

Contra Aid Allegations Block Confir

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The alleged involvement of two State Department officials in a secret aid program to Nicaraguan contra rebels has blocked Senate confirmation of their appointments as ambassadors to Nicaragua and El Salvador.

The program, called the Nicaraguan Exile Relocation Program or NERP, funneled about \$600,000 in 1989 and early 1990 to certain Nicaraguan contra leaders and their supporters who had been in exile in Miami and other locations during the Sandinista rule, according to U.S. officials. One knowledgeable source, however, said the program may have spent considerably more than that.

Sens. Christopher J. Dodd (D-Conn.) and Jesse Helms (R-N.C.), in a rare alliance, contend that NERP violated a March 1989 bipartisan

agreement to end the U.S.-funded contra rebellion against the leftist Sandinistas. Under that agreement, any money for the contras had to come from a \$50 million humanitarian aid fund to demobilize and resettle them in Nicaragua or from a \$9 million fund for opposition groups to use in the February 1990 elections.

A law passed in April 1989 specifically said that "no additional assistance may be provided to the Nicaraguan Resistance, unless the Congress enacts a law specifically authorizing such assistance."

Dodd and Helms have demanded to know what the nominees—Joseph G. Sullivan and Michael G. Kozak, both senior department officials for Latin America—knew and did about the covert program, which was administered by the CIA.

State Department officials insist the program involved no illegal or improper activities and cite a clas-

sified report completed June 1 by Sherman M. Funk, the department's inspector general, confirming this view. The senators, however, say Funk's report was substantially incomplete and inadequate.

As a result of the standoff, there has been no U.S. ambassador in Managua for four months and none in San Salvador for six months. Moreover, there is no deputy chief of mission in San Salvador. Congressional action on other nominees for ambassadorial posts in Guatemala and Honduras, scheduled to be vacant by year's end, is also stalled.

Salvadoran leaders have asked Congress and the administration to break the deadlock, saying they fear absence of a senior U.S. official there may undermine the peace process.

The political cat fight is seen in El Salvador as symbolic of flagging U.S. interest in the region. "It's a shame and it's a risk," said one Latin Amer-

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ican diplomat in San Salvador. "It's an extremely sensitive moment. You'd think the United States would show as much interest in the peace as they did in the war, but unfortunately it doesn't look that way."

The senators say they understand the problem and would be happy to confirm someone quickly, but not Kozak or Sullivan.

Both nominees likely would have been confirmed easily but for an article in Newsweek magazine last October that revealed the existence of the secret program.

Dodd, chairman of a Foreign Relations subcommittee, and Helms, the full committee's ranking GOP member, did not know of the covert CIA money and demanded an explanation. Sources said Helms feared the money had been used to pay contras to back successful opposition candidate Violeta Chamorro over more conservative rivals.

The senators tried to have Congress's General Accounting Office investigate, but the State Department would not cooperate, saying the GAO could not investigate covert operations. Secretary of State James A. Baker III agreed in February to have Funk review the program.

Funk, in a letter June 1 to Dodd and Helms, wrote that he had found "no evidence of any intent on the part of any State Department official, including Messrs. Kozak and Sullivan, to violate any relevant law or restriction."

"We found that the program was lawful when developed and initially implemented in early to mid-1989," Funk wrote. The decision to continue it even after the congressional

ban "was not, in our opinion, a violation" of the restrictions.

An internal CIA audit of the program, completed in May 1990 at the request of Senate intelligence committee chairman David L. Boren (D-Okla.), concluded the program was initiated by the State Department, according to U.S. officials. The program provided support payments to about 100 contras to relocate in Managua, but was not intended to provide covert campaign funding, the officials said. No one got more than \$12,000 plus travel expenses, officials said, and most got far less.

But two sources familiar with the program have insisted the money went to back Chamorro's campaign.

Senate sources say Dodd and Helms remain skeptical. The overt \$50 million fund, which was not fully spent, provided for relocation, one source said, "so why was it necessary to have a covert program as well?"