

Ex-CIA Officials Create Defense Fund for

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Former high-ranking CIA officials are setting up a defense fund to help colleagues caught up in the final stages of independent counsel Lawrence E. Walsh's Iran-contra investigation.

The fund, organized in Virginia as the Legal Defense Fund for CIA Employees, will be run by five retired agency officials as a nonprofit trust to defray the legal bills of present and former CIA employees who have come under investigation by Walsh's office.

"We feel that people who have served their country all these years should at this point be given an opportunity to defend themselves," said one of the trustees, James M. Potts, a former director of clandestine operations for Africa. "They should have proper counsel. We don't feel they should be considered guilty until they have a

chance to prove themselves innocent."

The CIA does not pay for the legal expenses of employees who have been charged with wrongdoing or who choose to retain their own lawyers to represent them in preliminary proceedings.

Another trustee, John H. Waller, said the fund is still in its early stages and does not have any precise guidelines or fund-raising goals yet. But he said the general rule will be to help those who can least afford to pay their legal expenses—whether they are targets of the Walsh investigation, "subjects" whose conduct is under scrutiny, or simply witnesses before the grand jury.

"We're not putting any spin on this at all," said Waller, a former CIA inspector general. "We want to recognize that win, lose or draw, when you get involved in a legal process, it is murderously expensive. This is a human problem, not a political problem."

The other trustees of the fund, first reported by the New York Times, will be

Richard F. Stolz, who retired last year as deputy director for clandestine operations; Samuel Halpern, a former assistant to the director of clandestine operations; and William Donnelly, a former inspector general like Waller.

Walsh had been planning to close down his 4½-year investigation this summer after a final review to determine whether anyone had perjured himself in the lengthy congressional and executive branch probes of the Iran-contra affair. But the inquiry expanded in early July when Alan D. Fiers, former chief of the CIA's Central American task force, said in court that he took part in attempts to cover up key aspects of the scandal.

Fiers pleaded guilty to two counts of withholding information from Congress and agreed to cooperate with Walsh's office. More than half a dozen present and former CIA officials have been notified they are

Colleagues in Iran-Contra Probe

"subjects" of the investigation, including CIA Director-designate Robert M. Gates, whose Senate confirmation hearings have been postponed until mid-September.

Two other former CIA officials, Clair E. George, who was chief of the CIA's clandestine operations, and Duane R. "Dewey" Clarridge, former chief of the Western European division, have been notified they are "targets" of the investigation, a designation meaning that Walsh's office intends to seek their indictments in the near future.

The reinvigorated probe has, in turn, set off alarm bells for CIA officials and veterans fearful of a nasty round of public bloodletting and finger pointing and its potential impact on agency morale.

"It's a most unhappy situation when you get intelligence officers disputing each other in the courts," said one former high-ranking official. "Not only is it unseemly but it is most harmful to morale. These fellows work on a fiduciary basis basically. When

you're in the field, you don't have a lot of posts to lean on. You depend on each other."

A CIA spokesman, Mark Mansfield, said that fund representatives have informed the agency of their plans, but that the CIA, "as an institution, has no role or involvement in it." He said agency lawyers were studying "the legality and propriety" of whether current CIA employees could contribute to the fund or receive money from it.

A precedent for the fund-raising was set by former director Richard M. Helms, who pleaded no contest in 1977 to two misdemeanor charges of withholding information from Congress about CIA covert actions in Chile. Fined \$2,000 following a scathing lecture from the judge, Helms drove to a Bethesda country club where about 400 retired CIA officers gave him a standing ovation and immediately raised the money to cover the fine.