

NO Wash. Post story 7/26/91

CIA checking BCCI ties

F.P. 7/26/91

WASHINGTON (AP) — The CIA is reviewing any dealings it may have had with the Bank of Credit and Commerce International, a spokesman said Thursday. The bank has been accused of massive fraud and drug profit laundering, and regulators in eight countries began seizing its assets this month.

The CIA had accounts in the bank during the 1980s and used them for secret aid programs for guerrillas in Afghanistan, Nicaragua and other countries, said law enforcement and congressional sources.

The agency declined to discuss whether it dealt with BCCI. But Director William Webster asked the agency's inspector general to "review past contacts the CIA may have had with BCCI," said spokesman Mark Mansfield.

The review "is not based on any evidence of wrongdoing," he said.

"We are looking at the records so that a comprehensive report can be shared with our congressional oversight committees," he said.

Mathias 'safeguards' bank

From Staff Reports

Former U.S. Sen. Charles McC. Mathias Jr., commenting on press accounts that he has helped preserve depositor confidence in First American Bank, said he was just doing his job as a director to protect the institution.

Federal regulators have reportedly linked First American to the Bank of Credit and Commerce International.

A *Wall Street Journal* article last Friday reported that Mr. Mathias was trying to arrange for former Federal Reserve chairman Paul Volcker to become a trustee for a controlling BCCI share in First American, which has two branches in Frederick.

The arrangement, according to the report, would have given the bank time to find another buyer

had overseas regulators not seized BCCI.

In a recent interview, however, Mr. Mathias disputed whether BCCI had any interest in First American and said such a relationship would occur only if "certain shareholders had used their bank stock as collateral for a loan from BCCI and then defaulted."

"No one knows whether BCCI had an interest," the former senator said.

However, he said he has been attempting to firm up the bank's image. He said his role "is to keep the bank healthy and safe. We're working on it."

He denied "running blocks" for the bank and said his "duties as a director are to safeguard a company. And that's what I've been trying to do."