

Beyond the Wilson Case

Ex-C.I.A. Agent's Acts Raise Broad Issues Involving the Agency and Transfer of Arms

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WASHINGTON, Sept. 13 — As teams of investigators and prosecutors reconstruct the activities of Edwin P. Wilson, a former American intelligence agent charged with illegally exporting explosives to Libya, a handful of other officials have been quietly studying some of the national and international issues the case raises.

The issues they are reviewing have touched a raw nerve in Government. Ultimately, if the Government is willing to confront the issues fully and seek reforms where necessary, the results could be more significant than the outcome of the criminal case against Mr. Wilson.

The Wilson case, for example, has revealed serious weaknesses in the laws, regulations and policies that govern the transfer of American arms and technology abroad, according to senior officials in the Reagan Administration. It has also demonstrated, they said, the inadequacy of United States criminal laws, which do not prohibit the training

of terrorists abroad by American citizens or the sale of expertise in intelligence, arms and explosives by Americans to hostile foreign powers.

Federal investigators say that in 1976 Mr. Wilson, a former covert operative for the Central Intelligence Agency, negotiated a deal with the leader of Libya, Col. Muammar el-Qaddafi, to sell his expertise in intelligence and military matters for the training of terrorists in the militant Arab nation in North Africa.

C.I.A. Knowledge Questioned

In addition, the Wilson case has raised still unresolved questions about how much the C.I.A. knew of Mr. Wilson's activities and what the agency did to stop them. Although the agency has repeatedly denied any knowledge of, or involvement in, Mr. Wilson's activities, questions linger about unofficial links

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between Mr. Wilson and senior agency employees. Some Federal investigators believe that Mr. Wilson may have received tacit approval from agency officials to establish his ties to Libya in the hope that they would produce intelligence unavailable from other sources.

"The issues raised by Wilson's conduct transcend the question of his criminal culpability," said a ranking official in the Justice Department. "They deal with fundamental questions about the responsibility and morality of government agencies and the effectiveness of some of our most basic laws."

Mr. Wilson's ties to Libya, one senior State Department official said, are contrary to American interests and, in effect, constitute a serious national security problem.

Although his activities are regarded as a particularly dramatic abuse, offi-

cial believe that they illustrate the damage to the national interest that former intelligence and military officials can do when they attempt to capitalize on information and skills they acquired while working for the Government. Federal investigators said that hundreds of such former employees are involved in exporting military equipment and advanced technology overseas.

Problem Called 'Frightening'

"We frankly don't know how much sensitive technology and military equipment is being smuggled to foreign countries," said a senior intelligence official. "The dimensions of the problem are frightening."

Some officials engaged in the review of the long-term issues believe that the Reagan Administration and Congress have failed to grasp the significance of the Wilson case and to take the kind of steps necessary to prevent similar abuses by former agents. They said that the Administration should appoint an interagency body to review the national security, trade and law enforcement problems exposed by the case.

The best way to explore the question of what the C.I.A. knew and when it knew it, these officials said, would be an investigation by the Senate or House Intelligence Committee. The Senate committee, according to its chairman, Senator Barry Goldwater, Republican of Arizona, has no plans to pursue the case. The House committee, staff members said, has followed developments but this has yet to coalesce into a formal inquiry.

At the moment, most departmental interest in the Wilson case is focused on the development of criminal charges and prosecution. One such inquiry is a Federal Bureau of Investigation study of an allegation that a company controlled by Mr. Wilson bribed an official of the Energy Department with funds obtained from the Control Data Corporation. The bribes, according to Federal law-enforcement officials and a former associate of Mr. Wilson's, were paid to obtain inside information on military contracts useful to Control Data. Control Data says that it did employ one of Mr. Wilson's companies but that it knew of nothing improper in the performance of that contract.

Until a more organized examination of the long-term issues takes shape, the work will apparently be handled on an ad hoc basis by individual officials in various departments working without overall direction or coordination, several of these officials said.

Law May Not Cover Activities

At the Justice Department, senior officials have begun studying whether the Wilson case shows a need for changing the nation's criminal laws. "A lot of his activities," one official said, "seem to have fallen between various laws and may have exposed a problem area."

In general, Justice Department officials said, the Wilson case has revealed weaknesses both in the United States

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criminal code and in the way it is enforced. "It's a systemic problem," said one official. He added, "The problems cut across agency lines."

Specifically, officials are looking at the Espionage Act, the Export Administration Act, the Arms Export Control Act, the Logan Act and the Neutrality laws, all of which have some relationship to Mr. Wilson's reported activities in Libya. What they are finding, these officials said, is that the laws do not always directly address the kinds of things Mr. Wilson is accused of doing.

For example, the Espionage Act of 1917, prohibits the transfer of classified information by government employees. The training of terrorists, however, does not necessarily involve classified information, and Mr. Wilson apparently began working for Libya after he left government employment.

Law Can Be Circumvented

The Export Administration Act and the Arms Export Control Act, which govern the transfer of advanced technology and military equipment abroad, directly apply to some of Mr. Wilson's activities, but officials said that the laws could be circumvented by filing false papers with the Commerce Department or State Department and by transporting items barred from export through customs labeled as legitimate goods.

Federal investigators say that is exactly what Mr. Wilson's associates did in 1977, when they illegally shipped 20 tons of plastic explosives from Houston to Libya marked as oil drilling fluid.

The Logan Act, which became law in 1799, bars American citizens from taking actions contrary to the foreign policy interests of the United States. The act, however, has rarely been invoked and would be difficult to use as a basis for prosecuting Mr. Wilson, Justice Department officials said. Neutrality laws may also cover some of Mr. Wilson's activities, but their applicability is not clearly established, either, according to attorneys familiar with the case.

The issue of whether, and how, the Government can control the activities of former intelligence and military officials is proving difficult to resolve, according to Administration officials.

Earlier this summer, William J. Casey, the Director of Central Intelligence, reacting largely to the Wilson case, ordered a review of policies in this

area. The agency currently has no mechanism to control the private use of unclassified intelligence information and skills by former agents, intelligence officials said. The House Intelligence Committee is also examining this question, staff members said.

Any effort to establish regulations or laws to govern the conduct of former government employees raises civil liberties questions and would be likely to face intense opposition, officials said. Critics of the C.I.A., however, note that the agency already regulates what former employees can publish, and is lob-

bying hard in Congress for passage of legislation that would prevent ex-agents as well as others from disclosing the identities of intelligence operatives.

Perhaps the most difficult issue raised by the Wilson case is the role of the C.I.A. in his activities. It is an issue that thus far has generated far more questions than answers. In 1977, when charges about his conduct were brought to the attention of the Carter Administration, Stansfield Turner, then Director of Central Intelligence, opened an internal investigation to determine whether anyone inside the agency was assisting

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Legal Issues

Mr. Wilson. That investigation led to the dismissal of two agency employees, according to the C.I.A.

It also raised questions about the conduct of several senior officials who were close associates of Mr. Wilson at the agency, including Theodore G. Shackley and Thomas G. Clines, two senior officers in the agency's clandestine services. Mr. Turner, according to former officials at the C.I.A., felt he lacked sufficient proof of links to Mr. Wilson to dismiss Mr. Clines and Mr. Shackley, but he did transfer Mr. Shackley out of his sensitive job as number two official in

the clandestine services. Both men have denied playing any role in Mr. Wilson's activities.

No other investigation of the agency's involvement with Mr. Wilson has been conducted, Government officials said. The Senate Intelligence Committee considered such a review in 1977, but was discouraged by senior intelligence officials and set the case aside. The Justice Department, as part of its criminal investigation, has looked at some of Mr. Wilson's connections inside the agency, but Justice Department officials said they have not had access to some of the agency's most sensitive internal files.

Current and former intelligence officials, including Mr. Shackley, acknowledge that Mr. Wilson was considered a potential source of intelligence informa-

tion after he left the agency in the early 1970's and began putting together business deals with a number of foreign governments and corporations.

What is not known is whether anyone at the C.I.A., motivated by a desire to acquire intelligence information, overlooked the nature of Mr. Wilson's activities, and encouraged him to establish his operations in Libya.

Senator Goldwater said last week that it would probably be impossible to resolve these questions because of the secretive nature of the C.I.A. and its officials. He added that the intelligence committee would not take up this issue because he felt it was unlikely that the C.I.A. had supported Mr. Wilson. "It's not the kind of thing they would do," he said.