Memo Tells Of Chileans' Nerve Gas | 22/3/8/| | FBI Says Chemical | Brought Into U.S. | In Letelier Plot

By John M. Goshko

Michael Vernon Townley, the American-born Chilean agent who directed the 1976 assassination of former Chilean ambassador Orlando Letelier, has told the FBI that at one point he had a quantity of deadly nerve gas concealed in a Chanel No. 5 perfume atomizer brought into the United States for possible use in the plot

Townley also said that anti-Castro Cuban activists, who allegedly aided him, knew he had the gas and asked him for some to use in their activities. But Townley said that, because he considered the Cubans "unstable," he returned the gas to the Chilean secret police, who had developed it for possible use against neighboring Peru and Argentina.

. His declarations about the gas are contained in a confidential memo sent last Wednesday to various government agencies by FBI Director William H. Webster. The Washington Post has obtained a copy of the memo.

The FBI says in the memo that it has reached no conclusions about the truth of Townley's statements. Federal law enforcement sources familiar with the case said privately yesterday they have no reason to believe that any nerve gas was used in this country or that any is still here.

Carlos de Costa Nora, minister counselor of the Chilean Embassy here, said yesterday he had not heard about the matter before and therefore found it "very difficult to comment." He added, however, "The truth of Mr. Townley's accusations has been the subject of dispute in the past."

The nerve gas story is a bizarre

and grisly new footnote to the killing of Letelier and a young American associate, Ronni Karpen Moffitt, whose car was destroyed by a remote control bomb as it rounded Sheridan Circle along Embassy Row on Sept. 21, 1976.

It could also become a political issue, kindling for the continuing controversy over President Reagan's decision to improve U.S. ties and renew military ties with the regime of Chilean President Augusto Pinochet, despite its history of repression and its refusal to cooperate with U.S. investigations of the murder plot.

On Monday, House-Senate con-See LETELIER, A14, Col. 1

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ferees are scheduled to try to reconcile the different approaches to Chilean military assistance taken by the two branches of Congress in their recently passed foreign aid authorization bills. The House version would continue an existing prohibition on military help to the Pinochet government, but the Senate bill would permit resumed aid if the president certifies, among other things, that Chile is not abetting international terrorism.

According to Webster's memo, information about the gas first was uncovered by Eugene M. Propper, the former chief federal prosecutor in the Letelier matter, and Taylor Branch, a writer collaborating with Propper on a book about the case.

In the course of their research, the memo says, they discovered several letters sent from the United States by Townley to his superior in the Chilean secret service, then known as DINA. In these Townley refers to what the memo calls "a highly secret DINA undertaking known as 'Project Andrea' " and expresses concern that the United States might learn details of the project "which would be highly embarrassing to the Chilean government."

Townley, who ultimately pleaded guilty in 1978 to a charge of conspiracy to murder Letelier, was described as especially worried that these details might be uncovered by tracing his dealings with various Miami and London firms from which he purchased chemicals, electronic equipment and gas storage

cylinders.

Eventually, the memo continues, Propper and Branch discovered that "Project Andrea' involved the manufacture of nerve gas by DINA, which was to be utilized against Argentina and Peru in the event of hostilities between these countries and Chile."

According to Propper and Branch, Townley, acting for DINA, manufactured and stored a quantity of the gas at a laboratory in his Santiago, Chile, home during 1975 and 1976, working with a Chilean chemical engineer, Eugenio Berrios, who had the DINA code name of "Hermes."

They said "Townley created a

substance known as isopropylmethylphosophonofluoridate, a clear liquid organophosphate commonly known as sarin, which vaporizes on being exposed to the atmosphere, producing droplets that enter the body through the skin or lungs to interdict the neurochemistry that permits the respiratory muscles to function."

In the version of the story told to the FBI by Propper and Branch, Townley carried the perfume bottle filled with the nerve gas in his shirt pocket when he flew to the United States in September, 1976, on the Chilean national airline, LAN-Chile. Propper and Branch gave the FBI the names of eight LAN-Chile employes who allegedly helped Townley and DINA transport materials between Chile and the United States.

The two writers said Townley ultimately decided not to try to use the gas against Letelier. But, they added, Guillermo Novo Sampol and Virgilio Pablo Paz Romero, two Cuban terrorists who were accused of helping Townley plan and carry out the Letelier murder, were aware that Townley had the gas and had watched him manufacturing it while visiting him in Santiago.

Webster's memo said that, after the FBI received this information from Propper and Branch, Townley, who is serving a sentence in a federal prison, was brought here for questioning and "confirmed [the] information regarding the manufacture and intended use of the nerve gas by the Chilean government."

The memo continues: "Townley, however, denied that he personally carried the nerve gas with him from Chile" and claimed the gas was sent to the United States in the perfume atomizer "through LAN-Chile flight personnel who were unaware that they were transporting nerve gas."

Townley also told the FBI that Novo and Paz asked for a supply of the gas to use in terrorist activities. However, the memo states, "Townley claimed that because of the unstable nature of Novo and Paz, he refused their request" and had the gas returned by LAN-Chile flight personnel "to Chile to the custody of DINA."

Paz, who was among nine persons

indicted by a federal grand jury in connection with the Letelier and Moffitt murders, is a fugitive who has not been apprehended. Novo and another Cuban, Alvin Ross Diaz, were convicted of complicity in the murder and given life sentences, but their convictions later were reversed by a federal appeals court on the grounds that testimony from fellow prisoners was improperly introduced as evidence in their trial.

In a second trial in U.S. District Court here last spring, they were acquitted of the murder conspiracy charges. Novo was found guilty of making false statements to a federal grand jury and is serving a short term in federal prison.

Among others indicted in the case were three Chilean army officers, including Gen. Juan Contreras Sepulveda, a former head of DINA and a close personal friend of Pinochet. Chile's refusal to send the three men here for trial caused President Carter to impose various military and economic sanctions against the Pinochet government.

However, the Reagan administration, in one of its earliest foreign policy decisions, moved to improve relations on the grounds that Chile was the victim of a "blatant double standard" in applying human rights considerations to foreign aid and that continuing hostility toward Pinochet is damaging U.S. security and commercial interests.

Hints about the nerve gas incident had surfaced in the Cubans' trial when defense lawyers asked Townley if he had a biological laboratory in his home, but the matter was not pursued.

Last week, Sen. Edward M. Kennedy (D-Mass.) asked Reagan's nominee as ambassador to Chile, James Theberge, about rumors concerning the gas. In a written reply, Theberge said: "I have no knowledge of this report. I do not know whether I, or any government official, can determine the accuracy of this information."

Washington Post staff writers Laura Kiernan and Charles R. Babcock contributed to this report.