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Another Embarrassment for the CIA

The CIA, still reeling from the Aldrich H. Ames spy case, is investigating allegations it has another embarrassing scandal on its hands.

The latest one is tied to the French spy case that flared up in February but has since drifted out of the headlines. In a rare diplomatic brawl between allies, the French government publicly accused the United States of conducting unfriendly political and economic espionage and called for expulsion of five CIA agents stationed in Paris.

Classified U.S. intelligence reports reveal France's action was triggered by sensitive information gleaned from a female CIA agent in Paris. According to the reports, the agent passed secrets to a French-Brazilian man with whom she was romantically involved in the early 1990s.

"In having her liaison with this French-Brazilian, she told him who the spies were in our embassy, the names of CIA agents in Paris, our safe houses—pretty damaging information," one intelligence source told us.

Knowledgeable sources say the Senate and House intelligence committees are closely monitoring an investigation into the matter by the CIA's inspector general. It is unclear whether the agent deliberately leaked the information for money or just carelessly shared it with her lover.

But intelligence sources say two elements are crystal-clear: The French-Brazilian relayed the information to French government officials, which—in the words of one source—"caused the French to come after us." More important, the CIA identified the agent in 1992, but agency mismanagement let her off the hook and allowed the problem to fester until it exploded onto the front pages in February.

The security breach is certainly not as devastating as the transgressions of Ames, who is serving a life sentence for taking more than \$2 million from the Soviets for classified information that compromised the lives of at least 12 Americans. Yet sources say the CIA's mishandling of the French matter is all too similar to its botching of the Ames case. Just as CIA ineptitude let Ames operate undetected for nine years—despite telltale signs he was living far beyond his means—the female agent operated within an agency in desperate need of reform.

"The issue here is that we have another Ames

case," one intelligence source told our associate Ed Henry. "The CIA culture wanted to protect this woman rather than really discipline her."

One difference is that Ames was stopped in his tracks when the CIA finally realized what he had done. The female agent was allowed to stay on the CIA payroll even after she admitted her indiscretions. According to one source, the breach came out in a polygraph exam that CIA agents periodically have to take.

But rather than fire the agent, the CIA kept her on a contract basis, allowing her to continue handling sensitive cases for \$25,000 a year. Intelligence reports show the CIA claimed it could not fire the agent because she was so distraught that she might have overreacted and leaked even more information.

"She said, 'I will not be fired!'" explained one intelligence source. "So the agency caved in and said, 'Okay, we'll make you a contract employee.' But if you did something wrong, you've got to be fired."

The intelligence reports also buttress American suspicions that then-French Interior Minister Charles Pasqua leaked details of the spy flap to a French magazine in an unsuccessful attempt to swing the recent presidential election. Pasqua was the right-hand man of Prime Minister Edouard Balladur, who was in the race to succeed President Francois Mitterrand.

Although Pasqua has denied the allegation, the reports claim he leaked the story to improve Balladur's electoral chances by drumming up anti-American sentiment and deflecting attention from a separate scandal. Pasqua was expected to be appointed prime minister in a Balladur administration.

"It was obvious what Pasqua was doing," said one intelligence source. "He had this information for a long time about this woman in 1990 telling the French-Brazilian everything, but he was waiting to use it."

Pasqua privately confronted U.S. Ambassador Pamela Harriman in late January, warning about the impending expulsion of the five CIA agents. Harriman tried to defuse the situation, but it leaked to the French press a few days later.

Pasqua's plan ultimately backfired, as Balladur was eliminated in the first round of the presidential election.