

Nation/World *and*

CIA hid info on Iraq defense buys

WASHINGTON (AP) — The CIA knew before the Gulf War that at least five recipients of U.S. exports to Iraq were defense industries, but it did not tell the Commerce Department, which approved the sales, documents show.

The Commerce Department approved some \$1.5 billion in exports to Iraq from 1985 to 1990, saying most were not designated for military use.

Many of the Iraqi companies that bought U.S. technology legally turned out to have been military industries with innocuous sounding names that didn't set off alarms at the Commerce Department. In any case, the department was under White House orders to encourage trade with Iraq.

But the CIA, and possibly the Defense Intelligence Agency, knew the true nature of some of the Iraqi companies, according to a congressional investigator's documents obtained Thursday by The Associated Press.

On Jan. 29, 1991, the senior congressional investigator met with CIA officials to ask what the agency had known about 25 of the Iraqi end users listed on U.S. export licenses, and whether the agency had notified the Commerce Department.

F. Douglas Whitehouse, who headed the CIA's committee on technology transfer, said he had run a computer check comparing the 25 end users against a CIA data bank,

according to the notes made by the investigator, who also was interviewed on the grounds that he not be identified.

Mr. Whitehouse said he had come up with "about five hits" — five companies about which the CIA had information, said the investigator. He said the CIA told him it did not supply the information to the Commerce Department because it was never asked to do so.

Complaints about the CIA's reluctance to share information with other government agencies are legion. The problem was recently underscored in the case of an Italian bank branch in Atlanta that approved unauthorized

loans to Iraq.

The CIA — responding to congressional pressure — earlier this month admitted that it had failed to provide all the information it had to the judge in the case, and that it had found additional cables in its files in recent weeks.

In a message to agency employees this week, CIA Director Robert Gates said he had asked his inspector general to examine the records system of the Directorate of Operations — the agency's clandestine arm — and to recommend changes that will "put an end to difficulties in responding promptly to congressional and other inquiries."