtenstein have provided other details. But Mr. Bühler and the C.I.A. have refused

to respond to oral and written inquiries about their relationship.

Thus, the extent to which his business activities overlap his involvement with the intelligence agency is not clear. The relationship raises questions about how much the agency knew about or was even involved in various financial and political scandals, and it illustrates the

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conflict that arises from time to time between the C.I.A. and law-enforcement authorities.

The intelligence agency's interest in Mr. Bühler can be seen in an episode related by former law-enforcement officials that occurred on Feb. 9, 1967.

The United States Customs Service had Mr. Bühler's name on its watch list, and when he arrived in New York that day, the agency immediately alerted the Internal Revenue Service.

Two I.R.S. agents went to Suite 2400 at the Waldorf-Astoria Hotel and served Mr. Bühler with a subpoena. It ordered him to testify the next day before a Federal grand jury that was investigating organized crime and the use of Swiss bank accounts and Liechtenstein establishments in financial fraud.

Mr. Bühler, however, telephoned a C.I.A. contact in Washington, and the agency helped him to flee the country through Florida and the Bahamas.

In addition, Lawrence Houston, then the intelligence agency's general counsel, flew to New York to tell law-enforcement officials to stay away from Mr. Bühler because he worked for the agency.

Nonetheless, Mr. Bühler was cited for civil contempt a year later, on Feb. 9, 1968, by a Federal district judge. Later, the grand jury named him as an unindicted co-conspirator in a large tax fraud case.

Never Charged With a Crime

This was not the only time Mr. Bühler's name had emerged in a criminal case, although he has never been charged with a crime, nor was it the only time the intelligence agency protected him.

The only available description of Mr. Bühler's work for the Central Intelli-

gence Agency is provided in a sworn deposition by Ralph R. Kaminsky, an I.R.S. agent who retired in 1979. The April 1982 deposition, in a California lawsuit over real estate transactions, described Mr. Bühler as a "bagman, a courier and a paymaster" for the C.I.A. Mr. Kaminsky did not say in the deposition how he knew that.

Mr. Bühler told a reporter who left a list of questions last month at his office in Vaduz, Liechtenstein, "I am not allowed to disclose any information because of the attorney-client privilege."

The spokesman for the C.I.A., Dale Peterson, said in response to written inquiries about Mr. Bühler's activities, "We'll have no comment on the questions."

Range of Activities

These are some of Mr. Bühler's activities that were described in public records in the United States and Liechtenstein and in interviews with government officials and other sources in several countries:

Mr. Bühler was significantly involved in illegal or questionable payments on behalf of Page Airways and the Grumman Corporation in the sale of airplanes to Morocco and Saudi Arabia, according to Securities and Exchange Commission documents obtained under the Freedom of Information Act. In 1980 the securities agency dropped its investigation of Page at the request of the C.I.A., according to Federal officials. Law-enforcement officials interviewed said the C.I.A. never provided them with information on Mr. Bühler's ties to the agency.

He was also involved in payoffs and questionable payments abroad by the Lockheed Corporation, and he administered a company that served as an agent in West Africa for another aircraft company, Bell Helicopter, according to public records and former Federal and Congressional officials.

He figured prominently in the 1967 abduction to Algeria of Moise Tshombe, the former Premier of the Congo, according to Liechtenstein associates of Mr. Bühler and published reports. A 1978 book suggested, without attribution, that the C.I.A. was behind the abduction. The intelligence agency declines to comment on the matter.

He was involved several years ago in the diversion of British airplanes to Rhodesia, in violation of an embargo, according to Walter B. Wohlwend, the editor of the Liechtenstein newspaper *Liechtensteiner Volksblatt*.

Mr. Bühler helped a former Howard R. Hughes aide, John Meier, to launder some of the \$7.9 million that Mr. Meier was accused of bilking from a company owned by Mr. Hughes, according to Mr. Kaminsky, the former I.R.S. agent. Mr. Kaminsky, who headed the investigation that led to Mr. Meier's 1973 indictment on tax evasion charges, said the intelligence agency prevented the revenue agency from interviewing Mr. Bühler in the Meier case.

According to the testimony of an associate, Mr. Bühler had dealings with the Penn Central Transportation Company, which collapsed in 1971.

The associate, Ramon N. D'Onofrio, who has three convictions for stock and bankruptcy fraud, testified under oath before the S.E.C. that Mr. Bühler told

him that "he had had some problems with Penn Central himself and that he guaranteed me in no way could" Liechtenstein organizations he set up "be pierced."

Public records indicate that Penn Central's collapse was precipitated in part by the diversion of \$4 million of its funds through various Liechtenstein organizations.

Mr. D'Onofrio also testified in his deposition that Mr. Bühler told him he helped "manipulators like myself doing illegal things" and assisted people "evading taxes."

Officials at the various American companies said either that they could not remember Mr. Bühler or could not comment about the work he did for them.

Problems in United States

Mr. Bühler's legal problems in the United States apparently began with the grand jury subpoena in 1967. Although some of the Federal court records relating to Mr. Bühler's subsequent contempt citation by Judge Inzer B. Wyatt are missing from an archives file in Bayonne, N.J., public records indicate that his fine, which now totals more than \$1.3 million, has never been paid.

Later that year Mr. Bühler was named as an undicted co-conspirator in a multimillion-dollar tax fraud case in which two American businessmen, Sidney Rosenstein and Irving Braverman, were charged with hiding commission payments in a Liechtenstein company.

In 1971, shortly before the trial, Government and defense lawyers traveled to Munich to take a deposition from Mr. Bühler, who had agreed in writing to testify. According to Gary Naftalis, the American prosecutor, Mr. Bühler arrived in Munich the night before he was to give the deposition but failed to appear the next day.

In his closing arguments at the trial, Mr. Naftalis argued that Mr. Bühler, the replacement for another Liechtenstein lawyer who had become concerned about the defendants' dealings, "was much more willing to go along with Rosenstein's and Braverman's fraudulent schemes and lend his name to their schemes." Mr. Braverman and Mr. Rosenstein were convicted in 1971 and ultimately went to prison.

Little personal information about Mr. Bühler is publicly available. Mr. Wohlwend, the editor, said Mr. Bühler was "very elusive." William J. Neil, a Switzerland-based accountant involved with Mr. Bühler in overseas payments on behalf of Page Airways and Grumman, testified in 1979 that Mr. Bühler was closemouthed and "highly" discreet.

According to a 1952 edition of *Who's Who in Switzerland*, Mr. Bühler was born Feb. 13, 1923, in Mauren, a small Liechtenstein village. It said he attended law school at the University of Chicago and Swiss schools in Lausanne and Bern. The registrar of the University of Chicago Law School, Mary Goldman, said there were no attendance records for Mr. Bühler there.

In addition to a law degree in 1946 from Berne, Mr. Bühler, according to

Who's Who, received a doctorate in political economy from the University of Innsbruck in 1948.

In 1950, Mr. Bühler opened a law office in Vaduz, joining the small fraternity of Liechtenstein lawyers who specialize in setting up and administering various entities — trusts, establishments and corporations — for foreigners, companies and governments seeking absolute secrecy.

Liechtenstein, unlike Switzerland, is not party to a mutual assistance pact with the United States that provides for disclosure of information about bank

accounts to American law-enforcement officials under very limited circumstances. There is no formal mechanism for obtaining information about the owners or activities of a Liechtenstein organization.

Mr. Bühler, like a few other Liechtenstein lawyers, administers for foreigners hundreds, if not thousands, of organizations formed in Liechtenstein. His office building in Vaduz has about 30 offices, and he employs more than two dozen secretaries and clerks. The Consul General in Liechtenstein for Cyprus is housed in Mr. Bühler's building, and the lawyer receives the Consul General's mail as well, according to instructions on the mailbox.

Many of the organizations administered by Mr. Bühler are little more than post office boxes. In other cases, however, he plays a more substantial role.

For example, as manager of the Port Trading Establishment, or P.T.E., a Liechtenstein organization used by Grumman and Page to sell airplanes in Africa and the Middle East, Mr. Bühler wrote a crucial letter to a Saudi Arabian prince, transferred questionable payments and negotiated contracts involving illegal or questionable payments, according to testimony before the Securities and Exchange Commission.

In 1978, the securities agency accused Page in a civil suit of making questionable payments to foreign agents and Government officials in connection with aircraft sales. Two of the sales, to the Moroccan Government and Saudi Arabia International Airlines, involved P.T.E. as an intermediary for Grumman planes.

In the Morocco case, at least \$450,000 in commissions were funneled through P.T.E. and a Liechtenstein bank. Anthony J. Nargi, a former Grumman official, testified before the S.E.C. in 1979 that the commissions had been routed through P.T.E. to get around internal Grumman regulations as well as Moroccan law. Mr. Nargi noted that P.T.E. helped him avoid a tour of the "inside of one of" Morocco's "penal facilities."

In the Saudi sale, the deal was restructured to allow the payment of \$2.5 million in commissions through P.T.E. to Prince Khalid bin Abdullah bin Abdul Rahman, among others, according to Mr. Nargi. According to the Saudi Arabia Information Office, the Prince is a businessman and a cousin of King Fahd.

Mr. Nargi said Grumman would have been blacklisted in Saudi Arabia, had the payments been made public.

S.E.C. Case Challenged

Mr. Neil, the accountant, who was retained by P.T.E., told the securities agency that Mr. Bühler, among other things, wrote a 1977 letter to Prince Khaled about the airplane sale.

Page Airways, which acted as Gruman's agent in some of the sales, contested the S.E.C. case, and in 1979 its attorneys asked the C.I.A. about its knowledge of the payments. In 1980, the S.E.C. said it was dropping the case for national security reasons, the first such public acknowledgment in the commission's history. The ultimate recipients of the payments were never disclosed.

In a similar case, questionable Lockheed payments for sales in Europe and the Middle East were routed through several Liechtenstein organizations. Three former Government and Congressional sources say Mr. Bühler played a role in those payments, but records that might reflect his involvement are under seal.

According to S.E.C. records, other American aircraft companies, including Boeing, also made tens of millions of dollars in questionable overseas payments through Liechtenstein organizations, which are not identified in the records.

In 1961, according to records on file in Liechtenstein and with the Civil Aeronautics Board, Mr. Bühler organized the Lion Enterprises Establishment, a company that acted as sales agent for Bell Helicopters in West Africa. Lion held stock, the records show, in Safari Air Services Ltd., which acted as a distributor in East, West and Central Africa for the Cessna Aircraft Company.

Dealings in Africa

According to C.A.B. records, the stock in Lion was held by Africair, a Miami-based company. In 1978 Senate investigators disclosed that Bell Helicopters in 1971 made a \$300,000 payment to Africair in connection with a sale to the Government of Ghana and that Africair had had extensive business dealings with the C.I.A.

Mr. Bühler's involvement in African affairs extends beyond aircraft sales. In 1967, according to private sources and published accounts, Mr. Bühler figured prominently in the abduction of Mr. Tshombe.

Mr. Tshombe's airplane was hijacked over the Mediterranean and taken to Algeria. Sedefi, a Liechtenstein-based tourist promotion agency administered by Mr. Bühler, had chartered the plane, according to press reports at the time and "Congo 1967," a book published in Belgium. Sedefi, according to the book, was created, shortly before the abduction, by the Western International Ground Maintenance Organization, or Wigmo.

According to the Belgian book and an article in 1979 in Political Science Quarterly, Wigmo is a private airline based in Liechtenstein that was established by the C.I.A. in the 1960's as a cover for mercenaries and a service facility for combat operations in the Congo.

The Belgian book also said that Mr. Bühler knew Mr. Tshombe and was scheduled to have dinner with him just before the kidnapping.

C.I.A.'s Role Is Unclear

Mr. Tshombe, who was in exile, had unsuccessfully tried to lead the Congo's mineral-rich Katanga province into secession. By the early 1960's he had fallen out of favor with the United States. A 1978 book, "American Policy in Southern Africa," speculated that "C.I.A. agents were largely responsible for planning Moise Tshombe's hijacking," based on discussions the author, René Lemarchand, said he had with C.I.A. officials. The intelligence agency has never commented on the matter.

A decade after the kidnapping, according to Mr. Wohlwend, the editor, a Liechtenstein enterprise directed by Mr. Bühler figured in another African escapade, the sale of British airplanes to Rhodesia in violation of an embargo. Mr. Wohlwend did not provide any further details.

In 1971, Sgt. George Wood of the Royal Canadian Mounted Police went to Vaduz to question Mr. Bühler about his role in a multimillion-dollar mutual-fund fraud scheme. Mr. Wood said that he never talked to Mr. Bühler, but that the defendants in the Canadian case were convicted. Sergeant Wood said Mr. Bühler administered a company that was involved in the scheme.

Mr. Kaminsky, the I.R.S. agent who said the C.I.A. thwarted his efforts to interview Mr. Bühler in the Meier case, is now in litigation involving Mr. Bühler in a California court. Although Mr. Bühler himself is not a party to any of the lawsuits, a Netherlands Antilles company, Ardee N.V., owned partly by Mr. Kaminsky and Mr. Bühler, is a plaintiff and cross-defendant in one case, according to court records. The unresolved cases revolve around monies owed in connection with multimillion-dollar real estate purchases made in California by European investors with the aid of Mr. Kaminsky.

Judgment Against Company

In another pending civil lawsuit, a Federal judge in Florida last June ordered a \$1.9 million judgment against a Liechtenstein company reportedly controlled by Mr. Bühler, United Finance and Merchants Ltd., and two other defendants.

The Florida case, in which the defendants are charged with fraud and theft, revolves around about \$20 million that United was supposed to provide for a real estate development in the Dominican Republic.

United's attorney, Samuel B. Pierson, said the judgment was being appealed. According to former Federal law-enforcement officials, Mr. Pierson was once the president of the Castle Bank and Trust Company, a Bahamian bank used as a conduit for C.I.A. funds. In the late 1970's the Justice Department ended a criminal investigation of Castle, partly because of appeals from the C.I.A., the officials said.

ed to Illegal Activities Shielded by C.I.A.



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The home, in Vaduz, Liechtenstein, of Alfred J. Bühler, a businessman who has been connected with the C.I.A.