

Casey Failed to List N.J. Client In Financial Disclosure Report

8/1/81 By George Lardner Jr.
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CIA Director William J. Casey failed to list a New Jersey waste disposal firm and other clients in his financial disclosure report to the Senate Intelligence Committee despite a rule calling for disclosure of all but minor sources of income over the past five years.

Instead, Casey apparently duplicated a list of clients he had submitted to the Office of Government Ethics, whose rules call only for the disclosure of clients who had paid him \$5,000 or more in the last two years.

The intelligence committee had asked him in January, in connection with confirmation proceedings, for an accounting of all salaries, fees and other items of income over \$500, and their sources, during the past five years.

As part of its effort to wrap up the Senate inquiry into Casey's business affairs that it started last month, the committee staff now has reportedly asked Casey to dig back into his records for the last 10 years.

Casey had represented the waste disposal firm, SCA Services Inc., a company with alleged ties to organized crime, in 1977 in an unsuccessful effort to head off Securities and Exchange Commission action against the corporation and some of its top officers.

Although SEC lawyers went ahead with the complaint, which alleged the diversion of some \$4 million in company funds for personal use by its officials, Casey reportedly negotiated a settlement of the case whereby SCA neither admitted nor denied the charges. A former chairman of the SEC, Casey was affiliated at the time with the New York-based law firm of Rogers & Wells.

Officials at the Office of Government Ethics said yesterday that CIA lawyers also had notified them on Casey's behalf that he failed to disclose stock holdings in three corporations on any of his financial disclosure forms.

David R. Scott, chief counsel of the ethics office, which is part of the executive branch, said an

amendment submitted this week showed holdings valued at \$50,000 in Vanguard Ventures, \$15,000 in the Energy Transition Corp. and \$10,000 in SWC Information Co. Scott said his office was in the process of obtaining more information about the companies.

The committee agreed unanimously Wednesday after a closed-door session with Casey that it had no basis "for concluding Mr. Casey is unfit to serve" as CIA director. But it also decided, as Chairman Barry Goldwater (R-Ariz.) unenthusiastically described it, to "chase down some of the loose ends" before wrapping up the inquiry and writing a final report.

Goldwater had called for Casey's resignation only last week, but he did an abrupt turnabout. By Wednesday, the senator "wanted to shut it [the inquiry] down" altogether, one source said.

Several committee members such as Sens. Joseph R. Biden Jr. (D-Del.) and Daniel Patrick Moynihan (D-N.Y.), however, maintained that there were too many questions still unanswered, concerning Casey's business dealings and Casey's appointment of Max Hugel, a Reagan campaign colleague, as the CIA's chief of covert operations. Hugel resigned July 14 after disclosure of alleged financial misconduct of his own.

Still to be checked, for instance, are court records concerning Casey's involvement with Multiponics Inc., a bankrupt agribusiness firm based in New Orleans. Casey, who was an officer and a director, played down his role in the company in representations to the Senate committee, but, according to trial testimony cited in a forthcoming New York magazine article, Casey said that "I kept very much on top of the important things that the corporation was doing."

Although committee members have said they want to complete the inquiry this month, it could stretch into September. A minority counsel, Bernhard K. Wruble, 39, began work yesterday in tandem with special counsel Fred D. Thompson, whose appointment Goldwater announced Monday.