Aircraft Firm Says CIA Used It as Cover

By Thomas O'Toole
Washington Post Staff Writer

A maker of small aircraft, that can take off and land on tennis courts has charged the Central Intelligence Agency with illegally using its name as a cover to conduct covert operations and assassinations overseas.

General Aircraft Corp. of Bedford, Mass., made this charge and others in a $25 million claim for damages filed yesterday with the CIA.

The company claimed the CIA used it name without its knowledge to cover up overseas activities of CIA personnel and agents.

These activities and their resulting notoriety, which attached to General Aircraft, made it impossible for the firm to sell its airplanes to the countries where the CIA operated, the company charged.

The CIA declined to comment on the company's charges.

In the 1960s, General Aircraft said, its sales agents were about to close a sale of a large number of its planes to the Congo after face-to-face talks with then Congolese Premier Moise Tshombe. At the same time, General Aircraft charged, the CIA had agents in the Congo posing with forged documents as sales agents for Helio Aircraft, a General Aircraft subsidiary.

"Such cover was used by these agents to carry on illegal and immoral activities which resulted in the death of government officials in the Congo and the fall of the existing government," General Aircraft charged in a 22-page claim delivered yesterday to CIA Director George Bush. "These activities came to the attention of the Congolese government and immediately resulted in the expulsion of Helio and its legitimate employees from any further operations."

General Aircraft said the Helio name also served as cover for CIA agents in Thailand, Vietnam, Laos and Cambodia whose activities involved the smuggling of illegal drugs, the transport networks throughout Southeast Asia to earn revenues which "could be segregated from government and public knowledge," General Aircraft alleged.

The firm also charged that many parts and planes made by the CIA on Taiwan were defective, causing the company further harm. The firm said deficiency and failure reports built up in Federal Aviation Administration records, "spreading false information about their structural design throughout the industry."

General Aircraft last week sold its plant at Pittsburg, Kan., where it built Courier and Stallion aircraft. It said it is near bankruptcy "mainly because CIA interference cost it sales in Laos, Vietnam, Cambodia, Thailand, Peru, Nepal, the Philippines, Micronesia and in Africa south of the Sahara."

When the CIA began buying the Courier, it "insisted" that Helio hire a law firm "clearly by the agency" to work out the legal aspects of the sale, General Aircraft said, adding that Helio agreed to this arrangement, which it now says it regrets.

"At all times while advising Helio, such counsel was either employed by or in direct communication with the CIA and at such times owed primary allegiance to the CIA," General Aircraft charged. "Such relationships created a conflict of interest, which was manifested by advice to Helio erroneous in fact and law, and known to be so by such counsel."

The General Aircraft claim does not identify the law firm in question, but sources said it was Baker & McKenzie. General Aircraft Chairman Robert B. Kimmich confirmed that Baker & McKenzie was General Aircraft's law firm for at least 10 years.

A former vice president of Helio said a Baker & McKenzie lawyer gave advice to him in Lima while he tried to sell the Courier to Peru. The ex-vice president said he rented office space in Washington from Baker & McKenzie, which has law offices in most of the world's major cities.

General Aircraft also charged that the CIA built copies of the Courier at a factory the CIA had in Taiwan and sold the copies to earn money for its covert operations. General Aircraft charged that this factory made spare parts for Courier planes without any license to do so from Helio or General Aircraft and its proprietaryies operated manufacturing facilities and built essentially complete Helio aircraft frames to support clandestine air

AIRCRAFT, From AI:

murder of indigenous people and clandestine operations against existing governments or guerrilla movements. The investigating agent was the Mr. McKenzie, which has law offices in most of the world's major cities.

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