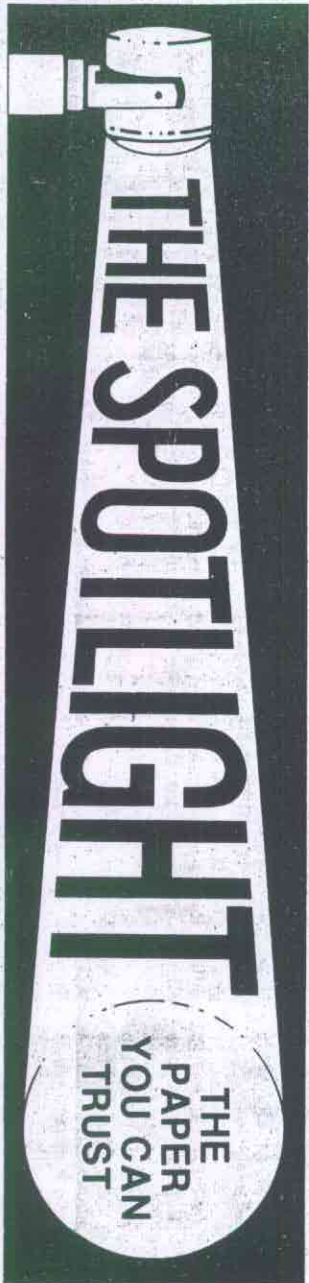


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CIA Covering Up Spy Scandal

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(Victor Marchetti has been in U.S. intelligence activities for almost 20 years, 14 years of that time being with the CIA, the last three years of which he was a staff assistant to Richard Helms. He is the author of "The CIA and the Cult of Intelligence" and "The Rope Dancer.")



JOHN PAISLEY

CIA Desperate

Soviet espionage has reached into the top ranks of American government for decades. Even "liberal" scholars who used the Freedom of Information Act to get new FBI information in an attempt to clear the name of Alger Hiss now are themselves convinced that the former deputy secretary of state under Franklin Roosevelt passed secrets to the Soviet Union. In the three decades since, the public has found it "chic" to shrug off the spy threat. Now, the problem has grown, as America slept, to the point that many officials fear that within the U.S.'s super-spy organization, the CIA, our own spies could be working for the Soviet side.

EXCLUSIVE TO SPOTLIGHT

By Victor Marchetti

There is a new spy scandal brewing in the nation's capital, and the CIA is desperately struggling to keep the lid of secrecy on the controversy. Intelligence experts and informed sources, however, believe the pot will soon boil over, revealing a scandal more damaging to U.S. national security than the infamous Rosenberg atomic spy case.

The immediate reasons for all this concern are two strange incidents involving CIA officers. One is the mysterious death of John Paisley, a former high-ranking agency official with access to sensitive information on Soviet military capabilities and the sophisticated technical methods (spy satellites, e.g.) by which such data are acquired. Paisley, "retired" but still a consultant to the CIA, disappeared while sailing his sloop "Brillig" on Chesapeake Bay last September.

When a body, shot in the head, washed ashore several days later, it could not be positively identified either from fingerprints or dental records. But the CIA claimed that "Paisley" had "committed suicide." Paisley's wife of more than 20 years does not believe the corpse, which she was never allowed to view and which was soon cremated, was that of her husband. The Maryland police handling the case are not sure, either. Nor are they certain of the cause of death. Therefore, they have not yet closed their file on the case.

Furthermore, there are many other curious circumstances associated with Paisley's death. Numerous classified documents—which should not have been in his possession—were found on his abandoned boat and in his bachelor apartment in Washington.

When Paisley's disappearance was first reported, the CIA said he was a former "low-level economic analyst." Later, however, it was learned that he

had been deputy chief of the agency's Office of Strategic Research and had participated in many of the SALT negotiations.

In addition, he had been a member of the "Pipes B Team"—the group assembled by then CIA Director George Bush and headed by Professor Richard Pipes of Harvard to review the CIA's "soft estimates" of Soviet strategic military capabilities.

These facts, plus all the anomalies surrounding the case, have raised profound questions in the minds of intelligence experts. Was Paisley's death suicide or murder? If he was murdered, who did it? And why? Was he a Soviet spy, a KGB "mole" who had burrowed deep inside the CIA?

As a result, the Senate Select Committee on Intelligence has quietly ordered an investigation into the mysterious death of John Paisley—and the CIA's internal security system.

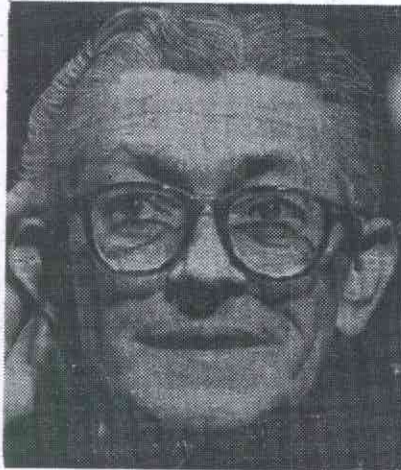
KAMPILES TREASON

The other incident which has set Washington's intelligence community on edge is the William Kampiles affair. A young, former low-level officer in the CIA's Watch Office (Operations Center), Kampiles stole a copy of the KH-11 spy satellite manual just before he resigned from the agency. A few months later in Athens, Greece, he sold the document—compromising one of the nation's most valuable reconnaissance systems—to the KGB for \$3,000.

The CIA, however, only learned of the theft months afterward, when Kampiles returned to the agency's headquarters in Langley, Va. to promote himself as a possible double agent against the KGB. He was arrested, tried, and convicted late last year.

But during the damage assessment of the case, it was learned that several other copies of the KH-11 manual were missing from the CIA, as well as many other sensitive documents relating to U.S. satellite reconnaissance capabilities.

Suddenly, the Kampiles affair was no longer just an odd, isolated incident. What else had he stolen and sold to the Soviets? Was there anyone else in the CIA doing the same thing? And why did the KGB allow Kampiles to expose himself to his former employers? Was KGB protecting a mole, a more valuable spy, inside the CIA?



JAMES ANGLETON

ly Trying



WILLIAM KAMPLES



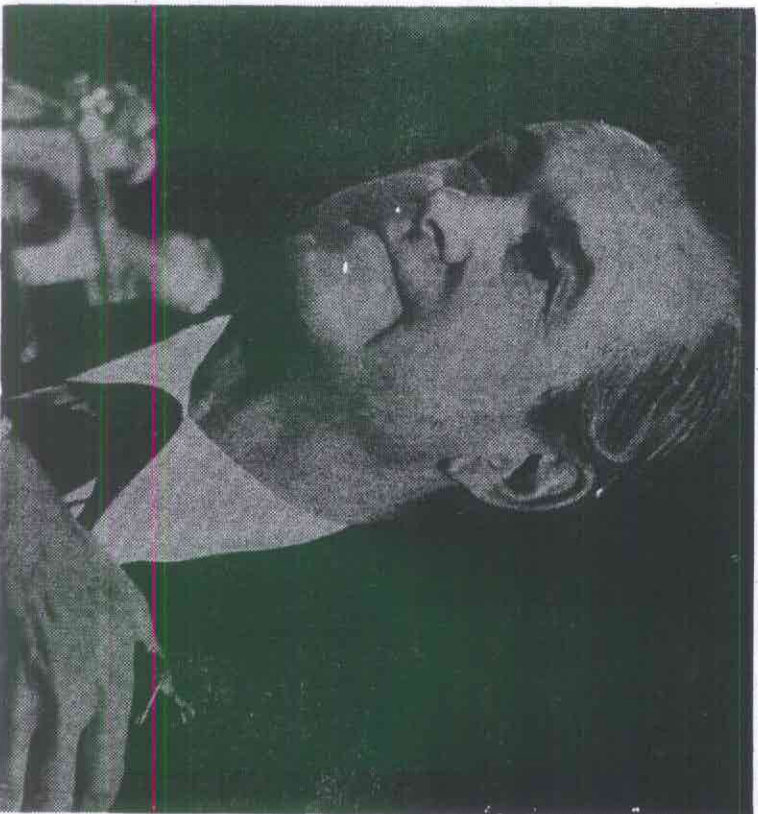
This is the boat owned by John Paisley; he drowned in an "accident"

SPOTLIGHT April 16, 1979-5

to Cover Up Own Spy Scandal



WILLIAM COLBY



Richard Helms, former CIA chief, helped exonerate Nosenko

A couple of weeks after Kampiles was arrested, John Paisley was shot in the head and fell or was pushed overboard from his sloop into the Chesapeake Bay. Is there a connection between the two cases? The CIA denies it. But intelligence experts recall some other strange operations . . . and wonder.

CIA DEEPLY SPLIT

Nicholas Shadrin (originally, Nikolai Aramotov) was a Soviet naval officer who defected to the U.S. in 1959. Years later he became a double agent for the CIA and disappeared while on a mission in Vienna, Austria in December, 1975.

Sources close to the operation differ on what may have happened to Shadrin. Some believe he was captured or killed by the KGB when the Soviets learned he was working against them. Others think he was deliberately exposed to the KGB in a complex spy scheme which backfired, or even that he was murdered by CIA agents because he was secretly planning to defect back to the Soviet Union.

In any event, the case, which involved the CIA, Defense Intelligence Agency, and FBI, has never been solved—despite personal pleas by presidents Ford and Carter to Soviet Premier Brezhnev. The Kremlin boss told the U.S. presidents to look in their own closets for the culprits.

Intelligence experts feel there may be some truth to what Brezhnev has implied. Even White House officials who have worked on the case say privately that the U.S. intelligence agencies are not telling the whole truth. As a result the president's own Intelligence Oversight Board is discreetly investigating—and at least one member of the three-man group believes the intelligence agencies are trying to cover up the Shadrin incident.

A few intelligence experts suspect that Shadrin, who was given U.S. citizenship and made a consultant to the Pentagon, may have been a KGB double agent all along . . . and that is why the U.S.

agencies have been withholding the truth from the White House.

Meanwhile, the case of Igor Nosenko, a KGB officer who defected in 1964, has come under renewed scrutiny—revealing that a deep split still exists among those CIA officers who worked on the operation. One group believes that Nosenko was sent out by the Soviets to cover up the fact that Lee Harvey Oswald, the alleged assassin of President Kennedy, was actually a KGB agent and to plant disinformation in the U.S. intelligence community. Thus, Nosenko was held in a specially built jail and subjected to hostile interrogation for three years. But he never broke, although he was caught in numerous

lies.

The other CIA group accepted Nosenko as legitimate and had him released from confinement. Later, he was made a U.S. citizen and a \$35,000-a-year consultant to the agency, a position he still holds.

ANGLETON ACCUSES COLBY

But last year, the CIA's former chief of counterintelligence, James Angleton, exposed the Nosenko affair, suggesting that the KGB officer's real mission was to disrupt the agency's and FBI's defensive efforts against the Soviet spying. He further suggested that he and several other senior officers who doubted Nosenko were fired by Director William Colby for only that reason. He even implied that Colby might be the KGB mole, or sleeper, Nosenko was attempting to protect.

Since then, Colby and the CIA pro-Nosenko group have stricken back with vengeance. During the hearings of the House Select Committee on Assassinations last fall, the CIA gave Nosenko a clean bill of health—based largely on investigations ordered by former Director Richard Helms and his deputy, Admiral Rufus Taylor. The CIA spokesman, John Hart, a retired chief of station whose wife is now the CIA's chief in London, admitted that Nosenko was a liar—but an "honest" one. Therefore, he was a legitimate defector, but nothing he said could be believed. Hart also insinuated that Angleton and his fellow doubters were fired because they were incompetents. (The CIA has a

nifty way of turning things upside down.)

For good measure, the agency loyalists leaked a story only weeks ago to the Establishment press claiming that Angleton himself had been under investigation as a security risk at the time he was fired by Colby.

That there is something seriously wrong with the CIA's internal security system cannot be questioned. Adm. Stansfield Turner, present CIA director, said "I won't say there is no mole in the agency." Turner recently instituted new, stringent security measures for all employees—no matter how high their rank. And he has launched an investigation, headed by Cleveland Cram, another retired chief of station, into the secret agency's past and present dealing with the KGB.

ANOTHER COVER-UP

Cram's "investigation" is likely to produce nothing more than another cover-up. The higher up the Soviet mole is in the CIA, the more political protectors he probably has in the White House and the Eastern Establishment—and, therefore, the less likely it is that he will ever be exposed.

This is not the first time that the question of KGB moles in the CIA has been an issue. There have been many Soviet double agents dispatched to the U.S. and naively accepted as "legitimate defectors." And there have been security investigations in the past of senior officers thought to be working for the enemy. But, always, everything has been swept under the rug of secrecy.

Still, one cannot dismiss the fact that the KGB has been able to penetrate all the leading intelligence agencies of the western world, or that the Soviets have been able to plant spies in the State Department, the military intelligence services, the National Security Agency, on the Joint Chiefs of Staff and, according to *The SPOTLIGHT* (Nov. 13, 1978) even in the White House. All things considered, it is only logical and prudent to assume that Moscow has had the same success with the CIA. But you may never know, because the agency and its allies in the media and elsewhere



GEORGE BUSH

will cover up such a gross failure and embarrassment.

And meanwhile, it's business as usual between the CIA and KGB. CIA officers working out of the embassy in Moscow are caught red-handed and released without publicity. KGB officers operating out of the UN are trapped by the FBI, convicted, and released on bail—never to be seen again.

And the spy trades between the two clandestine services continue. Last summer, a low-level American agent, a college student captured in East Germany, was traded for an important Soviet illegal (a KGB officer with a false identity) and an Israeli agent caught in Mozambique while working with (or against?) Rhodesia and South Africa. It was a strange trade, especially when one realizes that the man behind it all was not Wolfgang Vogel, the famous East German spy trader, but rather Samuel Flatto-Sharon, a member of the Israeli Knesset and a criminal who escaped from France before he could be prosecuted for embezzlement and check fraud.

Such are the mysteries of the international spy game. ♣



STANSFIELD TURNER