

## Spy Wars

# Experts Fear That U.S. Loses Espionage Battle With the Soviet Union

They Say Russians Penetrate CIA Security; New Reins Could Further Hurt U.S.

Moles in a Hall of Mirrors

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 WASHINGTON—The Central Intelligence Agency's station chief in Katmandu, Nepal, some years ago liked to invite his local counterpart in Soviet military intelligence over to the house for dinner.

It wasn't idle socializing: The CIA officer was trying to recruit the Soviet official to spy for the U.S. The Russian, a military officer named Pecherov, happily accepted the invitations. For Mr. Pecherov was also trying to recruit the CIA's man. In the end, the Katmandu affair proved to be a stalemate.

Every day, around the world, such espionage games are being played out between U.S. and Soviet intelligence services. These spying operations can become crucial when a U.S.-Soviet crisis arises, such as the current commotion over Soviet troops in Cuba. But even when relations are calm, both sides are quietly working to place "moles," penetration agents, within the opposing spy service; and to pry loose the other side's most vital secrets.

What concerns many U.S. intelligence experts is growing evidence that the Russians have been winning this covert war. They cite examples of an aggressive Soviet espionage effort that over the years has compromised U.S. spy-satellite technology, penetrated CIA security and subverted the agency's operations. These experts contend that new controls on U.S. counterintelligence, such as have been discussed by Congress, could further weaken U.S. defenses against Soviet spies.

"I'm worried that the thread will keep unraveling until there isn't any sweater left," says former CIA director Richard Helms.

### Dangers of Soviet Intelligence

Current CIA officials won't discuss the Soviet spy threat in any detail. But former intelligence officials describe a series of cases that, in their view, illustrate the dangers of Soviet intelligence to U.S. security:

—A Soviet mole, code-named Sasha, once burrowed his way into the CIA's "Soviet-bloc" division, these intelligence officials say. The existence of such a mole was mentioned by several Soviet defectors, but investigators here could never make a final determination about his identity. One prime suspect is a former Russian-born agent for the CIA who was based in Berlin during the 1950s and who helped train U.S. spies who were sent into the Soviet Union. The man was later photographed entering the Soviet embassy here. But he was never formally charged by the U.S., and he now lives in Virginia as an American citizen.

—Soviet spies have recently obtained some of the most precious U.S. secrets—including details about America's methods of verifying Soviet compliance with the strategic arms-limitation treaty—by bribing disaffected young Americans. Last year, a young man who had worked briefly for the CIA was convicted for selling the Russians a manual describing a top-secret U.S. spy-satellite system, known as the KH-11. And in 1977, a former employe of TRW Inc. was convicted for selling the Russians information about classified TRW projects; intelligence officials fear he may have revealed U.S. systems for monitoring Soviet missile development.

—CIA operations within the Soviet Union in recent years have been hamstrung by blown covers and by Soviet deception. In July 1977, the Russians grabbed a CIA officer named Martha Peterson as she was planting a cache of equipment for a CIA agent in Moscow. Several prominent intelligence experts wonder whether the Russians were tipped off about Miss Peterson's mission by a mole within the CIA. These former intelligence officials also believe that during 1975 and 1976, the CIA was duped into recruiting as an agent a supposedly dissident Soviet doctor, named Sanya Lipavsky, who was actually under Soviet control.

—Soviet spies have infiltrated the United Nations Secretariat, according to Soviet defector Arkady N. Shevchenko. Mr. Shevchenko, who was a prominent Soviet diplomat at the UN until he defected last year, told a British interviewer recently that the UN has become "the most important base of all Soviet intelligence operations in the world." He contends, for example, that a Soviet special assistant to UN Secretary-General Kurt Waldheim is a Soviet mole and that the chief of personnel at the UN's offices in Geneva is also a "high-level" Soviet intelligence officer.

The Russians also may have placed an agent within the Federal Bureau of Investigation, according to the late William Sullivan, who served for many years as chief of FBI counterintelligence. In a recently published book written before he died, Mr. Sullivan said that when he left the bureau in 1971, he was convinced that a "Russian spy" in the FBI's New York office had blown the cover of a major FBI counterintelligence operation.

These and other examples, intelligence experts say, attest to the skill of the principal Soviet spy service, the KGB. Says Mr. Helms, the former CIA director: "You can say what you like about the Russians: that their agricultural system doesn't work or that they're too bureaucratic. But there's no country in the world that understands intelligence better. The KGB is a damned good organization."

The KGB's recent success stories lead some U.S. intelligence people to wonder whether the CIA and the FBI are equal to the challenge. Both U.S. agencies have been battered by public criticism in the last several years for past misdeeds, and morale—especially at the CIA—is sagging. What's more, many intelligence officials fear that the public's aversion to the agencies' use of dirty tricks and secret snooping could lead Congress to enact a new legislative charter for U.S. intelligence that would place excessively severe limits on FBI and CIA activities. (Such counterintelligence legislation would supplement the FBI's new charter.)

These officials maintain that such criticized methods as wiretaps and mail openings may be necessary to crack certain spy operations. They cite as an example what the FBI believes is a KGB network of so-called illegal agents that may be operating within the U.S., handling such sensitive intelligence chores as recruiting informers to work inside U.S. defense contractors. Unlike "legal" KGB officers, who typically are in the U.S. under Soviet diplomatic cover, these "illegal" agents usually hold passports from various countries.

Critics of the FBI contend that the agency didn't have much luck combating such "illegals" even when it could bug offices and open mail of suspects.

The spy war is further complicated by what former intelligence officers contend is a pattern of Soviet "disinformation"—planted by the KGB to confuse and demoralize U.S. intelligence. The CIA, of course, tries similar ploys, with some success. A CIA official even boasted, years ago, of the agency's ability to plant stories around the world and play the press like a "mighty Wurlitzer."

Soviet deception, however, tends to be more subtle; and for the CIA, it can create a kind of paranoia, in which every event seems part of a larger, sinister puzzle.

Take the case of the Soviet mole Sasha. For nearly 20 years, the man suspected of spying for the Russians under this name has been living in a Virginia suburb of Washington, quietly managing a small business with his wife. By his own account, he was one of the CIA's "best men in operations" while he was a contract agent, handling some of the agency's most sensitive spy missions from his base in West Berlin.

Was this man actually a Soviet agent? He denies the allegation. And the FBI, despite months of interrogation, has never been able to reach a final conclusion. The case file on him remains open; one former intelligence official says sardonically that he doubts the case will be resolved "until the KGB has a freedom-of-information act." Meanwhile, any judgments about Sasha's true identity must hinge on the interpretation of a strange series of interlocking cases.

The existence of a Soviet mole with the code name Sasha was first mentioned in 1962 by a KGB defector named Anatoli Golitsin. Mr. Golitsin had heard tales from his former colleagues in the KGB about Sasha's exploits, and he thought this Sasha had worked as a contract agent for the CIA in West Germany. But he wasn't sure of the man's identity.

#### Suspicious of a Plant

Two years later, Sasha was mentioned by another KGB defector, named Yuri Nosenko. But Mr. Nosenko's information about Sasha pointed in an entirely different direction, away from any relationship with the CIA. Mr. Nosenko's version came to be doubted; CIA officials, after analyzing many of his statements, suspected that he was a Soviet plant.

Then, in 1966, a third KGB official, who called himself Igor, contacted the CIA while he was on temporary assignment in Washington—offering to serve as a CIA mole within the KGB. According to one account, Igor did more than simply identify Sasha as the former contract agent living in Virginia. He said that because this man was a prized "ideological" agent (as opposed to a crass-mercenary one), the KGB hoped to arrange his defection from the U.S. to Russia.

Igor even helped provide hard evidence. He told his interrogators that if the FBI checked its records of surveillance at the Soviet embassy in Washington, it would find a photograph of Sasha entering the embassy by the back door. The FBI checked its files, and sure enough, there was a photo of the former agent who is living in Virginia. (The suspected Sasha concedes, in an interview that he had visited the embassy, but he says his purpose there was innocent.)

The Russians never brought Sasha back home, and Igor never convinced some CIA officials that his offer to spy for the U.S. was genuine. Although the CIA maintained contact with him when he returned to Moscow, the Agency felt he should be treated with extreme caution.

(Despite these suspicions, the U.S. al-

lowed Igor in 1966 to pretend to "recruit" as a Soviet agent a Russian naval officer who had defected to this country in 1969 and was living here under the name Nicholas Shadrin. The CIA and the FBI hoped that the controlled Igor-Shadrin relationship would yield information about KGB operations in the U.S., but the gambit ended in disaster in 1975, when Mr. Shadrin disappeared in Vienna while making contact with his Soviet handlers.)

#### Hall of Mirrors

As these spy tales suggest, the world of intelligence sometimes resembles a hall of mirrors, where it is impossible to tell images from reality.

One intelligence expert says that it wasn't until 1968, for example, that U.S. officials had conclusive evidence that a Russian based in Istanbul who headed a supposedly anti-Soviet network during World War II—and passed voluminous military information to the German high command—was actually a KGB agent. If so, the Russians apparently were willing to jeopardize thousands of their soldiers to preserve the credibility of this agent—so that he could plant false information at a crucial moment.

The suspicion about Soviet intelligence activities can sometimes get out of hand, however. Some former CIA officials contend that happened during the 1960s, when a search for Soviet moles within the CIA nearly paralyzed the agency's own intelligence-gathering operations.

The web of internal suspicion had become so tight at the agency by the late 1960s, one CIA official remembers, that direct permission was required from the head of the agency's clandestine service simply to arrange a letter drop for an agent in Moscow. "We were so convinced that everything was controlled by the KGB that we never had the heart to start anything," this official recalls. The Russians, he says, were viewed as "10 feet tall" and "too smart for us."

Former CIA Director William Colby argues that excessive counterintelligence worries were hindering the CIA's effectiveness. "Every director was doubted, every potential agent was doubted," he remembers.

Despite all the intrigue and suspicions, there apparently are certain rules to be followed in the spy business. Howard "Rocky" Stone, the CIA officer who tried to recruit his Soviet counterpart in Katmandu, discovered that such rules can be enforced when necessary. While he was stationed in Nepal, Mr. Stone took a vacation with his wife to Bombay, India, to attend a Catholic Eucharistic conference. When he arrived in Bombay, he found his name plastered across the cover of an Indian magazine called Blitz,

which identified him as a U.S. "master spy."

Mr. Stone was furious. This was the latest in a series of stories that Russians had been planting about him for nearly a decade, and it threatened to endanger his family and destroy his effectiveness in Nepal. Mr. Stone discussed the matter with Richard Helms, then director of the CIA's clandestine service.

"Tell the Russians in Katmandu to knock it off," Mr. Helms said. "Tell them that if they don't, we'll hit them all over the world" by exposing Soviet agents. The Russians got the message, and Mr. Stone's name was never planted in the press again.