

# CIA head keeps control of investment portfolio

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WASHINGTON (AP) — CIA Director William J. Casey, one of a handful of men with broad access to the government's secret data on international economic developments, has reversed the practice of his two predecessors and kept control of his personal stock holdings.

Casey and his wife own stock worth at least \$1.8 million, and perhaps more than \$3.4 million, in 27 corporations with major foreign operations.

Many of the firms are involved with oil, natural gas and strategic minerals and operate in nations of deep interest to U.S. intelligence.

Unlike Casey, others with access to closely held economic secrets — including President Reagan, Vice President George Bush, Secretary of State Alexander M. Haig Jr. and Treasury Secretary Donald T. Regan — placed their holdings in blind trusts. Secretary of Defense Caspar Weinberger divested his stock in companies which do business with the Pentagon, but he did not create a blind trust.

Casey, whose past business dealings are under investigation by the Senate Intelligence Committee, maintains ultimate control over his stocks although an investment adviser handles day-to-day management of the portfolio, according to CIA general counsel Stanley Sporkin.

Speaking for Casey, Sporkin said the adviser has bought and sold stock on Casey's behalf since the former Wall Street attorney took over at the CIA last January. Sporkin said Casey was not aware of what had been purchased, but the CIA counsel said he could not say Casey was unaware of what had been sold.

He declined to identify any Casey stocks bought or sold, but noted that the law requires incumbent officials by May 15 of each year to disclose the value, within broad ranges, of each stock transaction during the previous year.

Many Casey investments are with firms whose trading prices could rise and fall on international developments. For instance, Casey owns more than \$250,000 in Superior Oil Co., which deals with the Abu Dhabi government on how much oil Superior can pump in the Per-

sian Gulf. Superior also has been negotiating with Thailand on the sale of natural gas and the firm has an interest in a South African platinum subsidiary.

A 1965 presidential order and existing regulations prohibit federal employees from using non-public information obtained through their government work "for the purpose of furthering a private interest." In addition, existing government-wide regulations on ethical conduct say "an employee shall avoid any action, whether or not specifically prohibited ... which might result in or create the appearance of using public office for private gain."

Casey's immediate predecessors — Bush and Stansfield Turner — set up blind trusts, citing concerns over the appearance of conflict of interest.

Bush sold off nine stock holdings and created a blind trust for his investments in 1976, shortly after becoming CIA director.

Turner, whose investments totaled less than \$350,000, said, "I knew I wasn't going to misuse any information, but the safest move for me to be sure that I didn't have an appearance of conflict was to put those holdings in a blind trust."

Turner underscored the scope of information available to the CIA director by noting that he could have avoided a blind trust by shifting his investments into stocks "with no conflict with CIA, like Quaker Oats." He immediately corrected himself to say: "Well, not Quaker Oats, because CIA estimates the Russian oat crop."

As director of central intelligence, Casey receives information from CIA agents and analysts, as well as Air Force spy satellites and the National Security Agency's electronic eavesdropping equipment.

Three former intelligence officials, who asked not to be identified, said that, backed by U.S. legal authority and

sophisticated technology, the NSA monitors a large volume of international communications by U.S. multinational firms, foreign corporations and foreign governments.

One of these officials said: "The CIA director will know almost before anyone else when an oil fire shuts down a major field in the Persian Gulf; whether the Chinese have to buy wheat or have a major oil find and need drilling equipment ... or when a foreign government is planning to expropriate a U.S. firm."

"Few people have access to all of this," he added, "but Casey's one of half a dozen people ... who have got it all."

Sporkin said Casey asked early this year whether he should create a blind trust and was told Feb. 3 by CIA deputy general counsel Ernest Mayerfeld he did not have to.

Mayerfeld was unreachable, but Sporkin explained: "There's no requirement that I know of to put his holdings in a blind trust. The only reason you would do it is if there is a need and I don't see a need."

He said of Casey, "You're dealing with a very honorable person. ... He wouldn't misuse information. He just wouldn't do that."

Sporkin said Mayerfeld consulted a classified list of CIA contractors in deciding that Casey did not need a trust or divestiture but should disqualify himself in any specific matters which affect his holdings. Sporkin said he did not know what other standards Mayerfeld used.

Sporkin declined to supply a copy of Casey's current agreement with his investment adviser, whom he would not identify. But he said the compact does not forbid Casey from ordering stock transactions and does not prevent him from knowing what he holds — two prohibitions required in government-approved blind trusts.