

With Extremism and Explosives, A Drifting Life Found a Purpose

By SARA RIMER

Terry Lynn Nichols had always done pretty much what was expected of him. He was predictable, accommodating. He stayed close to home, in rural Michigan, where he was raised on a farm. Then, at age 33, when few men do such things, he surprised everyone and joined the Army. He was the oldest man in his platoon; the other recruits called him grandpa.

He was an unhappy husband, a man adrift, in search of direction and, perhaps, adventure. His childhood dreams of becoming a doctor had long since vanished; he dropped out of college after one term. He had briefly tried farming with his older brother James, but found him stubborn and overbearing. He had dabbled in real estate, but did not take to that, either. His marriage to his first wife had broken up, too, after nine years. Neighbors said Mr. Nichols

Clinton Wants Tough Laws

President Clinton used his weekly radio address to criticize Senate efforts to weaken his package of anti-terrorism measures. Page 13.

The Second Suspect

A special report.

seemed content to stay home with the children and bake bread.

Even the Army did not last. Less than a year after he joined, he asked to be given a hardship discharge, apparently to deal with child care problems connected with his divorce. But that single year in the Army was to transform Mr. Nichols's life.

It was there that he met Timothy James McVeigh, a New Yorker from near Buffalo who had enlisted on May 24, 1988, the same day as Mr. Nichols. Although Mr. McVeigh was 13 years younger, the two men were drawn to each other "like magnets," one of their fellow soldiers recalled later. Mr. McVeigh became Mr. Nichols's best friend.

Now they are together again, in separate cells in a Federal penitentiary in El Reno, Okla., the only ones charged so far in the bombing of the Oklahoma City Federal Building on April 19. If convicted of the explo-

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sion, which claimed 167 lives, the two former soldiers will face the death penalty.

Out of their friendship and their shared beliefs, investigators say, grew conspiracy and commitment and a deadly sense of purpose.

From the beginning, it was clear they had much in common, despite the differences in their ages. Both were from broken homes. Mr. McVeigh was 10 when his parents first split up; Mr. Nichols was 18. Mr. McVeigh's father was an auto worker; Mr. Nichols's father was a farmer who moonlighted on the auto assembly lines of Flint, Mich.

There was something else they shared, too: a profound distrust of their Government. Before enlisting, according to his former wife and acquaintances, Mr. Nichols was a reader of survivalist magazines who stockpiled his own food in the event of nuclear war and kept his savings in gold and silver bullion. Mr. McVeigh had a passion for guns and an intensity that was fueled by extreme-right and survivalist literature he began reading in the Army.

Three years after leaving the Army, Mr.

Nichols tried to renounce his citizenship, and, in a letter to a county clerk in Michigan, returned his voter registration card, saying that "the entire political system from the local government on up thru and including the President of the United States, George Bush," was corrupt. He declared himself "a nonresident alien, non-foreigner, stranger to the current state of the forum," using language of the extreme right that some trace to the movement known as the Posse Comitatus.

While an increasingly sharp picture of Mr. McVeigh has emerged in the weeks since the bombing — the brooding loner, the gun fanatic, the Desert Storm combat veteran turned right-wing crusader — the portrait of Mr. Nichols remains ambiguous and more complex.

In some ways, Mr. Nichols led a double life in the last year or so. On the surface, he seemed to those who knew him like the same old Terry Nichols: quiet, nondescript, not particularly successful, a man trying to hold his family together as he made yet another new start in Kansas.

But if affidavits prepared by prosecutors are to be believed, Mr. Nichols was a man on a secret mission, a bomb builder who used a string of aliases last fall as he went about methodically amassing 4,000 pounds of ammonium nitrate fertilizer, ground ammonium nitrate and diesel fuel — the ingredients of a fertilizer bomb — in rented storage lockers across Kansas.

Prosecutors also point to a letter he wrote to Mr. McVeigh on or about Nov. 22. In it, he told Mr. McVeigh that he would get the letter only in the event of his death, that he should clean out the storage lockers, that he would then be on his own and that he should "Go for it!!"

While his neighbors and even some of his friends may not have realized it at the time, Federal prosecutors now say Mr. Nichols's meandering life — a series of false starts and unhappy endings — took on a new direction in the months before the bombing. In league with Mr. McVeigh, they say, this otherwise ordinary and unremarkable man, one of life's forgotten people, began to conspire actively to commit the nation's worst terrorist act. If Mr. Nichols did join Mr. McVeigh in constructing the bomb that destroyed the Federal Building, it may have been the only plan of action he ever carried through, from beginning to end.

The Thumb

An Urge to Leave Bland Landscape

Michigan's thumb, so called because of its place on the map of the mitten-shaped state, is like Mr. Nichols's life — an utterly ordinary landscape. Its straight roads intersect in grid patterns, its flat fields of beans, corn and sugar beets unfold forever, broken only by silos, white clapboard farmhouses,

church steeples and occasional truck stops. Though the southern edge of the thumb is only 60 miles from Detroit, people say they are from the thumb as if they lived in a separate state.

Terry Nichols was born there 40 years ago, in Lapeer, a town of 8,000, 20 miles east of the auto center of Flint, where his father, Robert, worked when he was not farming.

Terry was the third of three sons, with a younger sister. He was in the Boy Scouts. The children helped their parents on the farm.

Robert Nichols, now 70 and still farming, said his children knew what was expected of them. "If you do something wrong, you better admit to it, and you will probably get punished," he said in a telephone interview from his home in Imlay City, about 15 miles east of Lapeer. "But if you don't admit to it, and you lie to me, and I find out, which I will do, your punishment is going to be far worse."

Life seemed as clearly defined as the rows in the fields. There was little to remark about Terry Nichols, except that he was shy. A high school classmate, Tim Butterfield, recalled recently, "If you talked to him, his face would turn red."

The young Terry did not want to be a farmer like his brother James, Robert Nichols said: "From the time he was seven, he wanted to be a doctor. I encouraged him."

After graduating from Lapeer High School in 1973, with average grades, he went to Central Michigan University in Mount Pleasant but dropped out after just one term. Around the same time, his parents divorced, a split so acrimonious that to this day they do not speak.

Mr. Nichols's first wife, Lana Padilla, said he dropped out to play the dutiful son. "His mother needed him on the farm," she said. "They had a lot of acreage, and so he came home to help."

But like so many aspects of Mr. Nichols's

life, there is another version of why he dropped out. A relative who spoke on condition of anonymity said Mr. Nichols's mother had offered to pay for him to continue his schooling, but he was intimidated and overwhelmed by college life. The relative said that Mr. Nichols, who by all accounts had not dated in high school, was appalled by what he considered to be the promiscuous sex in his dormitory.

By January 1974, at age 19, Mr. Nichols, the only person in his family to have gone to college, was back home on the farm. At age 21, he was farming with James, 40 miles north in Decker, Mich. In a way, though, Decker was still at home, since the 160 acres the brothers were farming there belonged to their mother.

When it came to farming, the brothers, who were only a year apart in age, did not get along. "James was overbearing," their father said recently. "Terry's ideas were not worth considering."

This period is the closest thing to a turning point that Robert Nichols can identify in

his youngest son's life. "Terry was dissatisfied," he said. "He started to wander."

His first foray was to Denver sometime in the late 1970's, said the father, who has not always stayed in touch with his son and is vague about some details. He thinks his son may have worked as a carpenter there, but in a year or so, Mr. Nichols was back in Decker.

The Town

Shallow Roots In a Small World

Decker has one post office, one bar — with the slogan "Where the hell is Decker Bar?" printed across its trademark hats — and 90 people.

The Nichols brothers' world was small. They married sisters, Lana and Kelly Walsh, who had been raised on a dairy farm in Ubly, in the northern part of the thumb.

Mr. Nichols met Lana Walsh, a local real estate broker, when she sold him a small piece of property in the Decker area around 1980. She was five years older, had been married twice before, and had two sons. She had ambitions beyond Decker.

The couple's closest friends were their neighbors, Bob and Sandy Papovich. Mrs. Papovich, a secretary, said: "Where Terry was very quiet, very conservative, Lana never met a stranger."

They were married in 1981. A year later they had a baby, Joshua. Mr. Nichols worked part time at a variety of jobs: real estate, selling life insurance, carpentry, managing a grain elevator.

"He was a house husband," Ms. Walsh, who has since married again and is now Lana Padilla, said in a telephone interview from her home in Las Vegas. "I had a career. He was a wonderful father. He made homemade bread. We made homemade pancakes every Sunday. We canned. We had a big garden. It was a very, very normal, fun, rural life."

But there was another side to Mr. Nichols's life then, Ms. Padilla said. He had long fashioned himself a survivalist, she said, investing in hard assets like gold and silver, stockpiling freeze-dried food in the event of nuclear war and keeping several guns.

"He believed that you had to be prepared for any kind of disaster," she said. "But we were tax-paying, law-abiding citizens. And there were none of the discussions that we are hearing about now."

There was little in Mr. Nichols's behavior that distinguished him from his brother James or from his other neighbors around Decker, some of whom were also stockpiling food and reading survivalist literature.

Bob Papovich, for one, said he did not think that Mr. Nichols was strange. In fact, he said, he shared many of Mr. Nichols's conservative political views. Mr. Papovich, a sign painter who is a self-proclaimed

libertarian, said he was a regular reader of The Spotlight, a publication of the Liberty Lobby, an extreme-right organization whose premise, among other things, is that the Holocaust was a hoax. The Nichols brothers were also Spotlight readers, neighbors say.

In 1983, Mr. Nichols attended his high school reunion in Lapeer. In a questionnaire he listed his higher education as "the school of hard knocks." Within five years, he wrote, he intended "to become financially independent."

It was a wildly unrealistic goal, like so many others. By 1985, his income was irregular, at best.

"I didn't know what was wrong," Ms. Padilla said. "I couldn't put my finger on it. He would get up in the morning, and he would be sitting there staring into space. Not angry, just not knowing what he wanted."

"He was lost," she said.

And so, she said, they decided in 1988 that he should leave Decker, and the family, and join the Army — "to get some direction."

The Army

Singled Out For a First Time

Among the men who enlisted in the Army on May 24, 1988, and ended up in the same basic-training platoon at Fort Benning, Ga., three — Mr. Nichols, Mr. McVeigh and Michael J. Fortier — are now figures in the Oklahoma City bombing inquiry.

Mr. Nichols had always been a follower. In the Army, for the first time in his life, he was singled out, if only because of his age. As the oldest, he was made a platoon leader at Fort Benning, then given the coveted job of Humvee driver for his company's commanding officer at Fort Riley, Kan.

His commanding officer, George Hutchinson, recalled: "The vehicle was always ready to go and running. He kept that vehicle immaculate. He took Armor All and really did the tires. After he washed the vehicle, he'd wipe on baby oil to make it shine."

But among his fellow soldiers, Mr. Nichols "really didn't stand out in any way," said

Sheffield Anderson, who was in the platoon.

Still, one member of the platoon looked up to him: Mr. McVeigh, the best soldier in the platoon.

"He was like a puppy with Nichols because Nichols was a platoon leader," said Mr. Fortier of Kingman, Ariz., who is negotiating with Federal prosecutors on a possible plea bargain and has implicated Mr. McVeigh directly.

Most soldiers looked forward to time off — to drinking and parties and meeting women. But not Mr. Nichols, who was married, or Mr. McVeigh. Mr. Nichols was "not a party person," Mr. Anderson said.

Mr. Nichols liked the Army, and Mr. Hutchinson recalled his saying that he wanted to make it a career.

He did not last even a year. His wife had filed for divorce in October 1988, and he was granted a hardship discharge in May 1989. While the military will not confirm it, by all accounts Mr. Nichols left the Army so he could take care of Josh, then 7.

The Wanderer

More Efforts To Start Again

Newly divorced and out of the Army, where he had thrived ever so briefly, Mr. Nichols found himself once again back in Decker.

Lana Nichols's two teen-aged sons also lived with Mr. Nichols and Josh for a while, said his neighbor Sandy Papovich.

He made another try at farming with his brother, but it did not work out any better than it had before. Again he found work as a carpenter. But then, as he had when he joined the Army, he did something surprising: He took off for the Philippines in July 1990.

It seems he was looking for a wife. He had registered with a mail-order bride agency in Cebu City and met Marife (pronounced Mary Fay) Torres, the daughter of a traffic police officer.

Whether Mr. Nichols was looking for a mother for Josh, or whether it was real passion, he and Ms. Torres were married on Nov. 20, 1990, at a Chinese restaurant in Cebu. She was 17 and still in high school.

Ms. Torres remained in the Philippines while Mr. Nichols returned to Michigan to begin the legal process necessary to bring his new wife to the United States.

He was back in Decker in January 1991 when the Persian Gulf war began. While his old platoon fought in the desert, Mr. Nichols watched the war unfold on television.

In May, he pulled up stakes for Henderson, Nev., just outside Las Vegas. He told people he planned to get back into real estate, but once again, nothing worked out as he had planned. When his new wife joined

him in Henderson that June, she was six months pregnant with another man's child, Ms. Torres's mother, Fe Torres, said in an interview at her home in the Philippines.

Mr. Nichols, by all indications, knew he was not the father. Whatever his feelings about the pregnancy, he did not talk about it.

Mr. Nichols did not pull off any real estate deals; as far as anyone knows, he did not even try. Instead, he looked for work as a carpenter. On Sept. 21, 1991, Jason Torres Nichols was born in Henderson. Later that fall, Mr. Nichols returned to Decker with his family.

The Anger Moving Far To the Right

If Mr. Nichols felt his world was spinning out of control, he was hardly alone in Michigan's thumb. In the early 1980's, after a severe flood, farmers throughout the region had lost their land to foreclosures. They had always been staunchly conservative and suspicious of government intrusion. Now many of them blamed the Government for not bailing them out.

By the early 1990's, the anger and resentment against the Government had deepened. New extreme-right groups were springing up in Michigan, and in August 1992, Mr. Nichols made a leap toward the extreme right, sending off his "nonresident alien" declaration to the Evergreen Township Clerk. The declaration, said Daniel Levitas, an expert on extreme-right groups, was an indication of the depth of Mr. Nichols's commitment to the extreme right.

Whether Mr. Nichols and Mr. McVeigh were in touch at the time is unknown. But Mr. McVeigh's anger was also building. He wrote a letter to the editor of his hometown paper in Lockport, N.Y., near Buffalo, on Feb. 11, 1992, complaining of crime, taxes and "out of control" politicians.

He ended his letter this way: "Do we have to shed blood to reform the current system? I hope it doesn't come to that! But it might."

That summer Mr. Nichols made his first court appearance. He had been frugal and conservative — a "tightwad," in the view of his friend and neighbor Bob Papovich. Somehow, though, he had run up nearly \$40,000 in credit card bills.

Some of the bills undoubtedly were for airline tickets. Marife Nichols attended college in the Philippines, her father said, and visited Mr. Nichols several times a year.

The year 1992 apparently had been hard for Mr. Nichols. He had been looking for work, he said in court papers he filed against the credit card company to renounce the bills. And the Government was after him, he declared.

In a letter to the credit card company

explaining his filing of the court papers, he wrote: "I came across some information and in researching it further I have found that your credit, money and contracts are all based upon fraud, etc., as stated in my revocation document."

Mr. Nichols appeared before Sanilac Circuit Judge Donald A. Teeple. Standing at the back of the courtroom, the man who had always been quiet and accommodating, who never seemed to show anger, refused to come forward. He shouted that the court had no jurisdiction over him.

"He was hollering in a loud voice," Judge Teeple recalled. "I informed him that if he didn't keep quiet, I'd send him to jail."

That was all he had to say, Judge Teeple recalled. Mr. Nichols did as he was expected.

The Harvest Extremist Views, And Explosives

That fall of 1993, the Nichols brothers and Mr. McVeigh brought in the harvest. Back from the Gulf war, back in civilian life, Mr. Nichols's old Army buddy, his best friend, had moved into the farmhouse. By this time, both Mr. Nichols and Mr. McVeigh were traveling to gun shows around the country, buying and selling military surplus.

But now was a season of hard work and fellowship. The three men spent their days baling hay, bringing in the corn and planting wheat. Some evenings they went to a bowling alley in Cass City, but mostly they stayed home. Mr. Nichols had a new baby, Nicole, born in August 1993.

The men spent a lot of time talking. Phil Morawski, who has a farm nearby and dropped by regularly, said they often discussed the raid by Federal agents on the Branch Davidian compound near Waco, Tex. the previous April. Mr. McVeigh, who had made a pilgrimage to the site of the compound, blamed the Government for the fiery deaths there on April 19, as did the Nichols brothers, Mr. Morawski said. As it happened, so did Mr. Morawski and Bob Papovich, and a lot of other people in Decker.

Sometimes, to relieve the boredom of farm work, Mr. Morawski said, the men would set off small explosions — "mixtures of mainly household chemicals." What they were doing, Federal agents now say, was building practice bombs. (The Nichols brothers have since been charged with conspiring with Mr. McVeigh to concoct explosives unrelated to the Oklahoma bombing.)

By November, Mr. Nichols was planning another new start. He began packing up his family for what he said would be a move to St. George, Utah. On Nov. 22, 1993, he got up at 6 A.M., expecting a truck to haul away corn to market, he told police officers later.

Around 6:30, he said, he checked on 2-

year-old Jason. The boy had been rusing during the night, he told officers.

At 9 A.M., while he was outside waiting for the truck, according to a sheriff's report, he was summoned him inside. Jason had been found suffocated, with his head and shoulders in a plastic bag.

According to the investigating officer's report: "Terry Nichols was quiet and visibly upset."

Marife Nichols was very distraught, the sheriff's report said, "requesting the police officer to go up and take fingerprints at the house in the bedroom."

"She thought this could not have happened by accident, that someone had to have intentionally done this to her boy," the report said.

The report also said, "It was observed that there were no unusual signs of trauma." The authorities ruled the death accidental.

Among the mourners at the funeral were Mr. McVeigh and the Papoviches.

"We stopped at the funeral home, and stayed with Marife and him three hours," Mrs. Papovich recalled. "They both were devastated."

The New Life

Signs He Found Sense of Purpose

With Jason's death, Mr. Nichols's life took a sharp turn for the worse. His marriage was in trouble. And after a failed attempt to start over in Las Vegas as a construction worker, Mr. Nichols hired on as a ranch hand in Marion County, in central Kansas. Then, out of nowhere, Mr. Nichols seemed to find a sense of purpose, investigators now say.

The owner of the ranch, James C. Donahue, said he found Mr. Nichols hard working and reliable, even if his political views were strange. On March 16, 1994, his new employee submitted an affidavit to the Marion County Attorney seeking to be relieved of the jurisdiction of the Federal Government. The County Attorney said he "put it in my weirdos file."

That summer Mr. McVeigh, who was living in Kingman, Ariz., selling guns and military surplus on the side, visited Mr. Nichols at the ranch, Mr. Donahue said. Mr. Donahue's grown sons said Mr. McVeigh also stayed with Mr. Nichols for three or four days at the end of September to help him move out. Earlier in the month, Mrs. Nichols had told a neighbor that that she was planning to leave her husband for good and to take their child to the Philippines. She complained that she was often treated more like a cook and a maid than a wife. She left that fall. Mr. Nichols quit his job on Sept. 30, telling one of Mr. Donahue's sons that he was going into business with Mr. McVeigh

selling guns and military surplus.

That same day, Federal investigators say, Mr. Nichols, using an alias, purchased 40 50-pound bags of ammonium nitrate fertilizer from the Mid-Kansas Cooperative Association in McPherson, Kan. According to the affidavit laying out the Government's case against Mr. Nichols, he then began leading a double life as a bomb builder, using aliases to rent three storage sheds and

** Nichols*

buying another ton of ammonium nitrate fertilizer between Oct. 17 and Nov. 7.

Two people who have spoken with Mr. McVeigh in prison have said that he has privately admitted planning and executing the bombing and selecting the target. Mr. Nichols has not acknowledged playing any role in the explosion. Yet there is a growing suspicion among Federal investigators that Mr. Nichols may have been primarily responsible for building the bomb.

Two weeks after Federal agents say he made his second purchase of ammonium nitrate, Mr. Nichols went to Las Vegas and visited briefly with his former wife and his son Josh. He left with her the sealed letter instructing Mr. McVeigh to "Go for it!!" in the event of his death. Then he flew to the Philippines to see his family, and was back

by the beginning of January.

The same man who investigators said was now acquiring the ingredients of a bomb started shopping for a house for his family in Herington, a tiny railroad town about 30 miles north of the ranch he had worked on. On Feb. 20, Mr. Nichols closed on a \$28,000 one-story house, with a tiny lawn and a garage, at 109 South Second Street, not far from where Mr. McVeigh lived in 1991 while stationed at Fort Riley.

On March 17, Mrs. Nichols, at the request of her husband, returned from the Philippines carrying \$4,000 in cash and 10 gold coins that they had been keeping. A month later he made two purchases of diesel fuel, another bomb ingredient, Federal officials say.

Mr. Nichols has told investigators that on

April 16, three days before the bombing, Mr. McVeigh called him from Oklahoma City, saying he needed a ride back to Junction City. Federal officials suspect Mr. McVeigh was stashing his getaway car at the time. Federal agents say Mr. Nichols told them that on the way back Mr. McVeigh confided that "something big was going to happen."

Mr. Nichols's lawyer, Michael E. Tigar, said the trip had a mundane purpose. He said that Mr. McVeigh had called Mr. Nichols and told him that he was having car problems in Oklahoma City and was carrying Mr. Nichols's television set in the car. Mr. McVeigh had picked up the set from Mr. Nichols's former wife in Las Vegas.

On the day that the Government believes the bomb was mixed at a lake near Herington, a pickup believed to be that of Mr.

Nichols was seen parked near a Ryder truck there, investigators say. But Mr. Tigar says Mr. Nichols had lent his truck to Mr. McVeigh and was at an auction that day.

Prosecutors acknowledged that they had no evidence that Mr. Nichols accompanied Mr. McVeigh to Oklahoma City on April 19, the day of the bombing.

Two days after the explosion, Mr. Nichols was at home, spreading fertilizer on his lawn by hand, a neighbor, Geraldine Hodson, said. "I thought, 'Oh, boy, he's going to have a good lawn,'" she said.

That same afternoon, Mr. Nichols walked into the Herington police station, saying he had heard his name on news broadcasts and wanted to talk to somebody.

In subsequent searches of his house, Federal agents found the materials for a bomb

of the type used in Oklahoma City, plus five 60-foot cords with nonelectric blasting caps, one fuel meter, and several containers of ground ammonium nitrate. They also found four white barrels with blue lids made from material resembling the blue plastic fragments found at the bomb scene, 33 firearms and an anti-tank weapon, plus numerous books, pamphlets and brochures dealing with the Waco siege, tax protesting and anti-government warfare.

Mr. Nichols was initially held as a material witness to the bombing. On May 10, he was charged with direct involvement in the attack.

Mr. Nichols, the farmer's son who did not want to be a farmer, is in a Federal prison in Oklahoma, far from the Michigan fields he had so often before failed to escape.

Man in the Background at the F.B.I. Now Draws Unwelcome Attention

By STEPHEN LABATON

WASHINGTON, May 27 — For years, Larry A. Potts toiled quietly at the headquarters of the Federal Bureau of Investigation, occasionally working 36 hours at a stretch to engineer some of the bureau's greatest successes.

Now he finds himself in the spotlight, suddenly and uncomfortably: ranking Republicans in Congress have questioned his handling of operations that proved to be two of the F.B.I.'s biggest fiascoes. One was the raid two years ago on the Branch Davidian compound near Waco, Tex., that led to a fire leaving most of the Davidians dead. The other, the year before, was the standoff with Randy Weaver, a white separatist wanted on weapons charges, at his cabin at Ruby Ridge, Idaho, where an F.B.I. sniper fatally shot Mr. Weaver's wife.

Law-enforcement officials say that anger over the Government's actions at Waco and Ruby Ridge

Waco and Ruby Ridge stubbornly refuse to fade away.

may have motivated those involved in the bombing of the Federal Building in Oklahoma City, whose investigation Mr. Potts is also overseeing.

To all but the closest of F.B.I. watchers, Mr. Potts would seem one of many faceless desk agents at the J. Edgar Hoover Building here, an unlikely symbol of any possible excess of the Federal Government. But for years he has wielded considerable power, first as an Assistant Director and now as Deputy to Director Louis J. Freeh. And with the Oklahoma City bombing focusing new attention on the complaints of right-wing paramilitary groups, his decisions of years past are themselves drawing new, critical scrutiny.

It was a reflection of Mr. Potts's participation in some of the biggest triumphs and tragedies of the F.B.I. that Mr. Freeh, in a single stroke earlier this year, both censured him for what the Director called a "failure of management" in the Ruby Ridge standoff and then declared an intention to promote him to the bureau's No. 2 position. Attorney General Janet Reno approved the promotion earlier this month.

Mr. Freeh said he was disciplining Mr. Potts for carelessness in supervision of the Federal agents at Ruby Ridge, where the siege had been touched off by a shootout in which a United States marshal and Mr. Weaver's son were killed. At issue in

Mr. Potts's censure was the hasty and, the bureau later found, improper relaxation of the F.B.I.'s policy on when deadly force may be used. It was after that relaxation that an F.B.I. sniper shot two people at the Weaver cabin, one of them Mr. Weaver's wife, Vicki, who was killed by a single shot to the head while standing in a doorway, her baby in her arms.

Under the bureau's lethal-force rules, agents may use their weapons only if they reasonably perceive an imminent danger of serious bodily harm. But the rules were rewritten during the Ruby Ridge siege to authorize the shooting of any men seen near Mr. Weaver's cabin with weapons in their hands. One agent interviewed by the bureau after the standoff said the change had been interpreted to mean, "If you see 'em, shoot 'em."

In the official record, Mr. Potts's role in the easing of the rules is disputed and quite muddled. Mr. Freeh has said his review found that Mr. Potts had simply failed to read the change, which had been proposed by agents in the field. But the F.B.I. commander on the scene, Eugene F. Glenn, who is now special agent in charge of the bureau's Salt Lake City office, has said that Mr. Freeh's review was a "cover-up intended to protect Mr. Potts and find lower-level scapegoats, and indeed there is evidence that Mr. Potts personally approved the change.

Other officials have said that Mr. Potts knew of the change from telephone conversations between himself and agents at the scene. And, in response to questioning by an F.B.I. agent who looked into the shootings not long after they occurred, Mr. Potts himself acknowledged that he had approved the change and said it had been consistent with broader bureau policy. (Actually, Mr. Freeh later found, it violated various provisions of the Constitution.)

Five months after Ruby Ridge, four agents of the Bureau of Alcohol, Tobacco and Firearms, and an unknown number of Branch Davidians, were killed in a shootout when the firearms bureau raided the group's compound near Waco in an effort to seize its leader, David Koresh, who was wanted for weapons offenses. Another standoff ensued, and Mr. Potts was one of two senior officials who traveled to Texas, viewed the compound and then forcefully told Attorney General Reno that she had no choice but to order the F.B.I. to go forward with a plan for a tear-gas assault on the camp.

Later accounts of her decision-making show that she had been hesitant to approve the assault but did so after meeting with Mr. Potts and other senior F.B.I. officials two days before the operation. A Justice Department review of the Government's handling of the Waco incident did not question the decisions of any senior officials, instead blaming Mr. Koresh for the entire episode, includ-

ing the fire that killed some 80 people inside the compound.

But Congress is now preparing hearings into both Waco and Ruby Ridge, and Speaker Newt Gingrich said recently that Mr. Potts's promotion to Deputy Director might delay Congressional consideration of the Clinton Administration's proposals on fighting domestic terrorism.

And, prompted by a letter from Mr. Glenn, the Ruby Ridge commander who alleged a cover-up, the Justice Department's Office of Professional Responsibility is to open a review.

Finally, a civil suit has also been filed in a Federal court in Idaho naming Mr. Potts as one of several officials who were involved in the lethal-force policy change, which, the suit says, led to the shooting of Mrs. Weaver and Kevin Harris, a friend of the Weavers who was wounded while running into their cabin.

The relationship between the F.B.I. Director and his new Deputy began to blossom five years ago when Mr. Freeh, as the lead prosecutor, and Mr. Potts, as the lead F.B.I. inspector, cracked the case of a serial bomber who had killed a Federal judge in Alabama and a civil rights lawyer in Georgia. Mr. Potts received a commendation from President George Bush for his work on that case and not long afterward was made an Assistant Director.

Mr. Potts declined to be interviewed for this article. But in an interview at his office shortly after the end of the Waco standoff, he recalled having watched the fire on television at the bureau's command center in Washington.

"What gnaws at me," he said then, "is that I don't like not being successful. I wanted to see this thing end with those people walking out and no one else getting hurt."

On the day of the fire, he said, he stayed at the office until after 11

'What gnaws at me is that I don't like not being successful.'

P.M., making sure steps were being taken to preserve what was left of the scene. After he arrived home and fell asleep, he received a post-midnight telephone call from Ms. Reno, who had just concluded an appearance on the ABC News program "Nightline."

"She said, 'Listen, I appreciate your approach to this and your support,'" he recalled. "She was very stand-up."

As for the review then planned, he said: "The easy answer is we take a look at it and see if there's anything



Associated Press

In a single stroke earlier this year, Larry A. Potts of the F.B.I. was both promoted and disciplined.

we can learn from it. We are always our worst critics.' But he quickly added, somewhat presciently, that he did not think Waco would have an effect on anyone's career.

Mr. Potts, who has a wife and three children, also said the incident had taken its toll on his family.

Mr. Potts, 47, has been at the F.B.I. for 21 years, rising from an agent whose specialty was white-collar and public-corruption cases. While in the bureau's Cleveland office during the 1980's, he was the case agent assigned to Jackie Presser, then head of the International Brotherhood of Teamsters, who maintained close ties to organized crime. For years, Mr. Presser was also an F.B.I. informer who, by some accounts, manipulated the bureau to shield himself from prosecution.

One case against him, begun in 1982, was halted by Justice Department officials in Washington as an indictment neared in 1985, in part because the bureau had told prosecutors that Mr. Presser's role as an informer would be disclosed at trial. Ultimately, though, Mr. Presser was indicted, although he died in the summer of 1988, before the case was ever resolved.

More recently Mr. Potts reorganized the bureau's investigation of hundreds of failed savings and loan associations, and was one of the senior F.B.I. officials who oversaw a tense standoff between guards and rebellious inmates at a prison in Talladega, Ala., in 1991. The standoff ended with no deaths or serious injuries.

David Nevin, one of the lawyers suing Mr. Potts on behalf of Mr. Harris over the events at Ruby Ridge, said the evidence would show that Mr. Potts had been actively involved in the lethal-force policy change that, Mr. Nevin said, resulted in the shooting of his client and Mrs. Weaver.

In announcing the censure of Mr. Potts, though, Mr. Freeh said that the mistake did not justify denying the promotion and that the error had been only of omission: failing to read a change written in the field.

President Assails Changes In His Anti-Terrorism Plan

By TODD S. PURDUM

WASHINGTON, May 27 — Trying to keep pressure on Congress to pass his anti-terrorism measures, President Clinton warned today that he opposed Senate efforts to weaken his proposals.

The President expressed particular concern over opposition to three of his recommendations, which would expand wiretapping authority, ease the ban on military involvement in law enforcement and require that materials that can be used to make explosives be tagged with particles to make them easier to trace.

Mr. Clinton made his comments in his weekly radio address after the Senate voted on Friday to reject an Administration proposal to allow temporary emergency wiretaps in terrorism cases without a court order. In the wake of the Oklahoma City bombing, Congressional leaders promised to have a bill on the President's desk by Memorial Day, but delays on issues like the budget and disputes on a host of amendments to the anti-terrorism bill now make July 4 a more likely date.

The Senate Majority Leader, Bob Dole of Kansas, and the chairman of the Judiciary Committee, Orrin G. Hatch of Utah, have introduced legislation that contains many of the proposals in Mr. Clinton's \$1.5 billion plan, including the hiring of 1,000 new Federal law-enforcement agents.

But, backed by a bipartisan group concerned about infringing on the civil liberties of domestic political groups, the Republican plan does not go as far as the President wants in expanding wiretapping authority.

Mr. Clinton's public approval ratings have risen significantly since the bombing on April 19, and the White House is eager to keep the initiative on an issue that makes the President appear tough. Some aspects of the House version of the anti-terrorism measure are closer to Mr. Clinton's, and so he is taking pains to make his preferences clear as the legislative debate picks up.

"I disagree with the position of some senators from both parties that three crucial weapons in the fight against terrorism should be stripped from the bill," Mr. Clinton said. "The restrictive view taken by some people in Congress would handicap our ability to track terrorists down, follow them when they move and prevent their attacks on innocent people."

Mr. Clinton particularly cited his proposal to allow investigators to conduct wiretaps on suspected terrorists who move from telephone to telephone, or roving taps, without obtaining a new court order each time. Under current law, agents must demonstrate that a suspect is using multiple lines to avoid detection, and the Republican bill would not change that provision.

"Have you ever heard of a terrorist who wasn't trying to evade the

Looking good in the polls, Clinton tries to keep pressure on the Republicans.

police?" Mr. Clinton asked. "I don't care whether a terrorist is trying to knowingly evade the police. I care that he or she may be trying to plan another Oklahoma City bombing."

On Friday, the Senate began consideration of the terrorism bill by rejecting, 52-to-28, an amendment on a separate wiretapping provision that would have brought the bill closer to Mr. Clinton's version.

The amendment, by Senator Joseph I. Lieberman, Democrat of Connecticut, would have added domestic or international terrorism to the list of suspected activities for which Federal authorities could obtain a 48-hour emergency wiretap without a court order. Such wiretaps are already allowed in suspected organized crime cases, and investigators must then obtain a court order or any evidence gathered is inadmissible.

Mr. Lieberman said the measure, which mirrored Mr. Clinton's original proposal, "gives one more weapon to the folks that are fighting on our side." But Republicans said it was unclear what sorts of activities might prompt surveillance of domestic groups and criticized the measure as too broad.

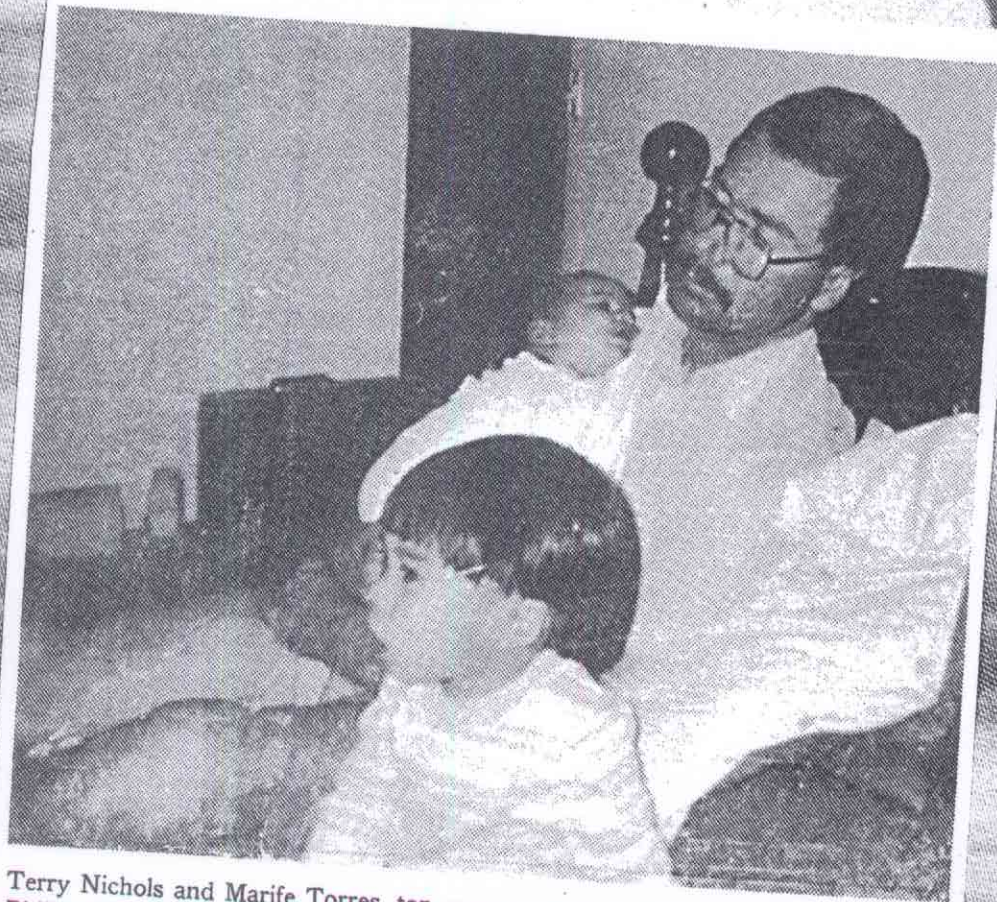
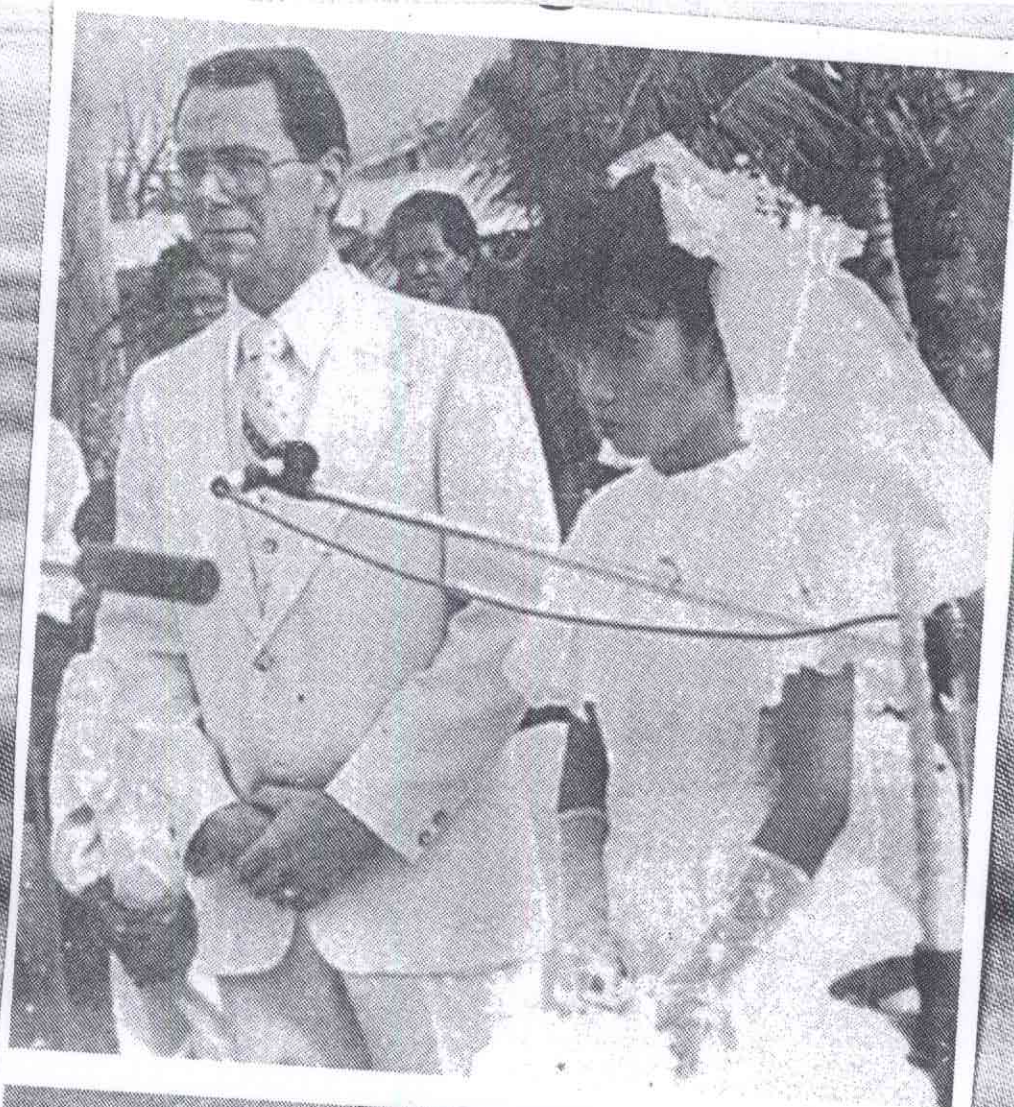
Mr. Lieberman has also said he planned to try to revive Mr. Clinton's proposal for roving wiretaps.

In his address today, Mr. Clinton also complained about the Senate Republicans' refusal to include provisions that would allow the military to give technical help to law enforcement in cases involving chemical or biological weapons; the House version of the bill would allow it.

Currently such cooperation is limited to cases involving nuclear weapons, and Mr. Clinton would leave in place the Federal ban on military involvement in criminal law enforcement that was put in place after Reconstruction-era abuses in the South.

"In general, the military should not be involved in domestic law enforcement in any way," Mr. Clinton said. But he added: "I can't understand how some Senators could actually suggest that it's O.K. to use the military for nuclear terrorism but not to use them for chemical and biological terrorism."

Finally, Mr. Clinton said he strongly disagreed with Senators who would remove his provision requiring that explosive chemicals be "tagged" with tiny particles that would make them easier to trace afterwards. The Senate bill includes such provisions, but the fertilizer industry has opposed them as too



Terry Nichols and Marife Torres, top, were married in a Chinese restaurant in the Philippines in 1990. Nicole, above in Mr. Nichols's arms, was born in 1993, but later that year 2-year-old Jason, in foreground, died. The police ruled the death an accident.